

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Vo

H.B. No. 3117

A BILL TO BE ENTITLED

AN ACT

relating to the reporting of information to claims databases by  
insurers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 5, Insurance Code, is amended  
by adding Chapter 563 to read as follows:

CHAPTER 563. PRACTICES RELATING TO CLAIMS REPORTING

Sec. 563.001. DEFINITIONS. In this chapter:

(1) "Claims database" means a database used by  
insurers to share, among insurers, insureds' claims histories or  
damage reports concerning covered properties.

(2) "Insurer," "personal automobile insurance," and  
"residential property insurance" have the meanings assigned by  
Section 2254.001.

Sec. 563.002. REPORTING TO CLAIMS DATABASE. An insurer or  
an insurer's agent may not report to a claims database information  
regarding an inquiry by an insured regarding coverage provided  
under a personal automobile insurance policy or a residential  
property insurance policy unless and until the insured files a  
claim under the policy.

SECTION 2. This Act takes effect September 1, 2011.

By: Watson

H.B. No. 3117

Substitute the following for H.B. No. 3117:

By: Watson

C.S. H.B. No. 3117

**ADOPTED**

MAY 25 2011

*Atty. Gen.*  
Secretary of the State

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the reporting of information to claims databases by  
3 insurers.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subtitle C, Title 5, Insurance Code, is amended  
6 by adding Chapter 561 to read as follows:

7 CHAPTER 561. PROHIBITED RATING PRACTICES

8 Sec. 561.001. DEFINITIONS. For the purposes of this  
9 chapter:

10 (1) "Customer inquiry" means a telephone call or  
11 other communication made to an insurer that does not result in  
12 an investigation or claim and that is in regard to the general  
13 terms or conditions of or coverage offered under an insurance  
14 policy. The term includes a question concerning the process for  
15 filing a claim and whether a policy will cover a loss unless the  
16 question concerns specific damage that has occurred and results  
17 in an investigation or claim.

18 (2) "Personal automobile insurance" has the meaning  
19 assigned by Section 38.002.

20 (3) "Residential property insurance" has the meaning  
21 assigned by Section 38.002.

22 (4) "Claims database" means a database used by  
23 insurers to share, among insurers, insureds' claims histories or  
24 damage reports concerning covered properties.

1       Sec. 561.002. APPLICABILITY. This chapter applies only to  
2 residential property insurance and personal automobile  
3 insurance, including an insurance policy written by a county  
4 mutual insurance company.

5       Sec. 561.003. CONSIDERATION OF CUSTOMER INQUIRIES  
6 PROHIBITED. An insurer may not base, wholly or partly, an  
7 adverse underwriting or rating decision on a customer inquiry or  
8 report such an inquiry to a claims database.

9       SECTION 2. This Act applies only to an insurance policy or  
10 contract that is delivered, issued for delivery, or renewed on  
11 or after January 1, 2012. An insurance policy or contract  
12 delivered, issued for delivery, or renewed before January 1,  
13 2012, is governed by the law as it existed immediately before  
14 the effective date of this Act, and that law is continued in  
15 effect for that purpose.

16       SECTION 3. This Act takes effect September 1, 2011.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 26, 2011**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB3117** by Vo (Relating to the reporting of information to claims databases by insurers.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to the reporting of information to claims databases by insurers. Based on the analysis by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, KK, AG, KJG, CH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 21, 2011**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB3117** by Vo (Relating to the reporting of information to claims databases by insurers.),  
**Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to the reporting of information to claims databases by insurers. Based on the analysis by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, AG, KJG, CH

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 20, 2011**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB3117** by Vo (Relating to the reporting of information to claims databases by insurers.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to the reporting of information to claims databases by insurers. Based on the analysis by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, AG, KJG, CH

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 3, 2011**

**TO:** Honorable John T. Smithee, Chair, House Committee on Insurance

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB3117** by Vo (Relating to the reporting of information to claims databases by insurers.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to the reporting of information to claims databases by insurers. Based on the analysis by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, KJG, CH