

BILL ANALYSIS

Senate Research Center
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S.B. 183
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under Section 38.001 (Inquiries) of the Insurance Code, the Texas Department of Insurance (TDI) is authorized to issue a request for information to any insurer in the state and the insurer must respond within 10 days after the date of the request. The Insurance Code permits TDI to request information related to an insurer's business condition or any matter connected with that insurer's transactions that TDI considers necessary for the public good or the proper discharge of its duties. This broad authority can mean that information requests have the potential to be substantial. Due to the amount of time and resources it can take to gather the relevant information, in some instances, 10 days is an inadequate amount of time to prepare a response.

S.B. 183 amends the Insurance Code to give insurers an additional five days to respond to requests for information from TDI. In addition, S.B. 183 requires that TDI keep records of these requests and issue a biennial report detailing all requested information. The report must include a summary of the nature of all inquiries made by TDI, include an estimate of the financial costs of inquiries to recipients, and provide detailed statements of how the inquiries were necessary for the public good or for the proper discharge of TDI's duties.

As proposed, S.B. 183 amends current law relating to certain inquiries made by the Texas Department of Insurance to insurers.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 38.001, Insurance Code, by amending Subsection (c) and adding Subsections (e) and (f), as follows:

(c) Requires a person receiving an inquiry under Subsection (b) to respond to the inquiry in writing not later than the 15th day, rather than the 10th day, after the date the inquiry is received. Requires the Texas Department of Insurance (TDI), if TDI receives written notice from the person that additional time is required to respond to the inquiry, to grant a 15-day extension of the time to respond to the inquiry.

(e) Requires TDI to maintain a record of all inquiries made by TDI under this section.

(f) Requires TDI to provide a biennial report to the legislature that summarizes the nature of all inquiries made by TDI under this section; estimates the financial cost of those inquiries to the recipients; and outlines specifically how those inquiries were necessary for the public good or for the proper discharge of TDI's duties.

SECTION 2. Makes application of the changes in law made by this Act prospective.

SECTION 3. Effective date: September 1, 2013.