

By: Carona
(Sheets)

S.B. No. 733

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Automobile Insurance Plan Association.

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

SECTION 1. Subsection (c), Section 2151.103, Insurance Code, is amended to read as follows:

(c) The association may bring an action to collect an assessment against an authorized insurer that does not pay the assessment within a reasonable time. In addition, the association may report to the commissioner an authorized insurer's failure to pay the assessment to the association [~~commissioner~~]. The commissioner may institute a disciplinary action against the insurer under Chapter 82.

SECTION 2. Subchapter B, Chapter 2151, Insurance Code, is amended by adding Section 2151.057 to read as follows:

Sec. 2151.057. COMMITTEE MEETINGS BY TELEPHONE AND VIDEOCONFERENCE. (a) Chapter 551, Government Code, applies to a meeting of the governing committee.

(b) Notwithstanding Chapter 551, Government Code, or any other law, the governing committee may meet by telephone conference call, videoconference, or other similar telecommunication method for any meeting purpose, including conducting a vote or establishing a quorum, regardless of the subject matter discussed or considered.

(c) A meeting authorized by this section is subject to the

1 notice requirements that apply to other meetings of the governing
2 committee under Chapter 551, Government Code.

3 (d) The notice of a meeting authorized by this section must:

4 (1) specify that the location of the meeting is a
5 location at which at least one member of the governing committee is
6 physically present; and

7 (2) state clear instructions and requirements for
8 electronic attendance by a member of the committee.

9 (e) Each part of a meeting authorized by this section must
10 be audible to the public at the location specified by Subsection
11 (d).

12 (f) Two-way audio communication must be available during
13 the entire meeting between all members of the governing committee
14 attending a meeting authorized by this section, and if the two-way
15 audio communication is disrupted so that a quorum of the committee
16 is no longer participating in the meeting, the meeting may not
17 continue until the two-way audio communication is reestablished.

18 SECTION 3. Subsections (a) and (b), Section 2151.153,
19 Insurance Code, are amended to read as follows:

20 (a) The plan of operation must include an incentive program
21 ~~[programs] to [encourage authorized insurers to write insurance on~~
22 ~~a voluntary basis and to minimize the use of the association as a~~
23 ~~means to obtain insurance.~~

24 ~~[(b) One incentive program must]~~ target underserved
25 geographic areas, which the commissioner by rule shall designate.
26 In designating underserved areas, the commissioner shall consider
27 with respect to an area:

- 1 (1) the availability of insurance;
- 2 (2) the number of uninsured drivers;
- 3 (3) the number of drivers insured through the
- 4 association; and
- 5 (4) any other relevant factor.

6 (b) The plan of operation may include other incentive
7 programs to encourage authorized insurers to write insurance on a
8 voluntary basis and to minimize the use of the association as a
9 means to obtain insurance.

10 SECTION 4. Subsection (a), Section 2151.202, Insurance
11 Code, is amended to read as follows:

12 (a) The association shall file [~~annually~~] with the
13 department rates to be charged for insurance provided through the
14 association for approval by the commissioner.

15 SECTION 5. Subchapter E, Chapter 2151, Insurance Code, is
16 amended by adding Sections 2151.2021, 2151.2022, and 2151.2023 to
17 read as follows:

18 Sec. 2151.2021. FILE AND USE. The association may use a
19 rate, excluding a rate described by Section 2151.2041, on the later
20 of the date specified by the association in the filing or the date
21 the rate is approved or considered approved under this subchapter.

22 Sec. 2151.2022. COMMISSIONER ACTION ON CERTAIN RATE
23 FILINGS. (a) Not later than the 30th day after the date the
24 association files a rate, excluding a rate described by Section
25 2151.2041, the commissioner shall:

- 26 (1) approve the rate if the commissioner determines
27 that the rate meets the standards under Section 2151.201; or

1 (2) disapprove the rate if the commissioner determines
2 that the rate does not meet the standards under Section 2151.201.

3 (b) If the commissioner fails to act as required under
4 Subsection (a) on or before the 30th day after the date the rate is
5 filed, the rate is considered approved on the 31st day after the
6 date of filing unless the approval period is extended under
7 Subsection (c).

8 (c) The commissioner may extend the approval period under
9 Subsection (a) for one additional period not to exceed 30 days. The
10 commissioner and the association may agree to extend the approval
11 period for additional periods not to exceed 30 days. If the
12 commissioner does not affirmatively approve or disapprove the rate
13 before the extended period expires, the rate is considered approved
14 on the day after the date the extended period expires.

15 Sec. 2151.2023. NOTICE OF RATE APPROVAL OR DISAPPROVAL.
16 The commissioner shall give written notice by first class mail or
17 electronic mail to the association of the approval or disapproval
18 by the commissioner of the rate filed under Section 2151.202 or that
19 the rate is considered approved under Section 2151.2022.

20 SECTION 6. Subchapter E, Chapter 2151, Insurance Code, is
21 amended by adding Section 2151.2041 to read as follows:

22 Sec. 2151.2041. HEARING ON CERTAIN RATE FILINGS. If the
23 association files a rate under Section 2151.202 that exceeds 105
24 percent of the current average rate for each coverage written
25 through the association on the date of the filing, the commissioner
26 shall conduct a hearing under Section 2151.206.

27 SECTION 7. Section 2151.205, Insurance Code, is amended to

1 read as follows:

2 Sec. 2151.205. OPPORTUNITY TO REVIEW FILING. Before
3 approving, disapproving, or modifying a filing described by [~~made~~
4 ~~under~~] Section 2151.2041 [~~2151.202~~], the commissioner must provide
5 to all interested persons a reasonable opportunity to:

6 (1) review the filing;

7 (2) obtain a copy of the filing on payment of any
8 legally required copying cost; and

9 (3) submit to the commissioner written comments,
10 analyses, or information related to the filing.

11 SECTION 8. Subsection (a), Section 2151.206, Insurance
12 Code, is amended to read as follows:

13 (a) Not later than the 45th day after the date the
14 department receives a filing described [~~required~~] by Section
15 2151.2041 [~~2151.202~~], the commissioner shall schedule a hearing at
16 which interested persons may present written or oral comments
17 relating to the filing.

18 SECTION 9. Section 2151.208, Insurance Code, is amended to
19 read as follows:

20 Sec. 2151.208. AMENDED FILING. The association may file
21 with the commissioner an amended filing to comply with the
22 commissioner's comments not later than the 10th day after the date
23 the association receives the commissioner's written disapproval
24 under Section 2151.2023 or 2151.207.

25 SECTION 10. This Act applies to a rate filing made under
26 Subchapter E, Chapter 2151, Insurance Code, as amended by this Act,
27 on or after the effective date of this Act. A rate filing made

1 before the effective date of this Act is governed by the law as it
2 existed immediately before the effective date of this Act, and that
3 law is continued in effect for that purpose.

4 SECTION 11. This Act takes effect immediately if it
5 receives a vote of two-thirds of all the members elected to each
6 house, as provided by Section 39, Article III, Texas Constitution.
7 If this Act does not receive the vote necessary for immediate
8 effect, this Act takes effect September 1, 2013.