

1-1 By: Watson S.B. No. 736
 1-2 (In the Senate - Filed February 21, 2013; February 25, 2013,
 1-3 read first time and referred to Committee on Business and Commerce;
 1-4 March 21, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 9, Nays 0; March 21, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 736 By: Watson

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to insurance rating and underwriting practices and
 1-22 declinations based on certain consumer inquiries.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Chapter 544, Insurance Code, is amended by
 1-25 adding Subchapter L to read as follows:

1-26 SUBCHAPTER L. CONSUMER INQUIRY

1-27 Sec. 544.551. DEFINITION. In this subchapter, "consumer
 1-28 inquiry" has the meaning assigned by Section 551.113 for "customer
 1-29 inquiry."

1-30 Sec. 544.552. APPLICABILITY. This subchapter applies only
 1-31 to a standard fire, homeowners, or farm and ranch owners insurance
 1-32 policy.

1-33 Sec. 544.553. PROHIBITION OF UNDERWRITING AND RATING
 1-34 DECISIONS BASED ON CONSUMER INQUIRY. An insurer may not:

1-35 (1) use an underwriting guideline based solely on
 1-36 whether a consumer inquiry has been made by or on behalf of the
 1-37 applicant or insured; or

1-38 (2) charge a rate that is different from the rate
 1-39 charged to other individuals for the same coverage or increase a
 1-40 rate charged to an insured based solely on whether a consumer
 1-41 inquiry has been made by or on behalf of the applicant or insured.

1-42 SECTION 2. The heading to Section 551.113, Insurance Code,
 1-43 is amended to read as follows:

1-44 Sec. 551.113. DECLINATION, NONRENEWAL, OR CANCELLATION
 1-45 PROHIBITED; CONSIDERATION OF CONSUMER INQUIRY [CERTAIN CLAIMS].

1-46 SECTION 3. Section 551.113, Insurance Code, is amended by
 1-47 adding Subsection (b-1) to read as follows:

1-48 (b-1) An insurer may not consider a customer inquiry as a
 1-49 basis for nonrenewal or cancellation of an insurance policy.

1-50 SECTION 4. This Act applies only to an insurance policy that
 1-51 is delivered, issued for delivery, or renewed on or after the
 1-52 effective date of this Act. A policy delivered, issued for
 1-53 delivery, or renewed before the effective date of this Act is
 1-54 governed by the law as it existed immediately before the effective
 1-55 date of this Act, and that law is continued in effect for that
 1-56 purpose.

1-57 SECTION 5. This Act takes effect September 1, 2013.

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