

BILL ANALYSIS

H.B. 2967
By: Frullo
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A data call is a mandatory request to insurers for specific information with a timeline for completion and is one of the information-gathering tools routinely used by the Texas Department of Insurance (TDI). There are concerns that some data calls used by TDI, whether required by law or developed as part of agency practice, have become outdated or duplicative and are no longer necessary to effectively regulate insurance in Texas. Interested parties note that TDI conducted an internal analysis and identified a number of data calls that can be eliminated or required less frequently without impacting TDI's ability to effectively protect consumers or perform other core functions and, in an effort to be thorough, TDI included legislatively mandated reports and the accompanying data calls as part of the review. H.B. 2967 seeks to address these unnecessary data calls and related reports.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2967 amends the Insurance Code to authorize instead of require the commissioner of insurance to conduct a public hearing each biennium to review rates to be charged for workers' compensation insurance written in Texas. The bill changes from a quarterly basis to an annual basis the reporting requirement for certain property and casualty insurers to file with the commissioner information relating to changes in losses, premiums, and market share since January 1, 1993, and the commissioner's report regarding the information provided in the insurers' reports and regarding market conduct.

H.B. 2967 specifies that, for purposes of the commissioner's rulemaking authority with regards to determining the information required to be included in a rate filing, information necessary to evidence that the computation of the rate does not include disallowed expenses applies to personal lines.

H.B. 2967 repeals Insurance Code provisions relating to the following information: the Texas health benefits study of the disparity in patient copayments between orally and intravenously administered chemotherapies; data collection and reporting relating to HIV and AIDS; liability insurance closed claim reports; data collection relating to personal automobile insurance and residential property insurance claims information; reporting of insurance industry community investments; a statistical plan for periodic claim settlement practices reports; an annual statement

of all amounts collected and expenses incurred for each of the preceding three years of a private purchasing cooperative or health group cooperative; a filing of a small or large employer health benefit plan issuer's geographic service areas; and a summary report of all complaints initiated by enrollees, patients, or health care providers submitted by a utilization review agent.

H.B. 2967 makes the repeal of liability insurance closed claims reporting applicable only to a claim closed on or after January 1, 2016. The bill makes the change from a quarterly to an annual basis with respect to reporting by insurers to, and reporting to the legislature by, the commissioner applicable on or after January 1, 2016.

H.B. 2967 repeals the following provisions of the Insurance Code:

- Section 32.0221
- Subchapters C, D, and I, Chapter 38
- Section 425.107
- Section 542.006(c)
- Section 1501.056(c)
- Section 1501.101(a)
- Section 4201.204(c)

EFFECTIVE DATE

September 1, 2015.