

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 188  
By: Watson  
Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 736 (Watson; SP: Smithee) was passed by the 83rd Legislature to protect holders of a homeowners insurance policy who call and ask a question about their policy and coverage. Current law prohibits such an inquiry from becoming the basis of an increase in rates, cost, or cancellation of the policy. Due to the complexities of the Insurance Code and the insurance market, a large percentage of the market was not included in the legislation last session.

S.B. 188 closes the loophole by expanding the consumer inquiry protections to capture the majority of the market by expressly including a farm mutual, county mutual, Lloyd's plan, reciprocal, and interinsurance exchange.

As proposed, S.B. 188 amends current law relating to certain insurers' insurance rating and underwriting practices based on certain consumer inquiries.

### **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 544.552, Insurance Code, as follows:

Sec. 544.552. APPLICABILITY. Provides that this subchapter applies only to a standard fire, homeowners, or farm and ranch owners insurance policy, including such policies written by:

- (1) a farm mutual insurance company;
- (2) a county mutual insurance company;
- (3) a Lloyd's plan; and
- (4) a reciprocal or interinsurance exchange.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2015.