

BILL ANALYSIS

Senate Research Center

S.B. 189
By: Watson; West
Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 189 protects holders of personal automobile insurance by preventing insurance companies from raising their rates or cancelling their policies if the policy holder asks a question about his/her coverage.

S.B. 189 amends current law relating to certain practices in the business of personal automobile insurance.

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, or a personal automobile insurance policy, including a policy written by a county mutual insurance company.

SECTION 2. Amends Section 551.113(a), Insurance Code, to provide that this section applies only to a standard fire, homeowners, or farm and ranch owners insurance policy, or a personal automobile insurance policy.

SECTION 3. Amends Section 912.002(b), Insurance Code, to provide that a county mutual insurance company is subject to Section 1953.051(b) in addition to certain sections set forth herein.

SECTION 4. Amends Section 1953.051, Insurance Code, as follows:

Sec. 1953.051. CERTAIN RATING PLANS PROHIBITED. (a) Creates this subsection from existing text. Makes no further change to this subsection.

(b) Prohibits a rating plan regarding the writing of personal automobile insurance from:

(1) assigning a rate consequence solely to:

(A) a consumer inquiry, as defined by Section 544.551 (Definition), made by an applicant or insured; or

(B) a claim filed by an insured under a personal automobile insurance policy that is not paid or payable under the policy; or

(2) otherwise cause premiums for personal automobile insurance to be increased solely because of an inquiry or claim described by Subdivision (1).

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2015.