

BILL ANALYSIS

S.B. 494
By: Watson
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Recent legislation allowed insurers to place specimen policy forms on their own websites rather than physically delivering them to their customers. While such electronic posting of these standardized forms allows consumers to review policy forms of particular insurers by going to each insurer's website and to have more information available when comparison shopping for insurance, interested parties note the need to increase the transparency and disclosure of certain insurance policy terms for consumers by making the different insurers' specimen policies available on one website for comparison purposes. S.B. 494 seeks to address this issue in an effort to make it easier for consumers to directly compare the policy language of certain different insurance plans.

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

S.B. 494 amends the Insurance Code to authorize the office of public insurance counsel to post an insurer's specimen policy used by such insurer to write standardized personal automobile, commercial automobile, inland marine, or residential property insurance in Texas on the office's website. The bill establishes that the posting of an insurer's specimen policy on a website, other than a posting by an insurer of a specimen policy on the insurer's website, does not create a duty to comply with the requirements of provisions relating to the availability of specimen policies.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.