

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 784  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

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). Texas law mandates certain data calls, some of which are required to prepare reports, conduct hearings, monitor the insurance market, and fulfill information requests. Other data calls are not mandated by law but are part of TDI's regulatory processes.

Over time, some data calls used by TDI, whether required by law or developed as part of agency practice, have become outdated or duplicative and are no longer necessary to effectively regulate insurance. 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. In an effort to be thorough, TDI included legislatively mandated reports and their accompanying data calls as part of the review.

S.B. 784 repeals or amends unnecessary data calls and related reports contained in the Insurance Code.

As proposed, S.B. 784 amends current law relating to collection and use of certain information reported to and by the Texas Department of Insurance and certain approval authority and hearings held in connection with reported information.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the commissioner of insurance is modified in SECTION 1.03 (Section 2251.101, Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

#### ARTICLE 1. AMENDMENTS AFFECTING REPORTING AND RELATED HEARINGS

SECTION 1.01. Amends Sections 2053.056(a) and (b), Insurance Code, as follows:

(a) Authorizes, rather than requires, the commissioner of insurance (commissioner) to conduct a public hearing each biennium to review rates to be charged for workers' compensation insurance written in this state. Deletes existing text requiring that the public hearing be held beginning not later than December 1, 2008.

(b) Requires each insurance company subject to this subtitle, rather than to this subtitle and Article 5.66, to file the insurance company's rates, supporting information, and supplementary rating information with the commissioner not later than the 30th day before the date of a public hearing conducted, rather than required, under Subsection (a).

SECTION 1.02. Amends Section 2251.008, Insurance Code, as follows:

Sec. 2251.008. New heading: ANNUAL REPORT OF INSURER; LEGISLATIVE REPORT. (a) Requires the commissioner to require each insurer subject to this subchapter to annually, rather than quarterly, file with the commissioner information relating to changes in losses, premiums, and market share since January 1, 1993.

(b) Makes a conforming change.

(c) Changes references to calendar quarter to calendar year.

(d) Changes a reference to quarterly report to annual report and a reference to calendar quarter to calendar year.

(e) Changes references to quarterly report to annual report.

SECTION 1.03. Amends Section 2251.101(b), Insurance Code to require the commissioner by rule to determine the information required to be included in the filing, including information necessary to evidence that the computation of the rate does not include disallowed expenses for personal lines, and makes nonsubstantive changes.

## ARTICLE 2. CONFORMING AMENDMENTS

SECTION 2.01. Amends Sections 1501.109(a), (b), and (c), Insurance Code, as follows:

(a) Deletes existing text referencing Section 1501.101 (Geographic Service Areas), in regard to health benefit plans delivered or issued for delivery in certain geographic service areas.

(b) and (c) Changes references to an approved geographic service area to a geographic service area.

SECTION 2.02. Amends Section 2206.002(b), Insurance Code, to delete existing text requiring the risk management pool (pool) to collect the necessary information and file with the Texas Department of Insurance (TDI) the reports required by Subchapter D (Liability Insurance Closed Claim Reports), Chapter 38, and make nonsubstantive changes.

SECTION 2.03 Amends Section 2207.002(b), Insurance Code, to delete existing text requiring the pool to collect the necessary information and file with TDI the reports required by Subchapter D, Chapter 38, and make nonsubstantive changes.

SECTION 2.04. Amends Section 2208.002(b), Insurance Code, to delete existing text providing that the pool is subject to Subchapter D, Chapter 38.

SECTION 2.05. Amends Section 2212.053(a), Insurance Code, to delete existing text requiring a trust to file with TDI all liability claims reports required under Subchapter D, Chapter 38, and makes a nonsubstantive change.

## ARTICLE 3. REPEALER

SECTION 3.01. Repealer: Section 32.0221 (Texas Health Benefits Study), Insurance Code.

Repealer: Subchapters C (Data Collection and Reporting Relating to HIV and AIDS), D (Liability Insurance Closed Claim Reports), and I (Data Collection Relating to Certain Personal Lines of Insurance), Chapter 38, Insurance Code.

Repealer: Section 425.107 (Community Investment Report), Insurance Code.

Repealer: Section 542.006(c) (relating to a statistical plan for periodic reports), Insurance Code.

Repealer: Section 1501.056(c) (relating to a statement of expenses filed annually with the commissioner of insurance), Insurance Code.

Repealer: Section 1501.101(a) (relating to filing geographic service areas filed with the commissioner), Insurance Code.

Repealer: Section 4201.204(c) (relating to a summary report of all complaints), Insurance Code.

#### ARTICLE 4. TRANSITION; EFFECTIVE DATE

SECTION 4.01. (a) Provides that Sections 2206.002(b), 2207.002(b), 2208.002(b), and 2212.053(a), Insurance Code, as amended by this Act, and the repeal by this Act of Subchapter D, Chapter 38, Insurance Code, apply only to a claim closed on or after January 1, 2016. Provides that a claim closed before January 1, 2016, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

(b) Provides that Section 2251.008, Insurance Code, as amended by this Act, applies with respect to reporting by insurers to, and reporting to the legislature by, the commissioner of insurance on or after January 1, 2016. Provides that reporting by insurers and the commissioner before that date is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4.02. Effective date: September 1, 2015.