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| BILL ANALYSIS |

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| C.S.H.B. 3056 |
| By: Lambert |
| Insurance |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE**  A farm mutual insurance company is required to maintain a majority of its total insurance in force on rural property at all times the insurance is written. It has been suggested that the definition of "rural property" applicable to farm mutual insurance companies is outdated and too restrictive. C.S.H.B. 3056 seeks to provide a more appropriate definition of that term. |
| **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**  C.S.H.B. 3056 amends the Insurance Code to redefine "rural property," for purposes of the general operating requirements for a farm mutual insurance company, as property located in a municipality with a population of 50,000 or less. |
| **EFFECTIVE DATE**  September 1, 2019. |
| **COMPARISON OF ORIGINAL AND SUBSTITUTE**  While C.S.H.B. 3056 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.  The substitute does not include the following in the revised definition:   * property located in an area that is not designated as urbanized by the U.S. Census Bureau; or * property located in an unincorporated area of a county. |
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