

**HOUSE OF REPRESENTATIVES**  
**NOTICE OF FORMAL REQUEST FOR INFORMATION**

COMMITTEE: Insurance  
TIME & DATE: N/A  
Tuesday, August 11, 2020  
PLACE: N/A  
CHAIR: Rep. Eddie Lucio III

---

Due to the ongoing pandemic and the uncertainty as to scheduling interim hearings, the House Committee on Insurance requests written submissions from interested parties and the public in regards to the Interim Charges and topics below. All submissions will be circulated to each member of the committee and posted on the House website.

**Submission Guidelines:**

- Submissions must be in Microsoft Word format.
- Submissions should be no longer than five (5) pages in length for each charge/topic. The page limit is not inclusive of any photos, graphs, spreadsheets, charts, etc. the submitter chooses to include.
- Please submit a separate document for each topic to which you are responding.
- Submissions must be submitted via email to the Committee Clerk, Sergio Cavazos, at Sergio.Cavazos\_HC@house.texas.gov.
- Submissions shall include the submitter name, organization or entity (if applicable and an authorized representative), mailing address, email, and telephone number.
- **All submissions are due by September 8, 2020, at 5:00PM (CST).**

The Committee seeks responses to all Interim Charges, listed below:

**Interim Charge 1:** Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 86th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure intended legislative outcome of all legislation, including the following:

- HB 259, which prohibits certain practices related to the delivery, issuing of delivery, or renewing of named driver policies. Determine if there are any changes regarding policy affordability or the uninsured motorist population.
- HB 1900, which amends the Texas Windstorm Insurance Association (TWIA) operations and funding practices. Review the rulemaking

process by the Texas Department of Insurance (TDI) and the adoption of an updated plan of operation by TWIA. Monitor whether the purchase of reinsurance has increased or declined and determine whether this provision of the legislation has had any impact on premium rates. Monitor the appointment and work of the Legislative Funding and Funding Structure Oversight board.

- HB 2536, which requires certain reporting requirements for drug manufacturers, pharmacy benefit managers, and health insurers on certain pharmaceutical practices, including the pricing and availability of insulin. Examine its effect on drug pricing in the market and how to increase transparency in pricing associated with delivery of drugs, such as insulin, to the end user patient.
- SB 442, which requires insurers that do not provide flood coverage in their policy to disclose that the policy does not cover flood events. Determine whether consumers are being properly informed of whether they have flood coverage. Examine the development of standardized disclosure forms for all insurance policies in Texas (health, homeowners, and personal auto) to provide more clarity to consumers about what the policy covers and any exclusions.
- SB 1264, which prohibits balance billing (surprise billing) and creates an arbitration system to settle balance bills. Monitor the implementation of the mediation and arbitration programs, including the establishment of a portal on the TDI website through which requests for mediation and arbitration may be submitted. Determine whether the appropriate state agencies are enforcing the prohibition on balance billing. Review the Department's rules implementing the legislation's exception for non-emergency "elective" services to determine whether the rules limit the exception to out-of-network services that a patient has actively elected after receiving a complete written disclosure. Monitor or follow up on TDI's process for selecting the benchmarking database and determine whether the database chosen provides the most accurate available data and its sources are transparent. Evaluate the fiscal impact of the legislation on the Employees Retirement System of Texas and the Teacher Retirement System of Texas. Review costs to the systems and savings to employees and teachers.
- SB 1852, which requires certain disclosures for insurers that offer short-term limited duration plans. Study whether similar consumer disclosures and other safeguards are needed for non-traditional health coverage products marketed to individuals or small 28 employers in Texas. Identify any gaps that leave consumers without needed information or consumer protections, including network adequacy and protections from surprise medical bills.
- SB 1940, which extends to August 31, 2021, TDI's authority to revise and administer the temporary health insurance risk pool to the extent federal funds are available. Study ways to foster a competitive market and reduce the uninsured rate, including by exploring flexibility available through federal waivers. Study

the impact to health care systems if the Affordable Care Act is ruled unconstitutional, including identifying which mandates, consumer protections, and subsidies will be lost and which have equivalents in state law.

**Interim Charge 2:** Study the adequacy of the state's insurance laws on regulating the introduction of insurtech products into the Texas insurance market. Include in the study the impact of big data, blockchain, internet of things, and artificial intelligence technologies on industry practices such as claims handling, underwriting, and policy writing. Study whether these technologies present challenges for any of the state's insurance laws, including the state's antidiscrimination, data privacy, anti-rebate, and licensing laws and regulations. Additionally, examine the pros and cons of adopting a regulatory sandbox and consider sandbox programs that are implemented in other states.

**Interim Charge 3:** Monitor the State Auditor's review of agencies and programs under the Committee's jurisdiction. The Chair shall seek input and periodic briefings on completed audits for the 2019 and 2020 fiscal years and bring forth pertinent issues for full committee consideration.

**The Committee also seeks the following information related to the COVID-19 pandemic:**

1. How prevalent is price gouging related to COVID-19 testing? What are state agencies doing in order to monitor price gouging associated with COVID-19 testing?
2. What steps are being taken in order to prevent surprise medical billing associated with COVID-19 treatment? What steps can consumers take in order to avoid these surprise medical bills?
3. How many business interruption claims have been filed during the COVID-19 pandemic? Did policyholders report issues with being unaware of pandemic-related exceptions to coverage under these policies?
4. What is the anticipated impact of the COVID-19 pandemic on health insurance premiums and the health insurance market moving forward?
5. Has there been a decrease in auto insurance claims during the COVID-19 pandemic? How many auto insurers have issued credits or rebates to their policyholders due to the COVID-19 pandemic? If so, how was the amount of this credit or rebate determined? What steps are state agencies taking in order to ensure that auto rates are not excessive as a result of a presumptive decrease in driving and claims associated with the COVID-19 pandemic?

**The Committee also seeks the following information related to Hurricane Hanna:**

What are preliminary estimates of damage and claims associated with

