

1-1 By: Eltife S.B. No. 784
 1-2 (In the Senate - Filed February 25, 2015; March 2, 2015,
 1-3 read first time and referred to Committee on Business and Commerce;
 1-4 March 23, 2015, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; March 23, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to collection and use of certain information reported to
 1-20 and by the Texas Department of Insurance and certain approval
 1-21 authority and hearings held in connection with reported
 1-22 information.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 ARTICLE 1. AMENDMENTS AFFECTING REPORTING AND RELATED HEARINGS

1-25 SECTION 1.01. Sections 2053.056(a) and (b), Insurance Code,
 1-26 are amended to read as follows:

1-27 (a) The commissioner may ~~shall~~ conduct a public hearing
 1-28 each biennium~~[, beginning not later than December 1, 2008,]~~ to
 1-29 review rates to be charged for workers' compensation insurance
 1-30 written in this state. A public hearing under this section is not a
 1-31 contested case as defined by Section 2001.003, Government Code.

1-32 (b) Not later than the 30th day before the date of a ~~the~~
 1-33 public hearing conducted ~~required~~ under Subsection (a), each
 1-34 insurance company subject to this subtitle ~~[and Article 5.66]~~ shall
 1-35 file the insurance company's rates, supporting information, and
 1-36 supplementary rating information with the commissioner.

1-37 SECTION 1.02. Section 2251.008, Insurance Code, is amended
 1-38 to read as follows:

1-39 Sec. 2251.008. ANNUAL ~~[QUARTERLY]~~ REPORT OF INSURER;
 1-40 LEGISLATIVE REPORT. (a) The commissioner shall require each
 1-41 insurer subject to this subchapter to annually ~~quarterly~~ file
 1-42 with the commissioner information relating to changes in losses,
 1-43 premiums, and market share since January 1, 1993. The commissioner
 1-44 may require an insurer subject to this subchapter to report to the
 1-45 commissioner, in the form and in the time required by the
 1-46 commissioner, any other information the commissioner determines is
 1-47 necessary to comply with this section.

1-48 (b) Annually ~~Quarterly~~, the commissioner shall report to
 1-49 the governor, the lieutenant governor, the speaker of the house of
 1-50 representatives, the legislature, and the public regarding:

1-51 (1) the information provided to the commissioner,
 1-52 other than information made confidential by law, in the insurers'
 1-53 reports under Subsection (a); and

1-54 (2) market conduct, especially rates and consumer
 1-55 complaints.

1-56 (c) The report required by this section must cover a
 1-57 calendar year ~~quarter~~ and:

1-58 (1) for each insurer that writes a line of insurance
 1-59 subject to this subchapter, must state the insurer's:

- 1-60 (A) market share;
- 1-61 (B) profits and losses;

2-1 (C) average loss ratio; and
 2-2 (D) whether the insurer submitted a rate filing
 2-3 during the year [~~quarter~~] covered in the report; and

2-4 (2) for each rate filing submitted under Subdivision
 2-5 (1)(D), must indicate any significant impact on policyholders, the
 2-6 overall rate change from the rate previously used by the insurer
 2-7 stated as a percentage, and any rate changes for the previous 12,
 2-8 24, and 36 months.

2-9 (d) Except as provided by Subsection (e), the annual
 2-10 [~~quarterly~~] report required by this section must be made available
 2-11 to the governor, lieutenant governor, speaker of the house of
 2-12 representatives, legislature, and public not later than the 90th
 2-13 day after the last day of the calendar year [~~quarter~~] covered by the
 2-14 report.

2-15 (e) If the commissioner determines that it is not feasible
 2-16 to provide the report required by this section within the period
 2-17 specified by Subsection (d) for all lines of insurance subject to
 2-18 this subchapter, the department:

2-19 (1) shall make the annual [~~quarterly~~] report, as
 2-20 applicable to lines of residential property insurance and personal
 2-21 automobile insurance, available within the period specified by
 2-22 Subsection (d); and

2-23 (2) may delay publication of the annual [~~quarterly~~]
 2-24 report as it relates to other lines of insurance subject to this
 2-25 subchapter until a date specified by the commissioner.

2-26 SECTION 1.03. Section 2251.101(b), Insurance Code, is
 2-27 amended to read as follows:

2-28 (b) The commissioner by rule shall:

2-29 (1) determine the information required to be included
 2-30 in the filing, including:

2-31 (A) categories of supporting information and
 2-32 supplementary rating information;

2-33 (B) statistics or other information to support
 2-34 the rates to be used by the insurer;

2-35 (C) [~~, including~~] information necessary to
 2-36 evidence that the computation of the rate does not include
 2-37 disallowed expenses for personal lines; and

2-38 (D) [~~(C)~~] information concerning policy fees,
 2-39 service fees, and other fees that are charged or collected by the
 2-40 insurer under Section 550.001 or 4005.003; and

2-41 (2) prescribe the process through which the department
 2-42 requests supplementary rating information and supporting
 2-43 information under this section, including:

2-44 (A) the number of times the department may make a
 2-45 request for information; and

2-46 (B) the types of information the department may
 2-47 request when reviewing a rate filing.

2-48 ARTICLE 2. CONFORMING AMENDMENTS

2-49 SECTION 2.01. Sections 1501.109(a), (b), and (c), Insurance
 2-50 Code, are amended to read as follows:

2-51 (a) A small or large employer health benefit plan issuer may
 2-52 elect to refuse to renew all small or large employer health benefit
 2-53 plans delivered or issued for delivery by the issuer in this state
 2-54 or in a geographic service area [~~approved under Section 1501.101~~].
 2-55 The issuer shall notify:

2-56 (1) the commissioner of the election not later than
 2-57 the 180th day before the date coverage under the first plan
 2-58 terminates under this subsection; and

2-59 (2) each affected covered small or large employer not
 2-60 later than the 180th day before the date coverage terminates for
 2-61 that employer.

2-62 (b) A small employer health benefit plan issuer that elects
 2-63 under this section to refuse to renew all small employer health
 2-64 benefit plans in this state or in a [~~an approved~~] geographic service
 2-65 area may not write a new small employer health benefit plan in this
 2-66 state or in the geographic service area, as applicable, before the
 2-67 fifth anniversary of the date notice is provided to the
 2-68 commissioner under Subsection (a).

2-69 (c) A large employer health benefit plan issuer that elects

3-1 under this section to refuse to renew all large employer health
3-2 benefit plans in this state or in a ~~[an approved]~~ geographic service
3-3 area may not write a new large employer health benefit plan in this
3-4 state or in the geographic service area, as applicable, before the
3-5 fifth anniversary of the date notice is provided to the
3-6 commissioner under Subsection (a).

3-7 SECTION 2.02. Section 2206.002(b), Insurance Code, is
3-8 amended to read as follows:

3-9 (b) The pool~~+~~
3-10 ~~[(1) shall collect the necessary information and file~~
3-11 ~~with the department the reports required by Subchapter D, Chapter~~
3-12 ~~38, and~~
3-13 ~~[(2)]~~ is subject to Chapter 541 and Section 543.001.

3-14 SECTION 2.03. Section 2207.002(b), Insurance Code, is
3-15 amended to read as follows:

3-16 (b) A pool~~+~~
3-17 ~~[(1) shall collect the necessary information and file~~
3-18 ~~with the department the reports required by Subchapter D, Chapter~~
3-19 ~~38, and~~
3-20 ~~[(2)]~~ is subject to Chapter 541 and Section 543.001.

3-21 SECTION 2.04. Section 2208.002(b), Insurance Code, is
3-22 amended to read as follows:

3-23 (b) The pool is subject to Chapter 541 ~~[and Subchapter D,~~
3-24 ~~Chapter 38]~~.

3-25 SECTION 2.05. Section 2212.053(a), Insurance Code, is
3-26 amended to read as follows:

3-27 (a) A trust shall file with the department:
3-28 (1) all rates and forms, for informational purposes
3-29 only; and
3-30 (2) ~~[all liability claims reports required under~~
3-31 ~~Subchapter D, Chapter 38, and~~
3-32 ~~[(3)]~~ the trust's independently audited annual
3-33 financial statement.

3-34 ARTICLE 3. REPEALER

3-35 SECTION 3.01. The following provisions of the Insurance
3-36 Code are repealed:

- 3-37 (1) Section 32.0221;
- 3-38 (2) Subchapters C, D, and I, Chapter 38;
- 3-39 (3) Section 425.107;
- 3-40 (4) Section 542.006(c);
- 3-41 (5) Section 1501.056(c);
- 3-42 (6) Section 1501.101(a); and
- 3-43 (7) Section 4201.204(c).

3-44 ARTICLE 4. TRANSITION; EFFECTIVE DATE

3-45 SECTION 4.01. (a) Sections 2206.002(b), 2207.002(b),
3-46 2208.002(b), and 2212.053(a), Insurance Code, as amended by this
3-47 Act, and the repeal by this Act of Subchapter D, Chapter 38,
3-48 Insurance Code, apply only to a claim closed on or after January 1,
3-49 2016. A claim closed before January 1, 2016, is governed by the law
3-50 as it existed immediately before the effective date of this Act, and
3-51 that law is continued in effect for that purpose.

3-52 (b) Section 2251.008, Insurance Code, as amended by this
3-53 Act, applies with respect to reporting by insurers to, and
3-54 reporting to the legislature by, the commissioner of insurance on
3-55 or after January 1, 2016. Reporting by insurers and the
3-56 commissioner before that date is governed by the law as it existed
3-57 immediately before the effective date of this Act, and that law is
3-58 continued in effect for that purpose.

3-59 SECTION 4.02. This Act takes effect September 1, 2015.

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