

SUBJECT: Requirements for making insurance underwriting guidelines available

COMMITTEE: Insurance — favorable, without amendment

VOTE: 7 ayes — Smithee, Burnam, G. Lewis, J. Moreno, Olivo, Seaman, Wise

0 nays

2 absent — Eiland, Thompson

WITNESSES: For — Rob Schneider, Consumers Union

Against — None

BACKGROUND: The Insurance Code, Art. 1.24D empowers the Texas Department of Insurance and the Office of Public Insurance Counsel (OPIC) to request and receive underwriting guidelines from insurers. These guidelines are confidential and only become public if an insurer is found in violation of the code and exhausts all available appeals.

Current law does not specify which insurers are subject to this requirement.

DIGEST: HB 2748 would require all insurers in Texas to comply with underwriting guideline requests from the insurance department or OPIC. “All insurers” specifically would include reciprocal or interinsurance exchanges, mutuals, county mutuals, associations, Lloyd’s plans, and all other insurance companies.

HB 2478 would take effect September 1, 1999.