

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 852
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 35 (Electronic Transactions) of the Insurance Code permits an insurer to deliver a policy electronically, with consent from the insured. However, current state law does not address specific policy form or type of delivery. Authorizing an insurer to post standard policies online would allow consumers to review policy forms of other insurers and could lead to more information being available for consumers shopping for insurance while reducing mailing, printing, paper, and other costs.

C.S.S.B. 852 authorizes a property and casualty insurer to deliver or make available standard or specimen policy forms by posting them on the insurer's website. It requires the insurer, upon request and at no cost, to provide a printed or electronic copy of the policy to the insured and requires the insurer, on issuance and renewal, to disclose and explain access to the electronically available policy. C.S.S.B. 852 also requires the insurer to retain, for not less than five years, standard policy forms made available online, upon request, at no cost to the insured and makes clear that standard policy form language cannot contain personally identifiable information or other items that are unique to individual consumers.

C.S.S.B. 852 amends current law relating to the availability of certain property and casualty insurance forms.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle A, Title 10, Insurance Code, by adding Chapter 1812, as follows:

CHAPTER 1812. AVAILABILITY OF SPECIMEN POLICIES

Sec. 1812.001. DEFINITION. Defines "specimen policy" in this chapter.

Sec. 1812.002. AVAILABILITY OF CERTAIN FORMS. (a) Authorizes an insurer, notwithstanding any other provision of this code relating to the delivery of policy forms, to elect to make a personal automobile, commercial automobile, inland marine, or residential property insurance policy available to an insured by posting a specimen policy on the insurer's Internet website instead of other authorized means. Requires an insurer making the election to comply with Section 1812.003.

(b) Requires an insurer, on request of and at no cost to an insured, to provide to the insured a printed or electronic copy of a specimen policy applicable to the insured that is posted on the insurer's Internet website.

Sec. 1812.003. NOTICE OF AVAILABILITY OF CERTAIN FORMS. (a) Requires an insurer that posts a specimen policy on the insurer's Internet website under this chapter to, on issuance or renewal of a policy incorporating the specimen policy:

(1) on the declarations page of the insured's policy:

(A) disclose that the specimen policy is available on the insurer's Internet website; and

(B) clearly identify each posted specimen policy incorporated into the insured's policy;

(2) explain that and how an insured, on request and at no charge, is authorized to obtain a copy of the specimen policy from the insurer; and

(3) provide to the Texas Department of Insurance (TDI) and the Office of Public Insurance Counsel (OPIC) an electronic copy of the specimen policy that is authorized to be posted on the Internet website of TDI or OPIC.

(b) Requires an insurer that during an insured's policy period posts a specimen policy or amends a posted specimen policy incorporated into an insured's policy to, on the date the specimen policy is posted or amended, in writing and in the insurer's customary manner of communicating with the insured:

(1) notify the insured that the specimen policy is available on the insurer's Internet website;

(2) clearly identify each added or amended specimen policy incorporated into the insured's policy; and

(3) explain that and how the insured, on request and at no charge, is authorized to obtain a copy of the specimen policy from the insurer.

Sec. 1812.004. ACCESSIBILITY OF CERTAIN AVAILABLE FORMS. Requires that a specimen policy posted on the insurer's Internet website under this chapter be, until no policy incorporating the specimen policy is in force:

(1) easily accessible on the website; and

(2) provided in a format readily capable of being saved or printed using a widely available and free computer application or program.

Sec. 1812.005. RETENTION OF CERTAIN AVAILABLE FORMS. Requires an insurer that posts a specimen policy on the insurer's Internet website under this chapter to for at least five years after the latest date a policy incorporating the specimen policy is in force:

(1) preserve an electronic copy of the specimen policy; and

(2) make a printed or electronic copy of the specimen policy available on request at no cost.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2013.