

- SUBJECT:** Requiring coverage summary when issuing insurance
- COMMITTEE:** Insurance — committee substitute recommended
- VOTE:** 9 ayes — Frullo, Muñoz, G. Bonnen, Guerra, Meyer, Paul, Sheets, Vo, Workman
0 nays
- WITNESSES:** For — Lee Loftis, Independent Insurance Agents of Texas; Ware Wendell, Texas Watchdog; (*Registered, but did not testify:* Trey Berndt, AARP; Jay Thompson, Afact; Kari King, USAA)

Against — Beaman Floyd, Texas Coalition for Affordable Insurance Solutions; (*Registered, but did not testify:* Thomas Ratliff, American Insurance Association)

On — Paul Martin, National Association of Mutual Insurance Companies; (*Registered, but did not testify:* Marilyn Hamilton, Texas Department of Insurance; Kara Mace, Texas Department of Insurance)
- DIGEST:** CSHB 3980 would require personal automobile and residential property insurers to include a coverage summary for every policy they issue to help a policyholder understand the insurance policy. The coverage summary would not change the terms of the policy or create a private right of action for the policyholder. The insurance commissioner would be allowed to adopt requirements for a coverage summary.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect January 1, 2016, and would apply only to an insurance policy issued or renewed on or after that date.
- SUPPORTERS SAY:** CSHB 3980 would ensure that policyholders in the state could easily understand the terms and conditions of their insurance policy. Insurance disclosures can be very long and technical, making them difficult for the

average person to understand. This bill would ensure that insurers provided a concise summary of the policy so policyholders would understand the product they were purchasing.

**OPPONENTS
SAY:**

CSHB 3980 would create an additional layer of regulation on an industry that already is highly regulated. With the required disclosures in state and federal law, the coverage summary required by this bill would be redundant and create an unnecessary burden on the insurance industry.