

SUBJECT: Giving TDI discretion in reviewing certain lines of insurance

COMMITTEE: Insurance — favorable, without amendment

VOTE: 8 ayes — Frullo, Muñoz, G. Bonnen, Meyer, Paul, Sheets, Vo, Workman
0 nays
1 absent — Guerra

SENATE VOTE: On final passage, (April 30) — 31 – 0 on local and uncontested calendar

WITNESSES: No public hearing

DIGEST: SB 654 would define “commercial property insurance” in the Texas Insurance Code to mean insurance coverage against loss caused by loss, damage, or destruction of real or personal property provided through a commercial property insurance policy. The commissioner could adopt rules to exempt or limit the review of certain lines of commercial property insurance.

This 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 September 1, 2015.

SUPPORTERS SAY: SB 654 would allow the commissioner of insurance to review insurance policies in accordance with the best use of the department’s limited time and resources. When a large insurance company issues a new line, it usually has already gone through several layers of state and federal regulation. Requiring the department to review it again is not always necessary. The bill also would establish a definition of commercial property insurance that was agreed upon between the department and industry stakeholders.

OPPONENTS SAY: No apparent opposition.