

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 654
By: Eltife
Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Most commercial lines insurance policy forms are subject to filing and prior approval, but some contain standardized provisions. Other methods of form regulation, such as file and use, use and file, or exemption from filing may be more appropriate for lines where the forms have limited use or are standardized.

Giving the commissioner of insurance (commissioner) authority to exempt or limit the review for certain commercial lines forms will allow TDI staff to focus on reviewing policy forms for lines of insurance that have the greatest impact on consumers, such as homeowners and personal automobile.

C.S.S.B. 654 gives the commissioner authority to exempt or limit the review of forms for certain commercial lines of insurance.

C.S.S.B. 654 amends current law relating to regulation of rates and policy forms for certain commercial liens of insurance.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 3 (Section 2301.005, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2251.002, Insurance Code, to define "commercial property insurance." Redesignates existing Subdivision (1) as Subdivision (1-a).

SECTION 2. Amends Section 2301.002, Insurance Code, to define "commercial property insurance." Redesignates existing Subdivision (1) as Subdivision (1-a).

SECTION 3. Amends Section 2301.005, Insurance Code, as follows:

Sec. 2301.005. New heading: REGULATION OF INLAND MARINE AND COMMERCIAL FORMS. (a) Creates this subsection from existing text and makes no additional change.

(b) Authorizes the commissioner of insurance to adopt rules to exempt the review of forms for commercial lines of insurance subject to this chapter.

SECTION 4. Effective date: upon passage or September 1, 2015.