

## **BILL ANALYSIS**

S.B. 189  
By: Watson  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties have expressed concerns that certain insurance companies writing automobile insurance may be raising rates or canceling policies for policyholders who ask questions regarding coverage. The parties contend that recent legislation addressed this very same issue with regard to homeowners insurance and that such consumer protection needs to be extended to policyholders with regard to automobile insurance. S.B. 189 seeks to address this issue by amending current law relating to certain practices in the business of personal automobile insurance.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 189 amends the Insurance Code to include a personal automobile insurance policy, including a policy written by a county mutual insurance company, within the scope of statutory provisions prohibiting discriminatory underwriting and rate charging decisions by an insurer based solely on whether a consumer inquiry has been made by or on behalf of an applicant for insurance or an insured. The bill includes a personal automobile insurance policy within the scope of statutory provisions prohibiting the consideration of a consumer inquiry with regard to a declination, nonrenewal, or cancellation of certain property and casualty policies.

S.B. 189 prohibits a rating plan regarding the writing of personal automobile insurance from assigning a rate consequence solely to a consumer inquiry made by an applicant or insured or a claim filed by an insured under a personal automobile insurance policy that is not paid or payable under the policy or from otherwise causing premiums for personal automobile insurance to be increased solely because of such an inquiry or claim. The bill subjects a county mutual insurance company to this prohibition.

### **EFFECTIVE DATE**

September 1, 2015.