

## **BILL ANALYSIS**

Senate Research Center

H.B. 3031  
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Economic Development  
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Engrossed

### **DIGEST**

Currently, the Texas Catastrophe Property Insurance Association (association) serves as the insurer of last resort for commercial and residential properties along the Texas coast. The association does not have the flexibility to offer higher deductibles to consumers in return for lower premiums. This bill would authorize the association to make recommendations to the commissioner of insurance (commissioner) for reductions in coverage or increases in deductibles. Additionally, this bill would authorize the commissioner, after notice and hearing, to accept, modify or reject the recommendations.

### **PURPOSE**

As proposed, H.B. 3031 authorizes the Texas Catastrophe Property Association to make recommendations to the commissioner of insurance (commissioner) for reductions in coverage or increases in deductibles; and authorizes the commissioner, after notice and hearing, to accept, modify or reject recommendations.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 8(a), Article 21.49, Insurance Code (Texas Catastrophe Property Insurance Pool Act), to require the Texas Catastrophe Property Association (association) to file with the commissioner of insurance (commissioner), rather than the board of insurance, every manual of classifications, rules, rates which shall include condition charges, every rating plan, and every modification of any of the foregoing which it proposes to use. Authorizes the association to make recommendations to the commissioner, rather than prohibiting the association from filing changes, that would result in a reduction of coverages or an increase in an applicable deductible if any resultant reduction in coverages or increase in deductibles is accompanied by proposed rate credits. Authorizes the commissioner, after notice and hearing, to accept, modify, or reject a recommendation made by the association under this section. Provides that Article 1.33B of this code does not apply to an action taken under this subsection.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.