

BILL ANALYSIS

Senate Research Center

S.B. 994
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Business & Commerce
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DIGEST AND PURPOSE

Currently, when an insurance company files an application for a license to do business in Texas, the insurance company often seeks authorization to write the same lines of insurance it is authorized to write in other states. Under Texas law, a company which seeks to obtain a license and requests authorization to write workers' compensation, commercial automobile, professional liability for hospitals or other providers, general liability, or medical professional liability insurance for providers other than hospitals is required to provide accident prevention or loss control information before the license may be approved. As proposed, S.B. 994 amends Articles 5.06-4, 5.15-2, and 5.15-3, Insurance Code, and Section 411.061, Labor Code, to require an insurance company to provide loss control information before actually writing certain lines of insurance in Texas, rather than before obtaining a license to write such insurance lines.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subsection (a), Article 5.06-4, Insurance Code, to require any insurer desiring to write commercial automobile liability insurance in this state to provide loss control information as a prerequisite for writing, rather than a license to write, that insurance.

SECTION 2. Amends Subsection (a), Article 5.15-2, Insurance Code, to make a conforming change.

SECTION 3. Amends Subsection (a), Article 5.15-3, Insurance Code, to make a conforming change.

SECTION 4. Amends Subsection (a), Section 411.061, Labor Code, to make a conforming change.

SECTION 5. Effective date: September 1, 2001.