

## **BILL ANALYSIS**

Senate Research Center  
78R6803 AJA-D

S.B. 1682  
By: Gallegos  
State Affairs  
4/4/2003  
As Filed

### **DIGEST AND PURPOSE**

Currently, licensed admitted insurance carriers, which write approximately 30 percent of the medical malpractice insurance in Texas, are not rate-regulated and are therefore not required to file rate information with the commissioner of insurance (commissioner). As proposed, S.B. 1682 requires medical malpractice insurers to get rates approved by the commissioner before using the rates. It allows for automatic approval of a rate if the commissioner does not affirmatively approve or disapprove it on or before the 60th day after the rate is filed.

### **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 Article 5.13-2, Insurance Code, by adding Section 5A, as follows:

Sec. 5A. FILING AND APPROVAL OF RATES FOR PROFESSIONAL LIABILITY INSURANCE FOR PHYSICIANS AND HEALTH CARE PROVIDERS. (a) Specifies insurers to which this section applies.

(b) Prohibits an insurer, notwithstanding Section 4(b), Article 5.15-1 of this code, or any other law, from using a rate for professional liability insurance for physicians or health care providers before the rate is filed under Section 5 of this article and approved by the commissioner of insurance (commissioner). Prohibits the commissioner from approving a rate under this subsection unless the rate complies with the requirements of this article and Article 5.15-1.

(c) Provides that if the commissioner does not affirmatively approve or disapprove a rate on or before the 60th day after the date the rate is filed, the rate is considered approved on the 61st day after the rate filing.

SECTION 2. Repealer: Article 21.49-4(g) (relating to filing rates and forms with the State Board of Insurance), Insurance Code.

SECTION 3. Makes application of this Act prospective to January 1, 2004.

SECTION 4. Effective date: September 1, 2003.