

## **Lobbyist Report, July 18, 2008**

### General Election

109 days until the general election on November 4<sup>th</sup>.

### Sunset

The Sunset Commission received staff recommendations on June 24, 2008 concerning the continuation of the Texas Department of Insurance and changes in the TDI structure and duties that the Legislature should consider when it meets next year. The Commission will vote on the recommendations at its hearing on Sept. 23-24, 2008.

The significant recommendations for TAHU and its members are:

- Require all preferred provider organizations to obtain a certificate of authority from the Texas Department of Insurance to operate in Texas.
- Increase the life, accident, and health insurance maintenance tax cap “to allow TDI to equitably cover the cost of this regulation.” The current statutory cap is .04% and the staff recommendation would permit that cap to be increased to 2.0%.
- Eliminate all but two TDI advisory committees from statute, including the Technical Advisory Committee on Claims Processing (Gary Looney is on TACCP); and the Texas Health Coverage Awareness and Education Program Task Force (Misty Baker is on).
- Update TDI’s statutory duties to better reflect the agency’s role in protecting consumers and encouraging a competitive insurance market in Texas. This recommendation would better define the agency’s overall duties in statute by updating existing language to charge the agency with:
  - protecting and ensuring the fair treatment of consumers; and
  - ensuring fair competition in the insurance industry, thus fostering a competitive market.

The staff report has considerable recommendations relating to windstorm insurance; making more efficient the file-and-use system used in P&C; and the Office of Public Insurance Counsel; and also dealt with the state fire marshal’s office and title insurance.

### NCOIL

I had a very quick trip to the summer meeting of the National Conference of Insurance Legislators. The State-Federal Relations Committee had a lengthy discussion about efforts now in Congress which would impose federal regulations and move jurisdiction from state regulatory authority. Two bills appear to be on a fast track and could be passed in the House this session: one creating an Optional Federal Charter and another that would create an “Insurance Information Office” within the U.S. Department of Treasury. The IIO would have the ability to preempt state insurance laws.

The Health Issues Committee heard updates on recent federal initiatives (passage of the Genetic Information Nondiscrimination Act, action on the Medicare Advantage plans, and the Long Term Care Partnership plans). The committee considered but did not take action on a resolution to increase dependent health coverage until age 26; and the Committee adopted a resolution in favor of prosthetic parity legislation.

### Long Term Care Partnership Rules

TDI filed proposed rules for long term care insurance partnership plans last week and they will be published in the Texas Register Friday, July 18. They consist of 260 pages and can be found at:

<http://tdi.state.tx.us/rules/2008/documents/3.3801-3.3874.pdf>