



## SENATE BILL (SB) 647 – OPIC SUNSET BILL

Senate Bill (SB) 647, the Sunset bill for the Office of Public Insurance Counsel (OPIC), would reauthorize OPIC for another twelve years. Maintaining OPIC as an independent agency is necessary to help achieve a fair balance in insurance regulation. The center supports the passage of SB 647.

- **OPIC represents the interests of insurance consumers as a class to TDI in matters related to rates, rules, and policy forms.**
- **OPIC provides a voice for consumer interests backed up by legal, actuarial, economic, and policy expertise.**
- **An independent OPIC, separate from TDI, is vital to achieving the goal of a balanced insurance marketplace.**
- **SB 647 will reauthorize OPIC for 12 years; a step needed to ensure a fair balance in insurance regulation between insurers and consumers.**

### OPIC Plays a Necessary Role

OPIC represents the interests of insurance consumers as a class to the Texas Department of Insurance (TDI) in matters related to rates, rules, and policy forms. During regulatory proceedings, TDI must act as a neutral referee. Insurance companies can make their case to TDI using actuaries, economists, attorneys, and other skilled professionals. OPIC represents the consumers’ interests, backed up by skilled professionals and necessary expertise. OPIC’s role is essential to achieve the outcome of fair and balanced market regulation.

### OPIC Serves Health Insurance Consumers

Last year, OPIC successfully petitioned TDI to prohibit “discretionary clauses” in health, and disability insurance. Discretionary clauses, found in the fine print of policies, allow insurers virtually unfettered discretion to interpret their policies. This sets up a conflict of interest as the insurers that write the policy contracts and are responsible for providing benefits have nearly unchecked discretion to interpret their policies and decide what benefits are due. OPIC argued that such clauses are unjust, encourage misrepresentation, and are deceptive. TDI agreed with OPIC, a position also supported by the National Association of Insurance Commissioners and 22 other states. OPIC also puts out an annual HMO Report Card, comparing HMOs in Texas on various quality indicators.

OPIC’s role will become even more important with implementation of the federal Affordable Care Act, as Texans gain new rights and responsibilities related to health insurance and millions of uninsured Texans gain coverage in the private market.

### Continuation of an Independent OPIC Supported by Sunset

In both 2008 and 2010, the Sunset Advisory Commission supported continuation of OPIC as an independent agency, recognizing the important role that OPIC plays in consumer protection and balanced regulation.