



The following are recaps of hearings with bills of interest for ICT for the week ending February 21, 2025

Senate Business & Commerce Committee Recap- February 18, 2025

The Senate Business & Commerce Committee met on February 18th to consider bills.

Bills of Interest to ICT Heard:

SB 495 by Sparks - Relating to the authority of the Texas Department of Insurance to adopt rules that implement or are based on certain environmental, social, and governance models, ratings, or standards. SB 495 restricts the TDI from adopting or enforcing rules based on environmental, social, and governance (ESG) models, ratings, or standards unless explicitly authorized by statute. Allows a person to file a declaratory judgment action to challenge rules violating these restrictions. If the court determines the rule was adopted in violation, the rule is invalid.

Senator Sparks (R) explained that last session's SB 833 focused on insurance carriers, and this bill intends to build on that by applying similar restrictions to TDI, limiting its ability to make policy statements through rulemaking. It aims to prevent Texas from automatically adopting NAIC standards under Chapter 36, Insurance Code.

Senator Middleton (R) expressed support for the bill and suggested the bill could expose details on reinsurance pricing and whether Texas consumers are subsidizing international risks. Senator Johnson (D) expressed concerns that the bill could hinder TDI's ability to oversee policy and insurers' ability to assess risk, particularly in commercial lines. He questioned if limiting "climate-related factors" would prevent insurers from considering hurricane or flood risk. He also worried about potential conflicts with NAIC accreditation, and the Committee sought clarification from TDI.

Jamie Walker, TDI's Deputy Commissioner of Financial Regulation responded that the bill's broad language on governance and accounting methodology could impact TDI's ability to maintain NAIC accreditation. Senator Sparks expressed his desire to work with the Committee and TDI to prevent unintended consequences.

Public Testimony:

- **Support:** Texas Constitutional Enforcement, Hill Country Institute (faith-based nonprofit concerned with premiums), American Energy Institute
- **Opposed:** Public Citizen

THE BILL WAS LEFT PENDING.