

By: Hochberg

H.B. No. 330

A BILL TO BE ENTITLED

AN ACT

relating to notice of premium rate increase of certain property and casualty insurers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 21, Insurance Code, is amended by adding Article 21.49-2F to read as follows:

Art. 21.49-2F. NOTICE OF RATE INCREASE. (a) In this article, "insurer" means any insurer authorized to write property and casualty insurance in this state, including:

(1) a county mutual insurance company;

(2) a Lloyd's plan;

(3) a reciprocal or interinsurance exchange; and

(4) a farm mutual company.

(b) Not later than the 31st day before the date on which a premium rate increase applicable to coverage in effect under a property and casualty insurance policy takes effect, the insurer shall give written notice to the policyholder of:

(1) the amount of the increase; and

(2) the date on which the increase is to take effect.

(c) This article does not prohibit an insurer, at the request of a policyholder, from changing coverages or rates after delivery of the notice required by this article.

SECTION 2. Article 21.49-2F, Insurance Code, as added by this Act, applies only to a premium rate increase that takes effect

1 on or after January 1, 2004.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2003.