

By: Brown of Kaufman

H.B. No. 1445

A BILL TO BE ENTITLED

AN ACT

relating to requiring insurers to give notice to insureds before certain insurance policy premium increases.

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

SECTION 1. Subchapter C, Chapter 5, Insurance Code, is amended by adding Article 5.43 to read as follows:

Art. 5.43. NOTICE OF CERTAIN PREMIUM INCREASES REQUIRED.

(a) In this article, "insurer" means an insurance company or other entity that is authorized to engage in the business of insurance in this state, including:

(1) a farm mutual insurance company;

(2) a county mutual insurance company;

(3) a Lloyd's plan; and

(4) an exchange operating under Chapter 942 of this code.

(b) An insurer that, at renewal of a homeowners, residential fire and allied lines, farm and ranch, or farm and ranch owners insurance policy, increases the premium charged for the policy by 25 percent or more shall provide written notice to the insured not later than the 60th day before the date the premium increase will take effect.

(c) The commissioner may adopt rules as necessary to implement this article.

SECTION 2. This Act takes effect September 1, 2003, and

1 applies only to a premium increase that takes effect on or after
2 January 1, 2004. A premium increase that takes effect before
3 January 1, 2004, is governed by the law in effect immediately before
4 the effective date of this Act, and that law is continued in effect
5 for that purpose.