

By: Coleman

H.B. No. 1884

A BILL TO BE ENTITLED

AN ACT

relating to a rate rollback for motor vehicle insurance.

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

SECTION 1. Subchapter A, Chapter 5, Insurance Code, is amended by adding Article 5.12-2 to read as follows:

Art. 5.12-2. RATE ROLLBACK. (a) Notwithstanding Article 5.101 of this code, for any motor vehicle insurance policy that is delivered, issued for delivery, or renewed on or after June 1, 2003, an insurer authorized to write motor vehicle insurance in this state shall reduce the premium rates used by the insurer to levels that do not exceed the rates used by the insurer for the same coverage on January 1, 2001.

(b) An insurer shall use the rates required under Subsection (a) of this article until the commissioner determines that the rates for motor vehicle insurance for all insurers in this state are just, are reasonable, are adequate and not excessive for the risks to which they apply, and are determined in a manner that ensures consumer access to motor vehicle insurance.

(c) This article applies to each insurance company or other entity authorized to write motor vehicle insurance in this state, including a county mutual insurance company, reciprocal and interinsurance exchange, or Lloyd's plan.

(d) To monitor compliance with this article, the commissioner may require information in rate filings, special data

1 calls, informational hearings, and any other means consistent with
2 other provisions of this code applicable to affected insurers.
3 Information provided under this subsection is privileged and
4 confidential to the same extent as the information is privileged
5 and confidential under this code or other laws for other insurers
6 licensed and writing the same line of insurance in this state. The
7 information remains privileged and confidential unless and until
8 introduced into evidence at an administrative hearing or in a court
9 of competent jurisdiction.

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