

By: Coleman

H.B. No. 3406

A BILL TO BE ENTITLED

AN ACT

relating to rates for professional liability insurance for physicians and health care providers.

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

SECTION 1. Article 5.13-2, Insurance Code, is amended by adding Section 5A to read as follows:

Sec. 5A. FILING AND APPROVAL OF RATES FOR PROFESSIONAL LIABILITY INSURANCE FOR PHYSICIANS AND HEALTH CARE PROVIDERS. (a) This section applies to any insurer authorized to write professional liability insurance for physicians and health care providers in this state, including a Lloyd's plan, a reciprocal or interinsurance exchange, the joint underwriting association established under Article 21.49-3 of this code, and a self-insurance trust established under Article 21.49-4 of this code.

(b) Notwithstanding Section 4(b), Article 5.15-1 of this code, or any other law, an insurer may not use a rate for professional liability insurance for physicians or health care providers before the rate is filed under Section 5 of this article and approved by the commissioner. The commissioner may not approve a rate under this subsection unless the rate complies with the requirements of this article and Article 5.15-1 of this code.

(c) If the commissioner does not affirmatively approve or disapprove a rate filed under this section on or before the 60th day

1 after the date the rate is filed, the rate is considered approved on
2 the 61st day after the date the rate is filed.

3 SECTION 2. Article 21.49-4(g), Insurance Code, is repealed.

4 SECTION 3. This Act applies only to rates applicable to
5 professional liability insurance for physicians or health care
6 providers that is delivered, issued for delivery, or renewed on or
7 after January 1, 2004. Rates applicable to insurance that is
8 delivered, issued for delivery, or renewed before January 1, 2004,
9 is governed by the law as it existed immediately before the
10 effective date of this Act, and that law is continued in effect for
11 that purpose.

12 SECTION 4. This Act takes effect September 1, 2003.