

By: Taylor

H.B. No. 2760

A BILL TO BE ENTITLED

AN ACT

1
2 relating to regulation of rates for personal automobile and fire
3 and allied lines insurance policies issued by a county mutual
4 insurance company.

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

6 SECTION 1. Section 912.002, Insurance Code, is amended by
7 amending Subsection (c) and adding Subsections (c-1) and (c-2) to
8 read as follows:

9 (c) Rate regulation for a residential fire and allied lines
10 insurance policy written by a county mutual insurance company is
11 subject to Subchapter [Subchapters Q and] U, Chapter 5. Rate [On
12 and after December 1, 2004, rate] regulation for a personal
13 automobile insurance policy and a residential fire and allied lines
14 insurance policy written by a county mutual insurance company,
15 including a policy written through one of multiple insurance
16 programs marketed or offered to consumers by managing general
17 agents appointed by the same county mutual insurance company, is
18 subject to Article 5.13-2. For the purposes of this subsection,
19 rates for a program marketed or offered to consumers for personal
20 automobile insurance by a managing general agent appointed by a
21 county mutual insurance company shall be considered independently
22 of the other rates for personal automobile insurance of that county
23 mutual insurance company if the county mutual insurance company:

24 (1) has historically written business through

1 managing general agents;

2 (2) was writing business through managing general
3 agents as of December 1, 2004; and

4 (3) is issuing or writing personal automobile
5 insurance policies only at nonstandard rates, as that term is
6 defined by Section 13(e), Article 5.13-2 [A county mutual insurance
7 company is subject to Subchapter U, Chapter 5].

8 (c-1) An independent program of a county mutual insurer
9 described by Subsection (c) is subject to the rate standards of
10 Article 5.13-2.

11 (c-2) The commissioner may adopt rules as necessary to
12 implement Subsections (c) and (c-1) [this subsection].

13 SECTION 2. The change in law made by this Act applies only
14 to an insurance policy delivered, issued for delivery, or renewed
15 on or after January 1, 2006. A policy delivered, issued for
16 delivery, or renewed before that date is governed by the law in
17 effect immediately before the effective date of this Act, and that
18 law is continued in effect for that purpose.

19 SECTION 3. This Act takes effect September 1, 2005.