

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 by a managing
20 general agent appointed by a county mutual insurance company shall
21 be considered independently of the other rates of that county
22 mutual insurance company if the county mutual insurance company:

23 (1) has historically written business through
24 managing general agents;

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

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

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

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

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

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