

By: Smithee

H.B. No. 2871

A BILL TO BE ENTITLED

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AN ACT

relating to rates for certain insurance within certain rating territories.

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

SECTION 1. Article 5.171, Insurance Code, is amended to read as follows:

Art. 5.171. RATING TERRITORIES. Notwithstanding any other provision of this code, an insurer, in writing residential property or personal automobile insurance, may not use rating territories that subdivide a county unless:

(1) the county is subdivided; and

(2) the rate for any subdivisions within that county is not greater than 15 percent higher than the rate used in any other subdivisions in the county by that insurer, except that the commissioner may by rule allow a greater rate difference [~~for residential property insurance or personal automobile insurance~~].

SECTION 2. This Act applies only to the rates applicable to insurance policies that are delivered, issued for delivery, or renewed on or after January 1, 2006. Rates applicable to policies that are delivered, issued for delivery, or renewed before January 1, 2006, are governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for this purpose.

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