

By: Smithee

H.B. No. 2871

A BILL TO BE ENTITLED

1 AN ACT

2 relating to rates for certain insurance within certain rating  
3 territories.

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

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

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

11 (1) the county is subdivided; and

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

17 SECTION 2. This Act applies only to the rates applicable to  
18 insurance policies that are delivered, issued for delivery, or  
19 renewed on or after January 1, 2006. Rates applicable to policies  
20 that are delivered, issued for delivery, or renewed before January  
21 1, 2006, are governed by the law as it existed immediately before  
22 the effective date of this Act, and that law is continued in effect  
23 for this purpose.

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