

BILL ANALYSIS

H.B. 1913
By: Eiland
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law allows insurers to assess a premium surcharge at the time of renewal if the insured has filed one or more claims in the preceding three-year period.

H.B. 1913 increases the allowable number of claims to be filed before the insured is assessed a premium surcharge from one claim during a three-year period to two claims during a three-year period.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1913 relates to assessment of a premium surcharge on renewal of certain insurance policies.

SECTION 1, Section 551.107(c) of the Texas Insurance Code is amended by stating that an insurer may assess a premium surcharge at the time an insurance policy is renewed if the insured has filed two, as opposed to "one" as it is currently written in the Section 551.107(c) of the Texas Insurance Code, or more claims in the preceding three policy years. The amount of the surcharge must be based on sound actuarial principles.

Next, SECTION 2 of the bill states that the change in law made by Section 551.107(c) of the Texas Insurance Code, as amended by this Act, applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2008. An insurance policy that is delivered, issued for delivery, or renewed before January 1, 2008 is covered by the law in effect at the time the policy was delivered, issued for delivery, or renewed, and that law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2007.