

BILL ANALYSIS

H.B. 2551
By: Smith, Todd
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

During the 79th Legislature, two different versions of legislation were passed concerning refunds of excessive or unfairly discriminatory residential property insurance premiums. Because these versions were passed by the Legislature at the same time, the rules of statutory construction require that they be read together. The Department of Insurance has recommended that these two versions be clarified.

This bill unifies those versions to provide consistent provisions concerning the refunds and the assessment of interest on the refund amount and makes further changes in accord with the non-substantive revisions to the Insurance Code, known as the Code Projects of the Texas Legislative Council.

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

SECTION 1 of the bill amends Insurance Code Section 2254.003 to conform this section to the amendments enacted in Section 1 Chapter 291, Acts of the 79th Legislature, 2005 [[S.B. No. 14]], which set forth the interest rate on refunds of excessive or unfairly discriminatory residential property insurance premiums as ordered by the Commissioner.

SECTION 2 of the bill repeals Section 1 Chapter 291, Acts of the 79th Legislature, 2005 [[S.B. No. 14]].

SECTION 3 of the bill repeals Section 16.01, Chapter 899, Acts of the 79th Legislature, 2005 [[S.B. No. 1863]].

SECTION 4 of the bill state that the amendments to Section 2254.003 of the Insurance Code are made to conform Section 2254.003, Insurance Code, with the amendments enacted in SECTION 1 Chapter 291, Acts of the 79th Legislature, 2005 [[S.B. No. 14]].

SECTION 5 of the bill states that this Act applies to an insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act and to rates for such a policy. An insurance policy delivered, issued for delivery, or renewed prior to the effective date of this Act and the rates for such a policy are governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.