

BILL ANALYSIS

Senate Research Center

S.B. 978
By: Watson
Business & Commerce
6/27/2007
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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. This limit is not consistent with other parts of the Insurance Code.

S.B. 978 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

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 551.107(c), Insurance Code, to authorize an insurer to assess a premium surcharge at the time an insurance policy is renewed if the insured has filed two, rather than one, or more claims in the preceding three policy years.

SECTION 2. Makes application of this Act prospective to January 1, 2008.

SECTION 3. Effective date: September 1, 2007.