

By: Farrar

H.B. No. 114

A BILL TO BE ENTITLED

AN ACT

relating to residential property insurance premiums for certain property located in first tier coastal counties.

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

SECTION 1. Subtitle H, Title 10, Insurance Code, as effective April 1, 2007, is amended by adding Chapter 2255 to read as follows:

CHAPTER 2255. PREMIUM CHARGES FOR CERTAIN COVERAGE IN COASTAL COUNTIES

Sec. 2255.001. DEFINITIONS. In this chapter:

(1) "First tier coastal county" has the meaning assigned by Section 2210.003.

(2) "Residential property insurance" has the meaning assigned by Section 2251.002.

(3) "Texas windstorm and hail insurance" has the meaning assigned by Section 2210.003.

Sec. 2255.002. PREMIUM CHARGES FOR CERTAIN COVERAGE; COMMISSIONER DETERMINATION. (a) An insurer that issues a residential property insurance policy that does not include Texas windstorm and hail insurance coverage may not, based solely on the fact that the covered property is located in a first tier coastal county, charge a premium computed at the rate charged for coverage that does include Texas windstorm and hail insurance coverage.

(b) If the commissioner determines that an insurer has

1 charged a rate for residential property insurance that violates
2 Subsection (a), the commissioner may order the insurer to provide a
3 refund or a discount to each affected policyholder in the manner
4 provided by Section 2254.003.

5 Sec. 2255.003. SANCTIONS. An insurer that violates Section
6 2255.002(a) is subject to sanctions under Chapter 82.

7 SECTION 2. This Act applies only to an insurance policy
8 delivered, issued for delivery, or renewed on or after January 1,
9 2008. A policy delivered, issued for delivery, or renewed before
10 January 1, 2008, is governed by the law as it existed immediately
11 before the effective date of this Act, and that law is continued in
12 effect for that purpose.

13 SECTION 3. This Act takes effect September 1, 2007.