

By: Thompson

H.B. No. 1777

A BILL TO BE ENTITLED

AN ACT

relating to rates charged for residential property and personal automobile insurance in certain rating territories.

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

SECTION 1. Section 911.001(c), Insurance Code, is amended to read as follows:

(c) Except to the extent of any conflict with this chapter, the following provisions apply to a farm mutual insurance company:

(1) Subchapter A, Chapter 32;

(2) Subchapter D, Chapter 36;

(3) Sections 31.002(2), 32.021(c), 32.023, 32.041, 33.002, 38.001, 81.001-81.004, 201.005, 201.055, 401.051, 401.052, 401.054-401.062, 401.103-401.106, 401.151, 401.152, 401.155, 401.156, 421.001, 801.051-801.055, 801.057, 801.101, 801.102, 822.204, 841.004, 841.251, 841.252, [and] 862.101, 1806.001, 1806.101, 1806.103(b), and 1806.104-1806.107;

(4) Chapter 86;

(5) Subchapter A, Chapter 401;

(6) Subchapter B, Chapter 404;

(7) Chapter 422;

(8) Subchapter B, Chapter 424, other than Section 424.052, 424.072, or 424.073;

(9) Chapter 441;

(10) Chapter 462;

1           (11) Chapter 481;

2           (12) Chapter 541;

3           (13) [~~5~~] Chapter 802;

4           (14) [~~6~~] Subchapter A, Chapter 805;

5           (15) [~~7~~] Chapter 824; [~~and~~]

6           (16) [~~8~~] Sections 2 and [~~5~~] 6, [~~and 17~~], Article  
7 1.10, and Articles 1.09-1, 1.12, and 1.13; and

8           (17) with respect to residential property insurance,  
9 Section 2253.001 [~~, 1.15, 1.15A, 1.16, 1.17, 1.18, 1.19, 2.10,~~  
10 5.20, 21.28, 21.28--A, 21.28--C, 21.39, and 21.39--A].

11           SECTION 2. (a) Section 2253.001, Insurance Code, is  
12 amended to conform to Section 2, Chapter 291, Acts of the 79th  
13 Legislature, Regular Session, 2005, and further amended to read as  
14 follows:

15           Sec. 2253.001. RATING TERRITORIES. (a) Notwithstanding  
16 any other provision of this code, an insurer, in writing  
17 residential property or personal automobile insurance, may use  
18 rating territories that subdivide a county only if:

19                   (1) the county is subdivided; and

20                   (2) the rate for any subdivision in the county is not  
21 greater than 15 percent higher than the rate used in any other  
22 subdivision in the county by that insurer.

23           (b) The [~~For residential property insurance or personal~~  
24 ~~automobile insurance, the~~] commissioner by rule may allow a greater  
25 rate difference than the rate difference specified by Subsection  
26 (a) if the commissioner determines that the greater rate difference  
27 is justified solely by weather-related factors and is supported

1 with sound actuarial data.

2 (b) Section 2, Chapter 291, Acts of the 79th Legislature,  
3 Regular Session, 2005, which amended former Article 5.171,  
4 Insurance Code, is repealed.

5 SECTION 3. The change in law made by this Act applies only  
6 to a residential property or personal automobile insurance policy  
7 delivered, issued for delivery, or renewed on or after January 1,  
8 2008. A policy delivered, issued for delivery, or renewed before  
9 that date is governed by the law in effect immediately before the  
10 effective date of this Act, and that law is continued in effect for  
11 that purpose.

12 SECTION 4. This Act takes effect September 1, 2007.