

By: Eiland

H.B. No. 1913

A BILL TO BE ENTITLED

AN ACT

relating to assessment of a premium surcharge on renewal of certain insurance policies.

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

SECTION 1. Section 551.107(c), Insurance Code, is amended to read as follows:

(c) An insurer may assess a premium surcharge at the time an insurance policy is renewed if the insured has filed two ~~one~~ or more claims in the preceding three policy years. The amount of the surcharge must be based on sound actuarial principles.

SECTION 2. The change in law made by Section 551.107(c), 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.

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