

AN ACT

relating to certain insurance premium surcharges.

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

SECTION 1. Subsection (c), Section 551.107, 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. This Act applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2008. A policy delivered, issued for delivery, or renewed before January 1, 2008, is 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.

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 978 passed the Senate on March 28, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 978 passed the House on May 11, 2007, by the following vote: Yeas 132, Nays 4, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor