

By: Watson

S.B. No. 978

A BILL TO BE ENTITLED

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.