

1-1 By: Watson S.B. No. 978
1-2 (In the Senate - Filed February 27, 2007; March 7, 2007,
1-3 read first time and referred to Committee on Business and Commerce;
1-4 March 14, 2007, reported favorably by the following vote: Yeas 8,
1-5 Nays 0; March 14, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to certain insurance premium surcharges.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Subsection (c), Section 551.107, Insurance Code,
1-11 is amended to read as follows:

1-12 (c) An insurer may assess a premium surcharge at the time an
1-13 insurance policy is renewed if the insured has filed two [~~one~~] or
1-14 more claims in the preceding three policy years. The amount of the
1-15 surcharge must be based on sound actuarial principles.

1-16 SECTION 2. This Act applies only to an insurance policy
1-17 delivered, issued for delivery, or renewed on or after January 1,
1-18 2008. A policy delivered, issued for delivery, or renewed before
1-19 January 1, 2008, is governed by the law as it existed immediately
1-20 before the effective date of this Act, and that law is continued in
1-21 effect for that purpose.

1-22 SECTION 3. This Act takes effect September 1, 2007.

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