

By: Vaught

H.B. No. 1609

A BILL TO BE ENTITLED

1 AN ACT

2 relating to requiring the prior approval of residential property  
3 rates used by certain insurers.

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

5 SECTION 1. Section 2251.151, Insurance Code, is amended by  
6 adding Subsection (a-2) and amending Subsection (c) to read as  
7 follows:

8 (a-2) The commissioner by order shall require an insurer to  
9 file with the department for the commissioner's approval all rates,  
10 supplementary rating information, and any supporting information  
11 in accordance with this subchapter if the commissioner determines  
12 that the insurer's complaint index, as computed by the department  
13 under Section 521.052, is 50 percent or more above the average  
14 insurer complaint index.

15 (c) The commissioner:

16 (1) may require an insurer to file the insurer's rates  
17 under this section until the commissioner determines that the  
18 conditions described by Subsection (a) no longer exist; and

19 (2) shall require an insurer to file the insurer's  
20 rates under this section until the commissioner determines that the  
21 condition described by Subsection (a-2) no longer exists.

22 SECTION 2. The change in law made by this Act applies only  
23 to a residential property insurance policy that is delivered,  
24 issued for delivery, or renewed on or after January 1, 2010. A

1 residential property insurance policy that is delivered, issued for  
2 delivery, or renewed before January 1, 2010, is covered by the law  
3 in effect at the time the residential property insurance policy was  
4 delivered, issued for delivery, or renewed, and that law is  
5 continued in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2009.