

By: Rose

H.B. No. 3365

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to authorizing the commissioner of insurance to require  
3 the prior approval of residential property rates used by certain  
4 insurers.

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

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

9 (a-2) The commissioner by order may require an insurer to  
10 file with the department for the commissioner's approval all rates,  
11 supplementary rating information, and any supporting information  
12 for residential property insurance in accordance with this  
13 subchapter if the commissioner determines that either or both of  
14 the following factors significantly threaten the availability or  
15 affordability of residential property insurance in this state:

16 (1) the insurer's market share of the total amount of  
17 premiums collected by insurers for residential property insurance  
18 in this state; or

19 (2) a rate increase proposed by an insurer that  
20 exceeds the allowable rate increase percentage adopted by rule by  
21 the commissioner under Subsection (f).

22 (c) The commissioner may require an insurer to file the  
23 insurer's rates under this section until the commissioner  
24 determines that the conditions described by Subsection (a) or (a-2)

1 no longer exist.

2 (f) The commissioner by rule shall define a maximum  
3 allowable rate increase percentage below which an insurer's rate  
4 increases must remain if the insurer desires to avoid being placed  
5 under prior approval by the commissioner under Subsection (a-2).

6 SECTION 2. The change in law made by this Act applies only  
7 to a residential property insurance policy that is delivered,  
8 issued for delivery, or renewed on or after January 1, 2010. A  
9 residential property insurance policy that is delivered, issued for  
10 delivery, or renewed before January 1, 2010, is covered by the law  
11 in effect at the time the residential property insurance policy was  
12 delivered, issued for delivery, or renewed, and that law is  
13 continued in effect for that purpose.

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