

By: Vo

H.B. No. 3947

A BILL TO BE ENTITLED

AN ACT

relating to use of certain factors in underwriting and rating an insurance policy or similar coverages.

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

SECTION 1. Subchapter A, Chapter 544, Insurance Code, is amended by adding Section 544.0025 to read as follows:

Sec. 544.0025. CERTAIN FACTORS IN UNDERWRITING AND RATING PROHIBITED. A person may not use the occupation or educational level of a person covered under an insurance policy, evidence of coverage, or similar document or an applicant for coverage under an insurance policy, evidence of coverage, or similar document as a factor in underwriting or rating that coverage.

SECTION 2. Subchapter A, Chapter 38, Insurance Code, is amended by adding Section 38.004 to read as follows:

Sec. 38.004. CERTAIN FACTORS IN UNDERWRITING PROHIBITED. An underwriting guideline subject to Section 38.002 or 38.003 and used by an insurer or its agent in relation to an insurance policy must comply with Section 544.0025.

SECTION 3. Section 2251.052, Insurance Code, is amended by adding Subsection (f) to read as follows:

(f) Rates and rating applicable to an insurance policy must comply with Section 544.0025.

SECTION 4. This Act applies only to an insurance policy, evidence of coverage, or similar document that is delivered, issued

1 for delivery, or renewed on or after January 1, 2010. A document  
2 that is delivered, issued for delivery, or renewed before January  
3 1, 2010, is governed by the law as it existed immediately before the  
4 effective date of this Act, and that law is continued in effect for  
5 this purpose.

6 SECTION 5. This Act takes effect September 1, 2009.