

By: Ellis

S.B. No. 106

A BILL TO BE ENTITLED

1

AN ACT

2 relating to insurer rating practices requiring prior approval.

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

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

7 (a-1) For purposes of this section, rating practices that  
8 may require a filing under Subsection (a) include:

9 (1) the filing or use of a rate the commissioner  
10 determines to be excessive, inadequate, or unfairly discriminatory  
11 under this chapter; and

12 (2) the use of a rate that differs from the rate as  
13 determined in accordance with the rate filing made under Section  
14 2251.101.

15 (a-2) If an insurer files a petition under Subchapter D,  
16 Chapter 36, for judicial review of an order disapproving a rate  
17 under this chapter, the insurer must use the rates in effect for the  
18 insurer at the time the petition is filed and may not file and use  
19 any higher rate for the same line of insurance subject to this  
20 chapter before the matter subject to judicial review is finally  
21 resolved unless the insurer, in accordance with this subchapter,  
22 files the new rate with the department, along with any applicable  
23 supplementary rating information and supporting information, and  
24 obtains the commissioner's approval of the rate.

1           SECTION 2. This Act takes effect immediately if it receives  
2 a vote of two-thirds of all the members elected to each house, as  
3 provided by Section 39, Article III, Texas Constitution. If this  
4 Act does not receive the vote necessary for immediate effect, this  
5 Act takes effect September 1, 2009.