

Amend CSHB 1951 (senate committee printing) in ARTICLE 3 of the bill as follows:

(1) Strike existing SECTION 3.001 (page 5, lines 4-31) and substitute the following:

SECTION 3.001. Section 2251.101, Insurance Code, is amended to read as follows:

Sec. 2251.101. RATE FILINGS AND SUPPORTING INFORMATION.

(a) Except as provided by Subchapter D, for risks written in this state, each insurer shall file with the commissioner all rates, applicable rating manuals, supplementary rating information, and additional supporting information that is sufficient to allow ~~as required by~~ the commissioner to determine whether filed rates meet applicable statutory standards. An insurer may use a rate filed under this subsection on and after the date the rate is filed.

(b) Supporting information required by Subsection (a) includes, at a minimum ~~The commissioner by rule shall determine the information required to be included in the filing, including~~:

(1) actuarial information sufficient for a qualified actuary to determine whether the filed rates meet applicable statutory standards, including rate indications, the data and methodology used to calculate the rate indications, and, to the extent applicable:

(A) actual written premiums, earned premiums, incurred losses, and paid losses;

(B) data and methodologies used to calculate premiums at the current rate level and applicable on-level factors;

(C) the reasoning behind the number of experience years used in the filing along with an explanation of the weight given to experience years;

(D) data and methodologies used to determine loss and claim development factors;

(E) data and methodologies used to determine all premium and loss trend factors;

(F) data, information, and methodologies used to determine all hurricane and non-hurricane catastrophe factors or loss provisions, including the definition of catastrophe and an explanation of how the definition has changed over the experience

period used to calculate the loss provisions;

(G) descriptions of and data, information, and methodologies used to calculate discounts and surcharges;

(H) data, information, and methodologies used to determine standards of credibility and any utilized complements to credibility;

(I) data, information, and a description of the methodologies and assumptions used to determine the cost of capital and the underwriting profit provision underlying the proposed rates;

(J) data, information, and methodologies used to determine any contingency factor used beyond the derived underwriting profit provision; and

(K) information used to determine all filing expense provisions including commissions, other acquisition costs, taxes, licenses, fees, general expenses, loss adjustment expenses, and any reinsurance expenses [~~categories of supporting information and supplementary rating information~~]; and

(2) rate change information, including all information relevant to determining the filer's rate change history, the statewide average proposed rate change for each coverage, form, or classification, and the total average rate change for all coverages, forms, and classifications combined [~~statistics or other information to support the rates to be used by the insurer, including information necessary to evidence that the computation of the rate does not include disallowed expenses; and~~

[~~(3) information concerning policy fees, service fees, and other fees that are charged or collected by the insurer under Section 550.001 or 4005.003~~].

(c) The department may request additional information related to a rate filing as necessary. An insurer shall respond to a request for additional information under this subsection in writing not later than the 10th day after the date the insurer receives the request.

(d) The department shall consider incomplete any filing that does not comply with the filing requirements of Subsection (b) and return the filing to the insurer for completion.

(e) The commissioner by rule may provide additional specifications for information required to be included in the rate filing.

(2) In SECTION 3.011 (page 7, line 49), strike "Section 2251.103" and substitute "Sections 2251.101 and 2251.103".