

Amend CSHB 1951 (senate committee printing) by inserting the following appropriately numbered ARTICLE and renumbering existing ARTICLES and SECTIONS of the bill accordingly:

ARTICLE ____ . DISCLOSURE OF VARIABLES AFFECTING PREMIUMS FOR
RESIDENTIAL PROPERTY OR PERSONAL AUTOMOBILE INSURANCE

SECTION ____ .001. Subchapter A, Chapter 521, Insurance Code, is amended by adding Section 521.006 to read as follows:

Sec. 521.006. DISCLOSURE OF CERTAIN RATING VARIABLES. (a)
In this section, "insurer," "personal automobile insurance," and
"residential property insurance" have the meanings assigned by
Section 2301.051.

(b) Except as provided by this subsection, an insurer that
issues a residential property or personal automobile insurance
policy shall disclose to the insured as provided by this section all
variables affecting the premium charged to the insured, including
factors, relativities, tiers, increased limits factors,
classification relativities, deductible relativities, discounts,
surcharges, and fees. If more than 10 variables affect the premium
charged to the insured, the insurer is not required to disclose all
variables, but shall disclose, at a minimum:

(1) the 10 variables that have the greatest impact on
the insured's premium; and

(2) any other variables affecting the insured's
premium that the commissioner by rule requires to be disclosed
under this section.

(c) The disclosure required by this section must be in
writing and:

(1) list the variables disclosed in order from the
variable having the greatest impact on the insured's premium to the
variable having the least impact on the insured's premium; and

(2) include a plain language description of each
variable disclosed.

(d) An insurer shall provide the disclosure required by this
section:

(1) at the time the policy is issued;

(2) with any:

(A) notice of renewal of the policy; or

(B) offer of replacement coverage made if the policy is not renewed; and

(3) at any other time and in any other manner required by the commissioner by rule.

SECTION __.002. Section 32.102(a), Insurance Code, is amended to read as follows:

(a) The department, in conjunction with the office of public insurance counsel, shall establish and maintain a single Internet website that provides information to enable consumers to make informed decisions relating to the purchase of residential property insurance and personal automobile insurance. The website must include:

(1) a description of each type of residential property insurance policy and personal automobile insurance policy issued in this state, including a comparison of the coverage, exclusions, and restrictions of each policy that allows a side-by-side comparison of the features of the policy forms;

(2) a listing of each insurer writing residential property insurance or personal automobile insurance in this state, indexed by each county or zip code in which the insurer is actively writing that insurance, and a profile of the insurer that includes:

(A) contact information for the insurer, including the insurer's full name, address, and telephone number and the insurer's fax number and e-mail address, if available;

(B) information on rates charged by the insurer, including:

(i) sample rates for different policyholder profiles in each county or zip code; and

(ii) the percentage by which the sample rate has fallen or risen due to filings in the previous 12, 24, and 36 months;

(C) a list of policy forms, exclusions, endorsements, and discounts offered by the insurer;

(D) an indication of whether the insurer uses credit scoring in underwriting, rating, or tiering, and a link to the insurer's credit model or a link explaining how to request the insurer's credit model;

(E) the insurer's financial rating determined by A. M. Best or similar rating organization and an explanation of the meaning and importance of the rating;

(F) a complaint ratio or similar complaint rating system for the insurer for each of the previous three years and an explanation of the meaning of the rating system; ~~and~~

(G) information, other than information made confidential by law, on the insurer's regulatory and administrative experience with the department, the office of public insurance counsel, and insurance regulatory authorities in other states; and

(H) a list and plain-language description of each variable described by Section 521.006(b) that may be used by the insurer to determine a policyholder's premium; and

(3) if feasible, as determined by the commissioner and the public insurance counsel:

(A) a side-by-side comparison of credit scoring models, including factors, key variables, and weights, of residential property insurers in this state; and

(B) a side-by-side comparison of credit scoring models, including factors, key variables, and weights, of private passenger automobile insurers in this state.