

BILL ANALYSIS

Senate Research Center
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S.B. 740
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 740 requires any property and casualty policy rate change from insurance companies to be approved by the commissioner of insurance prior to implementation. This bill requires an insurance company to use the rates in effect for the insurer at the time a petition is filed, if an insurer files a petition for judicial review of an order disapproving a rate.

As proposed, S.B. 740 amends current law relating to insurer rating practices requiring prior approval.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2251.151, Insurance Code, by amending Subsection (a-1) and adding Subsection (a-2), as follows:

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

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

(2) the use of a rate that differs from the rate as determined in accordance with the rate filing made under Section 2251.101 (Rate Filings and Supporting Information).

(a-2) Redesignates existing Subsection (a-1) as Subsection (a-2) and makes no further changes.

SECTION 2. Effective date: upon passage or September 1, 2011.