

By: Lucio

S.B. No. 1804

A BILL TO BE ENTITLED

AN ACT

relating to residential property and personal lines automobile insurance.

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

SECTION 1. Section 2251.009, Insurance Code, is added to read as follows:

Sec. 2251.009. NOTICE OF VARIABLES USED TO DETERMINE PREMIUM. (a) This section applies to an insurer writing residential property or personal automobile insurance.

(b) An insurer shall provide each policyholder with a list of:

(1) At the minimum:

(A) the ten variables with the greatest impact in determining the policyholder's premium; or

(B) if less than ten variables apply to the policy, all of the variables used in determining the policyholder's premium; and

(C) any additional variables that the commissioner by rule may require, if those variables are used to determine the policyholder's premium, or

(2) all variables used in determining the policyholder's premium.

(c) The list described in Subsection (b) shall also include a plain-language description of each variable.

1 (d) The variables shall include any variables that affect
2 the premium charged the policyholder, including factors,
3 relativities, tiers, increased limits factors, classification
4 relativities, deductible relativities, discounts, surcharges, and
5 fees.

6 (e) An insurer shall provide the list required by subsection
7 (b) to the policyholder:

8 (1) when the policy is issued; and

9 (2) with the notice of:

10 (A) renewal;

11 (B) an offer of replacement coverage if the
12 policy is nonrenewed; or

13 (C) as required by the commissioner by rule.

14 (f) The commissioner shall adopt rules as necessary to
15 implement this subchapter.

16 SECTION 2. Section 32.102(a)(2), Insurance Code, is amended by
17 adding paragraph (H) to read as follows:

18 (H) a list and plain-language description of each
19 variable described in Section 2251.009 that may be used to
20 determine the policyholder's premium.

21 SECTION 3. Section 1 of this Act applies only to an insurance
22 policy delivered, issued for delivery, or renewed on or after
23 January 1, 2012. A policy delivered, issued for delivery, or
24 renewed before January 1, 2012, is governed by the law as it existed
25 immediately before the effective date of this Act, and that law is
26 continued in effect for that purpose.

27 SECTION 4. This Act takes effect September 1, 2011.