

By: Johnson

H.B. No. 1285

A BILL TO BE ENTITLED

AN ACT

relating to insurance rating and underwriting practices based on certain consumer inquiries.

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

SECTION 1. Chapter 544, Insurance Code, is amended by adding Subchapter L to read as follows:

SUBCHAPTER L. CONSUMER INQUIRY

Sec. 544.551. DEFINITION. In this subchapter, "consumer inquiry" has the meaning assigned by Section 551.113.

Sec. 544.552. APPLICABILITY. This subchapter applies only to a standard fire, homeowners, or farm and ranch owners insurance policy.

Sec. 544.553. PROHIBITION OF UNDERWRITING AND RATING DECISIONS BASED ON CONSUMER INQUIRY. An insurer may not:

(1) use an underwriting guideline based on whether a consumer inquiry has been made by or on behalf of the applicant or insured; or

(2) charge a rate that is different from the rate charged to other individuals for the same coverage based on whether a consumer inquiry has been made by or on behalf of the applicant or insured.

SECTION 2. This Act applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act. A policy delivered, issued for

1 delivery, or renewed before the effective date of this Act is  
2 governed by the law as it existed immediately before the effective  
3 date of this Act, and that law is continued in effect for that  
4 purpose.

5 SECTION 3. This Act takes effect September 1, 2013.