

By: Herrero

H.B. No. 3832

A BILL TO BE ENTITLED

AN ACT

relating to rates charged by the Texas Windstorm Insurance Association.

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

SECTION 1. Sections 2210.351(c) and (d), Insurance Code, are repealed.

SECTION 2. Section 2210.351(e) is amended as follows:

(c) ~~[(e)]~~ The department shall value the loss and loss adjustment expense data to be used for a filing not earlier than March 31 of the year before the year in which the filing is to be made.

SECTION 3. Section 2210.352, Insurance Code, is amended to read as follows:

Sec. 2210.352. MANUAL RATE FILINGS: ANNUAL FILING AND PRIOR APPROVAL. (a) Not later than August 15 of each year, the association shall file with the department a proposed manual rate for all types and classes of risks written by the association.

~~[(a-1) The association may use a rate filed by the association under this section without prior commissioner approval if:~~

~~[(1) the filing is made not later than the 30th day before the date of any use or delivery for use of the rate,~~

~~[(2) the filed rate does not exceed 105 percent of the rate used by the association in effect on the date on which the~~

1 ~~filing is made, and~~

2 ~~[(3) the filed rate does not reflect a rate change for~~
3 ~~an individual rating class that is 10 percent higher than the rate~~
4 ~~in effect for that rating class on the date on which the filing is~~
5 ~~made.~~

6 ~~[(a-2) The association may not file to use a rate described~~
7 ~~by Subsection (a-1) more than once per year.]~~

8 (b) The association may not use a rate for residential
9 property insurance until the rate and all other information
10 required by Section 2251.101 have been filed with the department
11 and the rate has been approved by the commissioner.

12 (c) ~~[(b) Except as provided by Subsection (a-1), b]~~ Before
13 approving or disapproving a filing under this section, the
14 commissioner shall provide all interested persons a reasonable
15 opportunity to:

16 (1) review the filing;

17 (2) obtain copies of the filing on payment of any
18 legally required copying cost; and

19 (3) submit to the commissioner written comments or
20 information related to the filing.

21 (d) ~~[(c) Except as provided by Subsection (a-1), t]~~ The
22 commissioner shall approve or disapprove the filing in writing not
23 later than October 15 of the year in which the filing was made. If
24 the filing is not approved or disapproved on or before that date,
25 the filing is considered approved.

26 (e) ~~[(d) Except as provided by Subsection (a-1), i]~~ If the
27 commissioner disapproves a filing, the commissioner shall state in

1 writing the reasons for the disapproval and the criteria the
2 association is required to meet to obtain approval.

3 SECTION 4. The changes made by this Act apply only to rates
4 submitted to the Commissioner on or after the effective date of the
5 Act. A rate in existence or submitted before the effective date is
6 governed by the law as it existed immediately before the effective
7 date of this Act, and that law is continued in effect for that
8 purpose.

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