

By: Davis of Dallas

H.B. No. 2147

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain loss and expense experience in insurance rates.

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

SECTION 1. Chapter 560, Insurance Code, is amended by adding Section 560.003 to read as follows:

Sec. 560.003. PROHIBITION ON USE OF CERTAIN LOSS AND EXPENSE EXPERIENCE. An insurer may not:

(1) consider loss and expense experience from any business other than the business of insurance in setting a premium rate used by the insurer; or

(2) include loss and expense experience described by Subdivision (1) in a rate filing made under this code.

SECTION 2. Section 560.003, Insurance Code, as added by this Act, applies only to a premium rate used, or a rate filing made, on or after January 1, 2018. A premium rate used, or a rate filing made, before January 1, 2018, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2017.