

By: Davis of Dallas

H.B. No. 3465

A BILL TO BE ENTITLED

1 AN ACT

2 relating to an annual earnings and profit report by certain  
3 insurance companies and the issuance of a rebate to certain  
4 policyholders.

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

6 SECTION 1. The heading to Chapter 802, Insurance Code, is  
7 amended to read as follows:

8 CHAPTER 802. ANNUAL STATEMENT, REPORT, AND REBATE

9 SECTION 2. Chapter 802, Insurance Code, is amended by  
10 adding Subchapter C to read as follows:

11 SUBCHAPTER C. ANNUAL REPORT AND REBATE BY CERTAIN INSURERS

12 Sec. 802.101. ANNUAL REPORT; REBATE. (a) In this section:

13 (1) "Insurer" means an insurance company, reciprocal  
14 or interinsurance exchange, mutual insurance company, capital  
15 stock insurance company, county mutual insurance company, Lloyd's  
16 plan, or other legal entity authorized to write personal automobile  
17 insurance or residential property insurance in this state. The  
18 term includes an affiliate, as described by this code, that is  
19 authorized to write and is writing personal automobile insurance or  
20 residential property insurance in this state. The term does not  
21 include:

22 (A) the Texas Windstorm Insurance Association;

23 (B) the FAIR Plan Association; or

24 (C) the Texas Automobile Insurance Plan

1 Association.

2 (2) "Personal automobile insurance" means automobile  
3 insurance coverage for the ownership, maintenance, or use of a  
4 private passenger, utility, or miscellaneous type motor vehicle,  
5 including a motor home, trailer, or recreational vehicle, that is:

6 (A) owned or leased by one or more individuals;  
7 and

8 (B) not primarily used for the delivery of goods,  
9 materials, or services, other than for use in farm or ranch  
10 operations.

11 (3) "Residential property insurance" means insurance  
12 coverage against loss to tangible personal property or to  
13 residential real property at a fixed location that is provided  
14 through a homeowners insurance policy, including a tenants  
15 insurance policy, a condominium owners insurance policy, or a  
16 residential fire and allied lines insurance policy.

17 (b) On the date a tax report is due under Section [221.003](#), an  
18 insurer shall file an annual report with the department stating the  
19 insurer's earnings and profit from personal automobile insurance  
20 policies or residential property insurance policies for the  
21 preceding calendar year, derived from the information filed in the  
22 tax report. Notwithstanding any confidentiality requirements  
23 under Chapter [552](#), Government Code, Section [111.006](#), Tax Code, or  
24 any other law, the department shall post the annual report filed  
25 under this section on the department's Internet website.

26 (c) If an insurer's reported profit under Subsection (b)  
27 from personal automobile insurance policies or residential

1 property insurance policies exceeds the previous year's reported  
2 profit by 10 percent or more, the insurer shall issue a rebate, in  
3 accordance with this section, to the insurer's personal automobile  
4 insurance or residential property insurance policyholders, as  
5 applicable.

6 (d) The total amount rebated to all policyholders under  
7 Subsection (c) must equal the amount by which the insurer's  
8 reported profit exceeds the insurer's reported profit in the  
9 previous year by more than 10 percent, subject to Subsection  
10 (e)(2).

11 (e) The amount of the rebate to a policyholder under  
12 Subsection (c) must be:

13 (1) not less than 5 percent of the policyholder's  
14 annual premium, subject to Subsection (f); and

15 (2) not more than 10 percent of the policyholder's  
16 annual premium.

17 (f) If the total of the amount of rebates issued under  
18 Subsection (c) to all personal automobile insurance or residential  
19 property insurance policyholders, as applicable, exceeds the  
20 amount specified in Subsection (d), the insurer may reduce each  
21 rebate proportionally so that the total does not exceed that  
22 amount.

23 (g) Notwithstanding Section 1806.055 or 1806.105, an  
24 insurer shall issue a rebate under Subsection (c) not later than the  
25 30th day after the date the insurer filed the report under  
26 Subsection (b).

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