

By: Middleton

H.B. No. 1772

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to rate filings by the Texas Windstorm Insurance  
3 Association.

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

5 SECTION 1. Section 2210.351, Insurance Code, is amended by  
6 amending Subsection (d) and adding Subsection (f) to read as  
7 follows:

8 (d) The association may use a rate filed by the association  
9 without prior commissioner approval if:

10 (1) the filing is made not later than the 30th day  
11 before the date of any use or delivery for use of the rate;

12 (2) the filed rate does not exceed 102.5 [~~105~~] percent  
13 of the rate in effect on the date on which the filing is made;

14 (3) the filed rate does not reflect a rate change for  
15 an individual rating class that is more than 2.5 [~~10~~] percent higher  
16 than the rate in effect for that rating class on the date on which  
17 the filing is made; and

18 (4) the commissioner has not disapproved the filing in  
19 writing, advising of the reasons for the disapproval and the  
20 criteria the association is required to meet to obtain approval.

21 (f) The association may not file a rate under this section  
22 that exceeds 102.5 percent of the rate in effect on the date on  
23 which the filing is made unless two-thirds of the board of directors  
24 votes to approve the rate.

1 SECTION 2. Section 2210.352, Insurance Code, is amended by  
2 amending Subsection (a-1) and adding Subsection (a-3) to read as  
3 follows:

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

7 (1) the filing is made not later than the 30th day  
8 before the date of any use or delivery for use of the rate;

9 (2) the filed rate does not exceed 102.5 [~~105~~] percent  
10 of the rate used by the association in effect on the date on which  
11 the filing is made; and

12 (3) the filed rate does not reflect a rate change for  
13 an individual rating class that is more than 2.5 [~~10~~] percent higher  
14 than the rate in effect for that rating class on the date on which  
15 the filing is made.

16 (a-3) The association may not file a rate under this section  
17 that exceeds 102.5 percent of the rate in effect on the date on  
18 which the filing is made unless two-thirds of the board of directors  
19 votes to approve the rate.

20 SECTION 3. The change in law made by this Act applies only  
21 to a rate filed by the Texas Windstorm Insurance Association with  
22 the Texas Department of Insurance on or after the effective date of  
23 this Act. A rate filed with the Texas Department of Insurance  
24 before the effective date of this Act is governed by the law as it  
25 existed immediately before that date, and that law is continued in  
26 effect for that purpose.

27 SECTION 4. This Act takes effect September 1, 2019.