

By: King of Hemphill

H.B. No. 431

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of property and casualty insurance rates in certain areas after a disaster declaration.

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

SECTION 1. Subchapter B, Chapter 2251, Insurance Code, is amended by adding Section 2251.053 to read as follows:

Sec. 2251.053. LIMITATION ON USE OF DISASTER LOSS AND EXPENSE EXPERIENCE. If the governor designates a disaster area under Section 418.014, Government Code, an insurer may not consider loss and expense experience caused by the disaster in the designated area to set rates for risks outside of the designated area.

SECTION 2. The change in law made by this Act applies only to a rate for an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2022. A rate for an insurance policy delivered, issued for delivery, or renewed before January 1, 2022, 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, 2021.