

By: Herrero

H.B. No. 1450

A BILL TO BE ENTITLED

AN ACT

1
2 relating to policyholder approval for certain windstorm and hail
3 insurance rate changes.

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

5 SECTION 1. Subchapter H, Chapter 2210, Insurance Code, is
6 amended by adding Section 2210.3591 to read as follows:

7 Sec. 2210.3591. POLICYHOLDER APPROVAL REQUIRED FOR CERTAIN
8 RATE CHANGES. (a) The board of directors may not approve a rate
9 that reflects an average rate change that is more than five percent
10 higher than the rate in effect on the date the board proposes the
11 rate unless the proposed rate change has been approved by a majority
12 of the policyholders of the association.

13 (b) The commissioner shall establish the procedure by which
14 policyholders are notified of and vote on a proposed rate change
15 under this section.

16 SECTION 2. Not later than January 1, 2022, the commissioner
17 of insurance shall adopt rules necessary to implement Section
18 2210.3591, Insurance Code, as added by this Act.

19 SECTION 3. The change in law made by this Act applies only
20 to a rate approved by the board of directors of the Texas Windstorm
21 Insurance Association on or after January 1, 2022.

22 SECTION 4. This Act takes effect September 1, 2021.