

By: Hunter

H.B. No. 3810

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the Texas Windstorm Insurance Association to raise premium rates on association policies.

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

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

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

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

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

~~(3) [the filed rate does not reflect a rate change for an individual rating class that is 10 percent higher than the rate in effect for that rating class on the date on which the filing is made, and~~

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

(f) The association may not file a rate under this section that exceeds the rate in effect on the date on which the filing is made unless two-thirds of the board of directors 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; and

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

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

16 (a-3) The association may not file a rate under this section
17 that exceeds the rate in effect on the date on which the filing is
18 made unless two-thirds of the board of directors votes to approve
19 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, 2021.