

AN ACT

relating to rate filing requirements for certain personal lines insurers with low market shares.

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

SECTION 1. Section 2251.252, Insurance Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Except as provided by Subsections (b), ~~and~~ (c), and (d), an insurer is exempt from the rate filing and approval requirements of this chapter if the insurer, during the calendar year preceding the date filing is otherwise required under this chapter, issued residential property insurance policies in this state that accounted for less than two percent of the total amount of premiums collected by insurers for residential property insurance policies issued in this state, more than 50 percent of which cover property:

(1) valued at less than \$100,000; and

(2) located in an area designated by the commissioner as underserved for residential property insurance under Chapter 2004.

(d) An insurer described by Subsection (a) that increases the premium rates charged policyholders for a residential property insurance product by an annual average amount of eight percent or greater for three consecutive calendar years must file the

1 insurer's proposed rates in accordance with this chapter in the
2 calendar year following the three consecutive years and, if
3 applicable, obtain approval of the proposed rates as provided by
4 this chapter. In calculating the three consecutive calendar years'
5 average premium increases, an insurer is not required to consider a
6 year in which there is a weather-related catastrophe or other major
7 natural disaster that requires the commissioner to extend the
8 claim-handling deadlines under Section 542.059(b).

9 SECTION 2. Section 2251.1025, Insurance Code, is repealed.

10 SECTION 3. The change in law made by this Act applies only
11 to a rate for an insurance policy that is delivered, issued for
12 delivery, or renewed on or after January 1, 2022. A rate for an
13 insurance policy delivered, issued for delivery, or renewed before
14 January 1, 2022, is governed by the law as it existed immediately
15 before the effective date of this Act, and that law is continued in
16 effect for that purpose.

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 965 passed the Senate on April 9, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 965 passed the House on April 23, 2021, by the following vote: Yeas 126, Nays 20, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor