

By: Zaffirini  
(Lucio III)

S.B. No. 965

A BILL TO BE ENTITLED

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 Section 2251.1025, Insurance Code, is repealed.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.