88R9611 JES-D

By:  Herrero H.B. No. 1992

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

SECTION 2.  Not later than January 1, 2024, the commissioner of insurance shall adopt rules necessary to implement Section 2210.3591, Insurance Code, as added by this Act.

SECTION 3.  The change in law made by this Act applies only to a rate approved by the board of directors of the Texas Windstorm Insurance Association on or after January 1, 2024.

SECTION 4.  This Act takes effect September 1, 2023.