

By: Oliverson

H.B. No. 1239

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to consideration by insurers of certain criteria for  
3 ratemaking.

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

5 SECTION 1. Subtitle C, Title 5, Insurance Code, is amended  
6 by adding Chapter 565 to read as follows:

7 CHAPTER 565. PROHIBITED RATEMAKING CRITERIA

8 Sec. 565.001. DEFINITION. In this chapter, "insurer" means  
9 an insurance company or other entity authorized to engage in the  
10 business of insurance in this state. The term includes:

11 (1) a stock or mutual property and casualty insurance  
12 company;

13 (2) a Lloyd's plan;

14 (3) a reciprocal or interinsurance exchange;

15 (4) a nonprofit legal services corporation;

16 (5) a county mutual insurance company;

17 (6) a farm mutual insurance company;

18 (7) a risk retention group;

19 (8) any insurer writing a line of insurance regulated  
20 by Title 10;

21 (9) all life, health, and accident insurance companies  
22 regulated by the department, including:

23 (A) a stock or mutual life, health, or accident  
24 insurance company;

1                   (B) a fraternal benefit society; and

2                   (C) a nonprofit hospital, medical, or dental  
3 service corporation, including a group hospital service  
4 corporation operating under Chapter 842; and

5                   (10) a health maintenance organization operating  
6 under Chapter 843.

7           Sec. 565.002. PROHIBITED CRITERIA. An insurer may not  
8 consider the following criteria when establishing rates:

9                   (1) a customer's environmental, social, and governance  
10 score that is based on measuring a customer's exposure to long-term  
11 environmental, social, and governance risks; or

12                   (2) a customer's consideration of diversity, equity,  
13 and inclusion factors.

14           SECTION 2. Section 565.002, Insurance Code, as added by  
15 this Act, applies only to a rate for an insurance policy that is  
16 delivered, issued for delivery, or renewed on or after January 1,  
17 2024.

18           SECTION 3. This Act takes effect September 1, 2023.