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S.B. No. 1643

A BILL TO BE ENTITLED

AN ACT

relating to prior approval of certain property and casualty insurance rate increases or decreases.

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

SECTION 1. Subchapter D, Chapter 2251, Insurance Code, is amended by adding Section 2251.1515 to read as follows:

Sec. 2251.1515. PRIOR APPROVAL OF CERTAIN RATE INCREASES OR DECREASES. (a) An insurer shall file with the department for the commissioner's approval a rate for commercial or residential property insurance or commercial or personal automobile insurance, supplementary rating information, and any supporting information in accordance with this subchapter if the insurer's rate increased or decreased by more than 10 percent from the insurer's previously filed rate that is in effect on the date of the filing.

(b) From the date of the filing of the rate with the department to the effective date of the new rate, the insurer's previously filed rate that is in effect on the date of the filing remains in effect.

(c) For purposes of this section, a rate is filed with the department on the date the department receives the rate filing.

SECTION 2. Section 2251.152(b), Insurance Code, is amended to read as follows:

(b) Notwithstanding Subsection (a), after a rate filing required under Section 2251.151 is approved under this subchapter,

1 an insurer, without prior approval of the commissioner, may use any
2 rate subsequently filed by the insurer if the subsequently filed
3 rate does not exceed the lesser of:

4 (1) 107.5 percent of the rate approved by the
5 commissioner; or

6 (2) 110 percent of any rate used by the insurer in the
7 previous 12-month period.

8 SECTION 3. Section 2251.153(b), Insurance Code, is amended
9 to read as follows:

10 (b) Except as provided by Subsection (c), if a rate has not
11 been approved or disapproved by the commissioner before the
12 expiration of the 30-day period described by Subsection (a), the
13 rate is considered approved and the insurer may use the rate unless
14 the rate proposed in the filing represents an increase of 10 [~~12.5~~]
15 percent or more from the insurer's previously filed rate.

16 SECTION 4. The changes in law made by this Act apply only to
17 rates for an insurance policy that is delivered, issued for
18 delivery, or renewed on or after January 1, 2026. Rates for an
19 insurance policy that is delivered, issued for delivery, or renewed
20 before January 1, 2026, are governed by the law as it existed
21 immediately before the effective date of this Act, and that law is
22 continued in effect for that purpose.

23 SECTION 5. This Act takes effect September 1, 2025.