

1-1 By: Schwertner S.B. No. 1643
1-2 (In the Senate - Filed February 25, 2025; March 11, 2025,
1-3 read first time and referred to Committee on Business & Commerce;
1-4 April 9, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 0; April 9, 2025,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
Schwertner	X			
King			X	
Blanco	X			
Campbell	X			
Creighton	X			
Johnson	X			
Kolkhorst	X			
Menéndez	X			
Middleton	X			
Nichols	X			
Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1643 By: Schwertner

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to prior approval of certain property and casualty
1-24 insurance rate increases or decreases.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subchapter D, Chapter 2251, Insurance Code, is
1-27 amended by adding Section 2251.1515 to read as follows:

1-28 Sec. 2251.1515. PRIOR APPROVAL OF CERTAIN RATE INCREASES OR
1-29 DECREASES. (a) An insurer shall file with the department for the
1-30 commissioner's approval a rate for commercial or residential
1-31 property insurance or commercial or personal automobile insurance,
1-32 supplementary rating information, and any supporting information
1-33 in accordance with this subchapter if the insurer's rate increased
1-34 or decreased by more than 10 percent from the insurer's previously
1-35 filed rate that is in effect on the date of the filing.

1-36 (b) From the date of the filing of the rate with the
1-37 department to the effective date of the new rate, the insurer's
1-38 previously filed rate that is in effect on the date of the filing
1-39 remains in effect.

1-40 (c) For purposes of this section, a rate is filed with the
1-41 department on the date the department receives the rate filing.

1-42 SECTION 2. Section 2251.152(b), Insurance Code, is amended
1-43 to read as follows:

1-44 (b) Notwithstanding Subsection (a), after a rate filing
1-45 required under Section 2251.151 is approved under this subchapter,
1-46 an insurer, without prior approval of the commissioner, may use any
1-47 rate subsequently filed by the insurer if the subsequently filed
1-48 rate does not exceed the lesser of:

1-49 (1) 107.5 percent of the rate approved by the
1-50 commissioner; or

1-51 (2) 110 percent of any rate used by the insurer in the
1-52 previous 12-month period.

1-53 SECTION 3. Section 2251.153(b), Insurance Code, is amended
1-54 to read as follows:

1-55 (b) Except as provided by Subsection (c), if a rate has not
1-56 been approved or disapproved by the commissioner before the
1-57 expiration of the 30-day period described by Subsection (a), the
1-58 rate is considered approved and the insurer may use the rate unless
1-59 the rate proposed in the filing represents an increase of 10 [12.5]
1-60 percent or more from the insurer's previously filed rate.

2-1 SECTION 4. The changes in law made by this Act apply only to
2-2 rates for an insurance policy that is delivered, issued for
2-3 delivery, or renewed on or after January 1, 2026. Rates for an
2-4 insurance policy that is delivered, issued for delivery, or renewed
2-5 before January 1, 2026, are governed by the law as it existed
2-6 immediately before the effective date of this Act, and that law is
2-7 continued in effect for that purpose.

2-8 SECTION 5. This Act takes effect September 1, 2025.

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