

1-1 By: Murphy (Senate Sponsor - Estes) H.B. No. 2776
 1-2 (In the Senate - Received from the House May 11, 2015;
 1-3 May 12, 2015, read first time and referred to Committee on Business
 1-4 and Commerce; May 20, 2015, reported favorably by the following
 1-5 vote: Yeas 9, Nays 0; May 20, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to certain premium discounts and rating programs for
 1-20 certain residential property insurance policies.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The heading to Chapter 2006, Insurance Code, is
 1-23 amended to read as follows:

1-24 CHAPTER 2006. PREMIUM RATE DISCOUNTS AND RATING PROGRAMS

1-25 SECTION 2. The heading to Subchapter B, Chapter 2006,
 1-26 Insurance Code, is amended to read as follows:

1-27 SUBCHAPTER B. OPTIONAL PREMIUM DISCOUNTS AND RATING PROGRAMS

1-28 [~~DISCOUNT~~] FOR CERTAIN RESIDENTIAL PROPERTY INSURANCE POLICIES

1-29 SECTION 3. Sections 2006.053, 2006.054, and 2006.055,
 1-30 Insurance Code, are amended to read as follows:

1-31 Sec. 2006.053. APPROVAL OF CERTAIN ACTUARIALLY JUSTIFIED
 1-32 PREMIUM DISCOUNTS AND RATING PROGRAMS [~~DISCOUNT~~]. The commissioner
 1-33 may approve:

1-34 (1) a premium discount filed with the department that
 1-35 is greater or less than the discount specified by Section 2006.052
 1-36 [~~this subchapter~~] if the commissioner determines the discount is
 1-37 actuarially justified; or

1-38 (2) a rating program filed with the department that is
 1-39 based on claim or loss experience and is not a discount described by
 1-40 Section 2006.052 or Subdivision (1) if the commissioner determines
 1-41 the program is actuarially justified.

1-42 Sec. 2006.054. LIMIT ON PREMIUM DISCOUNT. An insurer that
 1-43 provides a premium discount under Section 2006.052 [~~this~~
 1-44 ~~subchapter~~] is not required to provide the discount in an amount
 1-45 that exceeds 10 percent of the premiums that would otherwise be
 1-46 charged for the residential property insurance policy.

1-47 Sec. 2006.055. RULES AND GUIDELINES. (a) The commissioner
 1-48 shall adopt rules as necessary to implement Section 2006.052 [~~this~~
 1-49 ~~subchapter~~].

1-50 (b) The commissioner by rule shall establish guidelines
 1-51 under which an insurer that provides a premium discount under
 1-52 Section 2006.052 [~~this subchapter~~] shall determine the appropriate
 1-53 discount based on sound actuarial principles.

1-54 SECTION 4. Section 2006.053, Insurance Code, as amended by
 1-55 this Act, applies only to an insurance policy that is delivered,
 1-56 issued for delivery, or renewed on or after January 1, 2016. A
 1-57 policy delivered, issued for delivery, or renewed before January 1,
 1-58 2016, is governed by the law as it existed immediately before the
 1-59 effective date of this Act, and that law is continued in effect for
 1-60 that purpose.

1-61 SECTION 5. This Act takes effect September 1, 2015.

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