

1-1 By: Zaffirini S.B. No. 965
 1-2 (In the Senate - Filed March 3, 2021; March 11, 2021, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 March 31, 2021, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 9, Nays 0; March 31, 2021,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
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	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 965 By: Nichols

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to rate filing requirements for certain personal lines
 1-22 insurers with low market shares.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 2251.252, Insurance Code, is amended by
 1-25 amending Subsection (a) and adding Subsection (d) to read as
 1-26 follows:

1-27 (a) Except as provided by Subsections (b), ~~and~~ (c), and
 1-28 (d), an insurer is exempt from the rate filing and approval
 1-29 requirements of this chapter if the insurer, during the calendar
 1-30 year preceding the date filing is otherwise required under this
 1-31 chapter, issued residential property insurance policies in this
 1-32 state that accounted for less than two percent of the total amount
 1-33 of premiums collected by insurers for residential property
 1-34 insurance policies issued in this state, more than 50 percent of
 1-35 which cover property:

- 1-36 (1) valued at less than \$100,000; and
- 1-37 (2) located in an area designated by the commissioner
 1-38 as underserved for residential property insurance under Chapter
 1-39 2004.

1-40 (d) An insurer described by Subsection (a) that increases
 1-41 the premium rates charged policyholders for a residential property
 1-42 insurance product by an annual average amount of eight percent or
 1-43 greater for three consecutive calendar years must file the
 1-44 insurer's proposed rates in accordance with this chapter in the
 1-45 calendar year following the three consecutive years and, if
 1-46 applicable, obtain approval of the proposed rates as provided by
 1-47 this chapter. In calculating the three consecutive calendar years'
 1-48 average premium increases, an insurer is not required to consider a
 1-49 year in which there is a weather-related catastrophe or other major
 1-50 natural disaster that requires the commissioner to extend the
 1-51 claim-handling deadlines under Section 542.059(b).

1-52 SECTION 2. Section 2251.1025, Insurance Code, is repealed.

1-53 SECTION 3. The change in law made by this Act applies only
 1-54 to a rate for an insurance policy that is delivered, issued for
 1-55 delivery, or renewed on or after January 1, 2022. A rate for an
 1-56 insurance policy delivered, issued for delivery, or renewed before
 1-57 January 1, 2022, is governed by the law as it existed immediately
 1-58 before the effective date of this Act, and that law is continued in
 1-59 effect for that purpose.

1-60 SECTION 4. This Act takes effect September 1, 2021.

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