

BILL ANALYSIS

Senate Research Center

S.B. 1498
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Economic Development
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As Filed

DIGEST

Currently, the benchmark rate is set annually by the commissioner of insurance (commissioner) by line of insurance. An insurer is required to file with the commissioner its proposed rate within 30 days of the effective date of the benchmark rate. An insurer may establish the effective date of the new rate. This date may not be later than 60 days after the date of filing is received by the Department of Insurance. The Insurance Code does not specify whether an insurer may file and amend its existing rate up until the effective date of its new rate. This bill would authorize insurers to continue using previously filed rates or make additional rate filings based on the previous benchmark rate.

PURPOSE

As proposed, S.B. 1498 authorizes insurers to continue using previously filed rates or make additional rate filings with the commissioner of insurance based on the insurer's previous benchmark rate.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3(e), Article 5.101, Insurance Code, to authorize an insurer, subject to the limitations contained in Subsection (p) of this section, to continue its previously filed rates or make additional rate filings based on the previous benchmark rate for new policies or policies renewing prior to the specified effective date of its new rate.

SECTION 2. Effective date: September 1, 1997.

Makes application of this Act prospective to January 1, 1998.

SECTION 3. Emergency clause.