

## **BILL ANALYSIS**

Senate Research Center  
83R939 TJS-D

S.B. 74  
By: Ellis  
Business & Commerce  
2/15/2013  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 74 requires any property and casualty policy rate change from insurance companies to be approved by the commissioner of insurance prior to implementation. The bill will be a departure from the "file and use" system. It expands on what the term "rating practices" means, to include use of rates the commissioner determines to be excessive, inadequate, or unfairly discriminatory.

As proposed, S.B. 74 amends current law relating to insurer rating practices requiring prior approval.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2251.151, Insurance Code, by amending Subsection (a-1) and adding Subsection (a-2), as follows:

(a-1) Provides that, for purposes of this section and notwithstanding Subsection (f) (relating to rules set forth by the commissioner of insurance), rating practices that may require filing under Subsection (a) include the filing or use of a rate the commissioner of insurance determines to be excessive, inadequate, or unfairly discriminatory under this chapter and the use of a rate that differs from the rate filed under Section 2251.101 (Rate Filings and Supporting Information).

(a-2) Redesignates existing Subsection (a-1) as Subsection (a-2). Makes no further changes to this subsection.

SECTION 2. Effective date: upon passage or September 1, 2013.