

CHAPTER 861

S.B. No. 1391

An Act relating to the authority of the State Board of Insurance with respect to rates and compilation of statistical data and to certain expenses; amending Article 5.25, Insurance Code.

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Article 5.25, Insurance Code, is amended to read as follows:

"Article 5.25. **BOARD SHALL FIX RATES.** The *State* Board of Insurance [~~Commissioners~~] shall have the sole and exclusive power and authority and it shall be its duty to prescribe, fix, determine and promulgate the rates of premiums to be charged and collected by fire insurance companies transacting business in this State. Said Board shall also have authority to alter or amend any and all such rates of premiums so fixed and determined and adopted by it, and to raise or lower the same, or any part thereof, as herein provided. Said Board shall have authority to employ clerical help, inspectors, experts and other assistants, and to incur such other expenses as may be necessary in carrying out the provisions of this law. [~~Such expenses, including the salaries of the members of the Board, shall not exceed in the aggregate, for any fiscal year, the sum of One Hundred and Thirty Thousand (\$130,000.00) Dollars.~~] Said Board shall ascertain as soon as practicable the annual fire loss in this State; obtain, make and maintain a record thereof and collect such data with respect thereto as will enable said Board to classify the fire losses of this State, the causes thereof, and the amount of premiums

collected therefor for each class of risks and the amount paid thereon, in such manner as will aid in determining equitable insurance rates, methods of reducing such fire losses and reducing the insurance rates of the State, or subdivisions of the State. *The Board may designate one or more rating organizations, advisory organizations, or other agencies to gather, audit, and compile such experience of insurers, and the cost thereof shall be borne by such insurers.*"

**SECTION 2.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on May 9, 1985, by the following vote: Yeas 31, Nays 0; passed the House on May 21, 1985, by the following vote: Yeas 143, Nays 0, two present not voting.

Approved: June 15, 1985

Effective: Immediately