

By: Thompson of Brazoria, Perez

H.B. No. 2065

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to nonrenewal of certain private passenger automobile  
3 insurance policies for the insured's failure to cooperate in a  
4 third-party liability claim or action.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 551.1053, Insurance Code, is amended to  
7 read as follows:

8 Sec. 551.1053. MANDATORY NONRENEWAL OF PRIVATE PASSENGER  
9 AUTOMOBILE INSURANCE POLICIES. (a) If an insured under a private  
10 passenger automobile insurance policy fails or refuses to cooperate  
11 with an insurer in the investigation, settlement, or defense of a  
12 third-party liability claim or action or the insurer is unable to  
13 contact the insured using reasonable efforts for those purposes,  
14 the insurer shall provide written notice to the named insured that  
15 states:

16 (1) how the insured failed or refused to cooperate,  
17 including failure as a result of the insurer's inability to contact  
18 the insured;

19 (2) the claim or action for which the insurer is  
20 requesting cooperation; and

21 (3) the insurer will not renew the policy if the  
22 insured continues to fail or refuse to cooperate.

23 (b) Notwithstanding Sections 551.105 and 551.106, an  
24 insurer may not renew a private passenger automobile insurance

1 policy if the [~~named~~] insured fails or refuses to cooperate with the  
2 insurer in the investigation, settlement, or defense of the  
3 third-party liability claim or action described by the notice  
4 provided under Subsection (a).

5 SECTION 2. Section 551.1053, Insurance Code, as amended by  
6 this Act, applies only to an insurance policy delivered, issued for  
7 delivery, or renewed on or after January 1, 2024. An insurance  
8 policy delivered, issued for delivery, or renewed before January 1,  
9 2024, is governed by the law as it existed immediately before the  
10 effective date of this Act, and that law is continued in effect for  
11 that purpose.

12 SECTION 3. This Act takes effect September 1, 2023.