

By: Paul, Capriglione, et al.

H.B. No. 2067

A BILL TO BE ENTITLED

AN ACT

relating to declination, cancellation, or nonrenewal of insurance policies.

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

SECTION 1. Section 551.001(a), Insurance Code, is amended to read as follows:

(a) The commissioner may, as necessary, adopt and enforce reasonable rules, including notice requirements, relating to:

(1) the cancellation and nonrenewal of any insurance policy regulated by the department under:

(A) ~~[(1)]~~ Chapter 5;

(B) ~~[(2)]~~ Chapter 1804, 1805, 2171, or 2301; or

(C) ~~[(3)]~~ Subtitle C, D, E, or F, Title 10; and

(2) the declination of a completed and submitted application for any insurance policy regulated by the department under a provision of this code listed in Subdivision (1) other than a workers' compensation insurance policy.

SECTION 2. Section 551.002, Insurance Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The commissioner shall require an insurer that declines a completed and submitted application for or cancels or refuses to renew an insurance policy to which Section 551.001 applies, other than a workers' compensation insurance policy ~~[on request by an~~

1 ~~applicant for insurance or a policyholder]~~, to provide to the
2 applicant or policyholder a written statement of the reasons for
3 the declination, cancellation, or nonrenewal of the ~~[an insurance]~~
4 policy ~~[to which Section 551.001 applies]~~.

5 (a-1) The commissioner shall require an insurer that writes
6 workers' compensation insurance, on request by an applicant for
7 workers' compensation insurance or a policyholder, to provide to
8 the applicant or policyholder a written statement of the reasons
9 for the declination of a completed and submitted application for a
10 workers' compensation insurance policy or the cancellation or
11 nonrenewal of a workers' compensation insurance policy.

12 SECTION 3. Subchapter A, Chapter 551, Insurance Code, is
13 amended by adding Section 551.006 to read as follows:

14 Sec. 551.006. REPORT REQUIRED. (a) An insurer shall
15 provide to the department at least once each quarter a written
16 report summarizing the insurer's reasons for declination,
17 cancellation, or nonrenewal provided to applicants for insurance or
18 policyholders as required by this chapter. The report must be:

19 (1) in the form and manner prescribed by the
20 commissioner; and

21 (2) organized by the zip codes of the applicants and
22 policyholders, as applicable, that received the statement.

23 (b) The department shall post an aggregated summary of the
24 reports provided under this section on the department's Internet
25 website. The aggregated summary:

26 (1) must be organized by the zip codes of the
27 applicants and policyholders, as applicable; and

1 (2) may not identify, directly or indirectly, any
2 insurer.

3 (c) This section does not apply to reasons for declination,
4 cancellation, or nonrenewal provided to applicants for or
5 policyholders of workers' compensation insurance policies.

6 SECTION 4. Subchapter A, Chapter 551, Insurance Code, is
7 amended by adding Section 551.007 to read as follows:

8 Sec. 551.007. ELECTRONIC DELIVERY. Notwithstanding any
9 other law, an insurer may deliver notice or a written statement of a
10 declination required by this chapter by electronic means.

11 SECTION 5. The heading to Subchapter B, Chapter 551,
12 Insurance Code, is amended to read as follows:

13 SUBCHAPTER B. DECLINATION, CANCELLATION, AND NONRENEWAL OF CERTAIN
14 LIABILITY AND COMMERCIAL PROPERTY INSURANCE POLICIES

15 SECTION 6. Subchapter B, Chapter 551, Insurance Code, is
16 amended by adding Section 551.0521 to read as follows:

17 Sec. 551.0521. WRITTEN NOTICE OF DECLINATION REQUIRED. An
18 insurer that declines a completed and submitted application for a
19 liability insurance or commercial property insurance policy shall
20 deliver or mail written notice of the declination to the applicant.

21 SECTION 7. Section 551.055, Insurance Code, is amended to
22 read as follows:

23 Sec. 551.055. REASON FOR DECLINATION, CANCELLATION, OR
24 NONRENEWAL REQUIRED. In a notice to an applicant or insured
25 relating to declination, cancellation, or refusal to renew, an
26 insurer must state the reason for the declination, cancellation, or
27 nonrenewal. The statement must comply with:

1 (1) Sections 551.002(b) and (c); and

2 (2) rules adopted under Section 551.002(d).

3 SECTION 8. Section 551.109, Insurance Code, is amended to
4 read as follows:

5 Sec. 551.109. INSURER STATEMENT. An insurer shall~~[, at the~~
6 ~~request of an applicant for insurance or an insured,~~] provide a
7 written statement of the reason for a declination of a completed and
8 submitted application for an insurance policy or a~~[,]~~
9 cancellation~~[,]~~ or nonrenewal of an insurance policy. The
10 statement must comply with:

11 (1) Sections 551.002(b) and (c); and

12 (2) rules adopted under Section 551.002(d).

13 SECTION 9. (a) Except as provided by Subsection (b) of this
14 section, the changes in law made by this Act apply only to an
15 application for insurance that is made or an insurance policy that
16 is delivered, issued for delivery, or renewed on or after the
17 effective date of this Act. An application made or policy
18 delivered, issued for delivery, or renewed before the effective
19 date of this Act is governed by the law as it existed immediately
20 before that date, and that law is continued in effect for that
21 purpose.

22 (b) Subsection (a) of this section does not apply to Section
23 551.006, Insurance Code, as added by this Act.

24 SECTION 10. This Act takes effect March 1, 2026.