

By: Paul, et al.

H.B. No. 2067

Substitute the following for H.B. No. 2067:

By: Dean

C.S.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 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 Subsections (a-1) and (a-2) to read as follows:

(a) The commissioner shall require an insurer that declines, 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 applicant for insurance or a~~

1 ~~policyholder]~~, to provide [~~to the applicant or policyholder]~~ a
2 written statement of the reasons for the declination, cancellation,
3 or nonrenewal of the [~~an insurance~~] policy to:

4 (1) the applicant or policyholder if Subdivision (2)
5 does not apply; or

6 (2) if the applicant or policyholder uses a property
7 and casualty agent who is licensed under this code and is not a
8 captive agent, the agent [~~which Section 551.001 applies~~].

9 (a-1) If an applicant for or policyholder of an insurance
10 policy described by Subsection (a) uses an agent described by
11 Subsection (a)(2), the agent shall:

12 (1) provide a written disclosure to the applicant or
13 policyholder that any notice provided under this section will be
14 sent to the agent; and

15 (2) provide the applicant or policyholder with a
16 declination, cancellation, or nonrenewal statement for the
17 applicant's or policyholder's insurance policy that was provided to
18 the agent under Subsection (a).

19 (a-2) The commissioner shall require an insurer that writes
20 workers' compensation insurance, on request by an applicant for
21 workers' compensation insurance or a policyholder, to provide to
22 the applicant or policyholder a written statement of the reasons
23 for the declination, cancellation, or nonrenewal of a workers'
24 compensation insurance policy.

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

27 Sec. 551.006. REPORT REQUIRED. (a) An insurer shall

1 provide to the department at least once each quarter a written
2 report summarizing the insurer's written statements of reasons for
3 declination, cancellation, or nonrenewal provided to applicants
4 for insurance or policyholders as required by this chapter. The
5 report must be:

6 (1) in the form and manner prescribed by the
7 commissioner; and

8 (2) organized by the zip code of the applicant or
9 policyholder that received the statement.

10 (b) This section does not apply to written statements of
11 reasons for declination, cancellation, or nonrenewal provided to
12 applicants for or policyholders of workers' compensation insurance
13 policies.

14 SECTION 4. The heading to Subchapter B, Chapter 551,
15 Insurance Code, is amended to read as follows:

16 SUBCHAPTER B. DECLINATION, CANCELLATION, AND NONRENEWAL OF CERTAIN
17 LIABILITY AND COMMERCIAL PROPERTY INSURANCE POLICIES

18 SECTION 5. Subchapter B, Chapter 551, Insurance Code, is
19 amended by adding Section 551.0521 to read as follows:

20 Sec. 551.0521. WRITTEN NOTICE OF DECLINATION REQUIRED. An
21 insurer that declines an application for a liability insurance or
22 commercial property insurance policy shall deliver or mail written
23 notice of the declination to the applicant.

24 SECTION 6. Section 551.055, Insurance Code, is amended to
25 read as follows:

26 Sec. 551.055. REASON FOR DECLINATION, CANCELLATION, OR
27 NONRENEWAL REQUIRED. In a notice to an applicant or insured

1 relating to declination, cancellation, or refusal to renew, an
2 insurer must state the reason for the declination, cancellation, or
3 nonrenewal. The statement must comply with:

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

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

6 SECTION 7. Section 551.109, Insurance Code, is amended to
7 read as follows:

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

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

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

14 SECTION 8. (a) Except as provided by Subsection (b) of this
15 section, the changes in law made by this Act apply only to an
16 application for insurance that is made or an insurance policy that
17 is delivered, issued for delivery, or renewed on or after March 1,
18 2026. An application made or policy delivered, issued for
19 delivery, or renewed before March 1, 2026, is governed by the law as
20 it existed immediately before that date, and that law is continued
21 in effect for that 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 9. This Act takes effect September 1, 2025.