

By: Hegar

H.B. No. 363

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the declination of certain property and casualty  
3 insurance policies.

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

5 SECTION 1. The heading to Subchapter C, Chapter 551,  
6 Insurance Code, is amended to read as follows:

7 SUBCHAPTER C. DECLINATION, CANCELLATION, AND NONRENEWAL OF  
8 CERTAIN PROPERTY AND CASUALTY POLICIES

9 SECTION 2. Subchapter C, Chapter 551, Insurance Code, is  
10 amended by adding Section 551.113 to read as follows:

11 Sec. 551.113. DECLINATION PROHIBITED; CONSIDERATION OF  
12 CERTAIN CLAIMS. (a) This section applies only to a standard fire,  
13 homeowners, or farm and ranch owners insurance policy.

14 (b) When deciding to issue or to decline to issue an  
15 insurance policy to an applicant for insurance, an insurer may not  
16 consider a customer inquiry as a basis for declination.

17 (c) For purposes of this section, "customer inquiry" means a  
18 telephone call or other communication made to an insurer that does  
19 not result in an investigation or claim and that is in regard to the  
20 general terms or conditions of or coverage offered under an  
21 insurance policy. The term includes a question concerning the  
22 process for filing a claim, and whether a policy will cover a loss,  
23 unless the question concerns specific damage that has occurred and  
24 that results in an investigation or claim.

1           SECTION 3. The change in law made by this Act applies only  
2 to an application for insurance coverage that is made on or after  
3 the effective date of this Act. An application for insurance  
4 coverage that is made before the effective date of this Act is  
5 governed by the law in effect at the time the application was made,  
6 and that law is continued in effect for that purpose.

7           SECTION 4. This Act takes effect September 1, 2005.