

By: Sheets

H.B. No. 2655

A BILL TO BE ENTITLED

AN ACT

relating to notice of coverage reduction on renewal of a property/casualty insurance policy.

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

SECTION 1. Section 2002.001, Insurance Code, is amended to read as follows:

Sec. 2002.001. ENDORSEMENTS REDUCING AMOUNT OF COVERAGE. An insurer may not use an endorsement to a policy form to which Article 5.35, Subchapter B, or Subchapter B, Chapter 2301, applies that reduces ~~[the amount of]~~ coverage that would otherwise be provided under the policy unless:

(1) the insured requests the endorsement; or

(2) the insurer provides the policyholder with a written explanation of the change made by the endorsement not later than the 30th day before the date on which the policy expires ~~[effective date of the change]~~.

SECTION 2. Section 551.105, Insurance Code, is amended to read as follows:

Sec. 551.105. NONRENEWAL OF POLICIES; NOTICE REQUIRED. Unless the insurer has mailed written notice of nonrenewal or renewal with notice of change in coverage to the insured not later than the 30th day before the date on which the insurance policy expires, an insurer must renew an insurance policy, at the request of the insured, on the expiration of the policy.

1 SECTION 3. This Act takes effect September 1, 2011.