

By: Hancock

H.B. No. 3590

A BILL TO BE ENTITLED

AN ACT

relating to the cancellation of homeowners insurance policies.

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

SECTION 1. Section 551.104(g), Insurance Code, is amended to read as follows:

(g) An insurer may cancel any insurance policy other than a personal automobile ~~[or homeowners]~~ insurance policy if the policy has been in effect less than 90 days. An insurer may cancel a personal automobile insurance policy if the policy has been in effect less than 60 days. ~~[An insurer may cancel a homeowners insurance policy if the policy has been in effect less than 60 days and:~~

~~[(1) the insurer identifies a condition that:~~

~~[(A) creates an increased risk of hazard,~~

~~[(B) was not disclosed in the application for insurance coverage, and~~

~~[(C) is not the subject of a prior claim, or~~

~~[(2) before the effective date of the policy, the insurer does not accept a copy of a required inspection report that:~~

~~[(A) was completed by an inspector who is licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections, and~~

~~[(B) is dated not earlier than the 90th day before the effective date of the policy.]~~

1 SECTION 2. Section 551.104(h), Insurance Code, is repealed.

2 SECTION 3. The change in law made by this Act applies only
3 to a homeowners insurance policy that is delivered, issued for
4 delivery, or renewed on or after January 1, 2012. A homeowners
5 insurance policy that is delivered, issued for delivery, or renewed
6 before January 1, 2012, is covered by the law in effect at the time
7 the policy was delivered, issued for delivery, or renewed, and that
8 law is continued in effect for that purpose.

9 SECTION 4. This Act takes effect September 1, 2011.