

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Sheets

H.B. No. 2655

A BILL TO BE ENTITLED

AN ACT

1

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

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

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

7 Sec. 2002.001. ENDORSEMENTS REDUCING AMOUNT OF COVERAGE. An  
8 insurer may not use an endorsement to a policy form to which Article  
9 5.35, Subchapter B, or Subchapter B, Chapter 2301, applies that  
10 reduces [~~the amount of~~] coverage that would otherwise be provided  
11 under the policy unless:

12 (1) the insured requests the endorsement; or

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

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

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

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

**ADOPTED**

MAY 25 2011

*Atty. Gen.*  
Secretary of the Senate

By: Sheets (Larson)

H.B. No. 2655

Substitute the following for H.B. 2655

By: Larson

C.S.H.B. No. 2655

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9 which Article 5.35, Subchapter B, or Subchapter B, Chapter  
10 2301, applies that reduces [~~the amount of~~] coverage that would  
11 otherwise be provided under the policy unless:

12 (1) the insured requests the endorsement; or

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

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

3           Sec. 551.105. NONRENEWAL OF POLICIES; NOTICE REQUIRED.  
4 Unless the insurer has mailed written notice of nonrenewal or  
5 renewal with written notice of change in coverage as provided  
6 by Section 2002.001 to the insured not later than the 30th day  
7 before the date on which the insurance policy expires, an  
8 insurer must renew an insurance policy, at the request of the  
9 insured, on the expiration of the policy.

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

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 26, 2011**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2655** by Sheets (Relating to notice of coverage reduction on renewal of a property/casualty insurance policy.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to notice of coverage reduction on renewal of a property/casualty insurance policy. Based on the analysis provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, SD, AG, KJG, CH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 19, 2011**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2655** by Sheets (Relating to notice of coverage reduction on renewal of a property/casualty insurance policy.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to notice of coverage reduction on renewal of a property/casualty insurance policy. Based on the analysis provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, AG, KJG, CH

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 13, 2011**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2655** by Sheets (Relating to notice of coverage reduction on renewal of a property/casualty insurance policy.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to notice of coverage reduction on renewal of a property/casualty insurance policy. Based on the analysis provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, AG, KJG, CH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 10, 2011**

**TO:** Honorable John T. Smithee, Chair, House Committee on Insurance

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2655** by Sheets (Relating to notice of coverage reduction on renewal of a property/casualty insurance policy.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to notice of coverage reduction on renewal of a property/casualty insurance policy. Based on the analysis provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, KJG, CH