

By: Creighton

H.B. No. 3205

A BILL TO BE ENTITLED

AN ACT

relating to the cancellation of certain insurance policies.

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

SECTION 1. Sec. 551.104, Insurance Code, is amended by amending subsection (g) 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           (1) the insurer identifies a condition that creates an  
2 increased risk of hazard or discovers a hazardous condition that  
3 was not disclosed in the application for insurance coverage; or

4           (2) the risk does not otherwise meet the insurer's  
5 filed underwriting guidelines; or

6           (3) before the effective date of the policy, the  
7 insurer does not accept a copy of a required inspection report that:

8                   (A) was completed by an inspector who is licensed  
9 by the Texas Real Estate Commission or who is otherwise authorized  
10 to perform inspections; and

11                   (B) is dated not earlier than the 90th day before  
12 the effective date of the policy.

13           SECTION 2. This Act takes effect September 1, 2013.