

By: Murphy

H.B. No. 3108

A BILL TO BE ENTITLED

AN ACT

relating to the cancellation of certain 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 or homeowners insurance policy if the policy has been in effect less than 60 days and the insurer obtains from the policyholder written consent to the cancellation. ~~[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~~

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

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 Section 551.104(h), Insurance Code, is repealed.

4 SECTION 3. The change in law made by this Act applies only
5 to an insurance policy delivered, issued for delivery, or renewed
6 on or after January 1, 2020. A policy delivered, issued for
7 delivery, or renewed before that date is governed by the law as it
8 existed immediately before the effective date of this Act, and that
9 law is continued in effect for that purpose.

10 SECTION 4. This Act takes effect September 1, 2019.