By:  Taylor S.B. No. 1602

A BILL TO BE ENTITLED

AN ACT

relating to nonrenewal of certain property and casualty insurance policies for the insured's failure to cooperate in a claim investigation, settlement, or defense.

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

SECTION 1.  Subchapter C, Chapter 551, Insurance Code, is amended by adding Section 551.1053 to read as follows:

Sec. 551.1053.  MANDATORY NONRENEWAL OF PRIVATE PASSENGER AUTOMOBILE INSURANCE POLICIES. (a) If an insured under a private passenger automobile insurance policy fails or refuses to cooperate with an insurer in the investigation, settlement, or defense of a claim or action or the insurer is unable to contact the insured using reasonable efforts for those purposes, the insurer shall provide written notice to the named insured that states:

(1)  how the insured failed or refused to cooperate, including failure as a result of the insurer's inability to contact the insured;

(2)  the claim or action for which the insurer is requesting cooperation; and

(3)  the insurer will not renew the policy if the insured continues to fail or refuse to cooperate.

(b)  Notwithstanding Sections 551.105 and 551.106, an insurer may not renew a private passenger automobile insurance policy if the named insured fails or refuses to cooperate with the insurer in the investigation, settlement, or defense of the claim or action described by the notice provided under Subsection (a).

SECTION 2.  Section 551.1053, Insurance Code, as added by this Act, applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2022.

SECTION 3.  This Act takes effect September 1, 2021.