

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

1 insurer in the investigation, settlement, or defense of the claim  
2 or action described by the notice provided under Subsection (a).

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

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