

1-1 By: Taylor S.B. No. 1602
 1-2 (In the Senate - Filed March 11, 2021; March 24, 2021, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 23, 2021, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 0; April 23, 2021,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1602 By: Hancock

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to nonrenewal of certain property and casualty insurance
 1-22 policies for the insured's failure to cooperate in a claim
 1-23 investigation, settlement, or defense.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Subchapter C, Chapter 551, Insurance Code, is
 1-26 amended by adding Section 551.1053 to read as follows:

1-27 Sec. 551.1053. MANDATORY NONRENEWAL OF POLICIES. (a) If an
 1-28 insured fails or refuses to cooperate with an insurer in the
 1-29 investigation, settlement, or defense of a claim or action or the
 1-30 insurer is unable to contact the insured using reasonable efforts
 1-31 for those purposes, the insurer shall provide written notice to the
 1-32 named insured that states:

1-33 (1) how the insured failed or refused to cooperate,
 1-34 including failure as a result of the insurer's inability to contact
 1-35 the insured;

1-36 (2) the claim or action for which the insurer is
 1-37 requesting cooperation; and

1-38 (3) the insurer will not renew the policy if the
 1-39 insured continues to fail or refuse to cooperate.

1-40 (b) Notwithstanding Sections 551.105 and 551.106, an
 1-41 insurer may not renew a policy if the named insured fails or refuses
 1-42 to cooperate with the insurer in the investigation, settlement, or
 1-43 defense of the claim or action described by the notice provided
 1-44 under Subsection (a).

1-45 SECTION 2. Section 551.1053, Insurance Code, as added by
 1-46 this Act, applies only to an insurance policy delivered, issued for
 1-47 delivery, or renewed on or after January 1, 2022.

1-48 SECTION 3. This Act takes effect September 1, 2021.

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