

BILL ANALYSIS

H.B. 2065
By: Thompson, Ed
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

When a claim is filed with the insurance company of the at-fault driver, the at-fault driver must cooperate in the claims process or must consequently face nonrenewal by the insurance company. However, if the driver was not the named insured or policyholder, but was instead someone who had permission to drive the vehicle and was also considered an insured, the insurance company may need to get the statement and cooperation of the insured and not the named insured. H.B. 2065 seeks to close this loophole by removing the specification that the insured whose failure or refusal to cooperate with the insurer under certain circumstances triggers mandatory nonrenewal is a named insured.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2065 amends the Insurance Code to revise provisions requiring an insurer to provide certain notice to the named insured on a private passenger automobile insurance policy if any insured under that policy fails or refuses to cooperate with the insurer in an investigation, settlement, or defense of a claim or action and subjecting the policy to mandatory nonrenewal if such failure or refusal continues by doing the following:

- making those provisions applicable only with respect to third-party liability claims or actions; and
- removing a specification that the insured whose failure or refusal to cooperate triggers the nonrenewal is a named insured.

The bill applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2024.

EFFECTIVE DATE

September 1, 2023.