

AN ACT

relating to nonrenewal of certain private passenger automobile insurance policies for the insured's failure to cooperate in a third-party liability claim or action.

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

SECTION 1. Section 551.1053, Insurance Code, is amended 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 third-party liability 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

1 policy if the [~~named~~] insured fails or refuses to cooperate with the
2 insurer in the investigation, settlement, or defense of the
3 third-party liability claim or action described by the notice
4 provided under Subsection (a).

5 SECTION 2. Section 551.1053, Insurance Code, as amended by
6 this Act, applies only to an insurance policy delivered, issued for
7 delivery, or renewed on or after January 1, 2024. An insurance
8 policy delivered, issued for delivery, or renewed before January 1,
9 2024, is governed by the law as it existed immediately before the
10 effective date of this Act, and that law is continued in effect for
11 that purpose.

12 SECTION 3. This Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 2065 was passed by the House on May 2, 2023, by the following vote: Yeas 135, Nays 9, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2065 was passed by the Senate on May 19, 2023, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor