

By: Harris of Williamson

H.B. No. 5048

A BILL TO BE ENTITLED

AN ACT

relating to boycott, coercion, and intimidation activities by insurance companies regarding environmental, social, and governance matters.

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

SECTION 1. Section 541.054, Insurance Code, is amended to read as follows:

Sec. 541.054. BOYCOTT, COERCION, OR INTIMIDATION. (a) It is an unfair method of competition or an unfair or deceptive act or practice in the business of insurance to commit through concerted action or to enter into an agreement to commit an act of boycott, coercion, or intimidation that results in or tends to result in the unreasonable restraint of or a monopoly in the business of insurance.

(b) An act of boycott, coercion, or intimidation includes refusing to deal with, terminating business activities with, or otherwise taking any commercial action that is intended to penalize, inflict economic harm on, limit commercial relations with, or change or limit the activities of a company because the company, without violating controlling federal or state law:

(1) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy, timber, mining, or agriculture;

(2) engages in, facilitates, or supports the

1 manufacture, import, distribution, marketing or advertising, sale,
2 or lawful use of firearms, ammunition, or component parts and
3 accessories of firearms or ammunition;

4 (3) contracts with the United States Immigration and
5 Customs Enforcement for the provision of federal immigration
6 detention centers or support services related to the implementation
7 of federal immigration and border security laws, regulations, and
8 policies;

9 (4) does not meet, is not expected to meet, or does not
10 commit to meet environmental standards or disclosure criteria, in
11 particular to eliminate, reduce, offset, or disclose greenhouse gas
12 emissions; or

13 (5) does not meet, is not expected to meet, or does not
14 commit to meet corporate board, employment, composition,
15 compensation, or disclosure criteria that incorporates
16 characteristics protected under Chapter 21, Labor Code.

17 (c) A method of competition, act, or practice in the
18 business of insurance may be determined to be an action to boycott,
19 coerce, or intimidate based on evidence indicating that purpose,
20 including:

21 (1) branding, advertising, statements, explanations,
22 reports, letters to clients, communications with portfolio
23 companies, statements of principles, or commitments; or

24 (2) participation in, affiliation with, or status as a
25 signatory to any coalition, initiative, joint statement of
26 principles, or agreement.

27 SECTION 2. This Act takes effect September 1, 2023.