

By: Oliverson

H.B. No. 153

A BILL TO BE ENTITLED

AN ACT

relating to insurer use of aerial images for nonrenewal of residential property insurance policies.

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

SECTION 1. Chapter 551, Insurance Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. NONRENEWAL OF RESIDENTIAL PROPERTY INSURANCE

POLICIES DUE TO INSURER USE OF AERIAL IMAGES

Sec. 551.251. DEFINITIONS. In this subchapter:

(1) "Aerial image" means an image of a named insured's property captured from an airborne platform.

(2) "Insurer" means any authorized insurer writing residential property insurance in this state, including:

(A) a county mutual insurance company;

(B) a Lloyd's plan;

(C) a reciprocal or interinsurance exchange; and

(D) a farm mutual insurance company.

(3) "Nonrenewal" means a termination of residential property insurance coverage that occurs at the end of the policy term.

(4) "Renewal" means:

(A) the issuance and delivery by an insurer at the end of a policy term of a residential property insurance policy superseding a policy previously issued and delivered by the same insurer; or

(B) the issuance and delivery of a certificate or notice extending the term of an existing residential property insurance policy beyond its policy term.

(5) "Residential property insurance" has the meaning assigned by Section 2254.001.

Sec. 551.252. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a residential property insurance policy delivered, issued for delivery, or renewed in this state.

Sec. 551.253. RULES. The commissioner shall adopt rules necessary to implement this subchapter.

Sec. 551.254. CONFLICT OF LAWS. To the extent this subchapter conflicts with another provision of this chapter, this subchapter prevails.

Sec. 551.255. USE OF AERIAL IMAGES IN RELATION TO NONRENEWAL. If an insurer elects to use aerial images in a nonrenewal determination, the insurer shall:

(1) not later than the 61st day before the date on which the insurance policy expires, provide a written nonrenewal notice

to an insured that includes:

(A) a copy of date-stamped images of the property that is the subject of the notice that:

(i) are taken not earlier than a year before the date of the nonrenewal notice; and

(ii) show the specific defects or conditions that are out of compliance with the insurer's underwriting guidelines; and

(B) the steps the insured may take to reverse the insurer's decision, including any specific standards for required repairs;

(2) establish a point of contact and process for insureds to use to provide documentation of completed work that the insurer requires under Subdivision (1) (B);

(3) consider documentation received under Subdivision (2) in determining whether to uphold the nonrenewal decision;

(4) establish an appeals process for the insured to correct any errors or misunderstandings related to the nonrenewal;

(5) provide the insured at least 60 days to cure the defects or conditions underlying the nonrenewal decision from the date the insurer provides notice under Subdivision (1); and

(6) subject to Section 551.256 and except as provided by Section 551.257, offer a renewal policy to an insured who submits

written proof that the insured cured the defects or conditions in the time provided under Subdivision (5).

Sec. 551.256. RIGHT TO INSPECT. An insurer is entitled to inspect the work done to cure a defect or condition under Section 551.255(5) to ensure the work complies with the insurer's underwriting guidelines.

Sec. 551.257. OTHER BASIS FOR NONRENEWAL NOT AFFECTED. This subchapter does not affect an insurer's right to decline to renew a policy for a reason other than failure to cure a defect or condition identified in a notice provided under Section 551.255.

SECTION 2. Subchapter F, Chapter 551, Insurance Code, as added by this Act, applies only to an insurance policy delivered, issued for delivery, or renewed on or after April 1, 2026.

SECTION 3. This Act takes effect on the 91st day after the last day of the legislative session.