

BILL ANALYSIS

Senate Research Center
89R13003 DNC-D

C.S.S.B. 213
By: West
Business & Commerce
3/13/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In the fall of 2024, North Texas consumers of a particular insurance company were subjected to an outrageous forced-bundling scheme. Consumers who held policies from this insurance company for homeowners coverage were advised, in writing, that if they did not bundle their auto insurance with the same carrier, their homeowners coverage would be dropped. This practice is known as forced bundling.

Forced bundling is not illegal in Texas. Although a proposed Texas Department of Insurance rule will address this practice, it will not statutorily prohibit the practice, and the rule could be rescinded by a future commissioner.

Simply, S.B. 213 makes the practice of forced bundling illegal in Texas with regard to homeowners and automobile insurance.

Additionally, with the introduction of a committee substitute, this bill will be stronger than TDI's proposed rule, prohibiting forced bundling of both home and auto insurance, as well as farm and ranch insurance and similar lines.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 213 amends current law relating to prohibiting insurers from requiring the tying of residential property and personal automobile insurance policies.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 551, Insurance Code, by adding Subchapter F, as follows:

**SUBCHAPTER F. CONTINGENCY OF RESIDENTIAL PROPERTY AND PERSONAL
AUTOMOBILE POLICIES**

Sec. 551.251. DEFINITION. Defines "residential property insurance" and "personal automobile insurance."

Sec. 551.252. EXEMPTIONS. Provides that this subchapter does not apply to a windstorm and hail insurance policy, a flood insurance policy, or a personal umbrella insurance policy.

Sec. 551.253. REQUIRED TYING OF RESIDENTIAL PROPERTY AND PERSONAL AUTOMOBILE POLICIES. Provides that it is an unfair method of competition or an unfair or deceptive act or practice in business of insurance under Chapter 541 (Unfair Methods of Competition and Unfair or Deceptive Acts or Practices) to:

(1) make the issuance, delivery, or renewal of a residential property insurance policy contingent on the purchase of a personal automobile insurance policy from the same insurer or an affiliated insurer or agent; or

(2) make the issuance, delivery, or renewal of a personal automobile insurance policy contingent on the purchase of a residential property insurance policy from the same insurer or an affiliated insurer or agent.

SECTION 2. Effective date: September 1, 2025.