H.B. No. 2067

AN ACT

relating to declination, cancellation, or nonrenewal of insurance policies.

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

SECTION 1.  Section 551.001(a), Insurance Code, is amended to read as follows:

(a)  The commissioner may, as necessary, adopt and enforce reasonable rules, including notice requirements, relating to the declination of a completed and submitted application for or the cancellation or [~~and~~] nonrenewal of any insurance policy regulated by the department under:

(1)  Chapter 5;

(2)  Chapter 1804, 1805, 2171, or 2301; or

(3)  Subtitle C, D, E, or F, Title 10.

SECTION 2.  Section 551.002(a), Insurance Code, is amended to read as follows:

(a)  The commissioner shall require an insurer that declines a completed and submitted application for or cancels or refuses to renew an insurance policy to which Section 551.001 applies[~~, on request by an applicant for insurance or a policyholder,~~] to provide to the applicant or policyholder or the applicant's agent in accordance with Section 551.007, as applicable, a written statement of the reasons for the declination, cancellation, or nonrenewal of the [~~an insurance~~] policy [~~to which Section 551.001 applies~~].

SECTION 3.  Subchapter A, Chapter 551, Insurance Code, is amended by adding Sections 551.006, 551.007, and 551.008 to read as follows:

Sec. 551.006.  REPORT REQUIRED. (a) An insurer shall provide to the department at least once each quarter a written report summarizing the insurer's reasons for declination, cancellation, or nonrenewal provided to applicants for insurance or policyholders as required by this chapter. The report must be:

(1)  in the form and manner prescribed by the commissioner; and

(2)  except as provided by Subsection (c), organized by the zip codes of the applicants and policyholders, as applicable, that received the statement.

(b)  The department shall post an aggregated summary of the reports provided under this section on the department's Internet website. The aggregated summary:

(1)  except as provided by Subsection (c), must be organized by the zip codes of the applicants and policyholders, as applicable; and

(2)  may not identify, directly or indirectly, any insurer.

(c)  A report under this section summarizing reasons for declination, cancellation, or nonrenewal provided to applicants for or policyholders of workers' compensation insurance policies must be a statewide report and not organized by the zip codes of the applicants or policyholders.

Sec. 551.007.  NOTICE OF DECLINATION FOR COMMERCIAL LINES OF INSURANCE. (a) An insurer must deliver a notice of a declination required by this chapter for a completed and submitted application for a commercial line of insurance to the applicant's agent.

(b)  On receiving a notice described by Subsection (a), an agent shall disclose the declination to the applicant and make the notice available for the applicant to review.

Sec. 551.008.  ELECTRONIC DELIVERY. An insurer may deliver notice or a written statement of a declination, cancellation, or nonrenewal required by this chapter electronically in accordance with Chapter 35.

SECTION 4.  The heading to Subchapter B, Chapter 551, Insurance Code, is amended to read as follows:

SUBCHAPTER B. DECLINATION, CANCELLATION, AND NONRENEWAL OF CERTAIN LIABILITY AND COMMERCIAL PROPERTY INSURANCE POLICIES

SECTION 5.  Subchapter B, Chapter 551, Insurance Code, is amended by adding Section 551.0521 to read as follows:

Sec. 551.0521.  WRITTEN NOTICE OF DECLINATION REQUIRED. An insurer that declines a completed and submitted application for a liability insurance or commercial property insurance policy shall deliver or mail written notice of the declination to the applicant or the applicant's agent in accordance with Section 551.007, as applicable.

SECTION 6.  Section 551.055, Insurance Code, is amended to read as follows:

Sec. 551.055.  REASON FOR DECLINATION, CANCELLATION, OR NONRENEWAL REQUIRED. In a notice to an applicant or insured relating to declination, cancellation, or refusal to renew, an insurer must state the reason for the declination, cancellation, or nonrenewal. The statement must comply with:

(1)  Sections 551.002(b) and (c); and

(2)  rules adopted under Section 551.002(d).

SECTION 7.  Section 551.109, Insurance Code, is amended to read as follows:

Sec. 551.109.  INSURER STATEMENT. An insurer shall[~~, at the request of an applicant for insurance or an insured,~~] provide a written statement of the reason for a declination of a completed and submitted application for an insurance policy or a[~~,~~] cancellation[~~,~~] or nonrenewal of an insurance policy. The statement must comply with:

(1)  Sections 551.002(b) and (c); and

(2)  rules adopted under Section 551.002(d).

SECTION 8.  The change in law made by this Act applies only to an application for insurance that is made or an insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act. An application made or policy delivered, issued for delivery, or renewed before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 9.  This Act takes effect January 1, 2026.

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  President of the Senate Speaker of the House

I certify that H.B. No. 2067 was passed by the House on April 25, 2025, by the following vote:  Yeas 123, Nays 2, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 2067 on May 29, 2025, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2067 on May 31, 2025, by the following vote:  Yeas 128, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2067 was passed by the Senate, with amendments, on May 25, 2025, by the following vote:  Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2067 on May 31, 2025, by the following vote:  Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                 Date

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               Governor