

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~~

1 ~~applies~~].

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 Sec. 551.055. REASON FOR DECLINATION, CANCELLATION, OR
27 NONRENEWAL REQUIRED. In a notice to an applicant or insured

1 relating to declination, cancellation, or refusal to renew, an
2 insurer must state the reason for the declination, cancellation, or
3 nonrenewal. The statement must comply with:

4 (1) Sections 551.002(b) and (c); and

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

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

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

14 (1) Sections 551.002(b) and (c); and

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

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

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

H.B. No. 2067

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.

Chief Clerk of the House

H.B. No. 2067

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.

Secretary of the Senate

APPROVED: _____

Date

Governor