

By: Middleton

S.B. No. 1006

A BILL TO BE ENTITLED

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, cancellation, 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, 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 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 B, Chapter 551, Insurance Code, is amended by adding Section 551.0521 to read as follows:

1 Sec. 551.0521. WRITTEN NOTICE OF DECLINATION REQUIRED. An
2 insurer that declines an application for a liability insurance or
3 commercial property insurance policy shall deliver or mail written
4 notice of the declination to the applicant.

5 SECTION 4. Section 551.055, Insurance Code, is amended to
6 read as follows:

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

- 12 (1) Sections 551.002(b) and (c); and
13 (2) rules adopted under Section 551.002(d).

14 SECTION 5. Section 551.109, Insurance Code, is amended to
15 read as follows:

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

- 20 (1) Sections 551.002(b) and (c); and
21 (2) rules adopted under Section 551.002(d).

22 SECTION 6. The change in law made by this Act applies only
23 to an application for insurance that is made or an insurance policy
24 that is delivered, issued for delivery, or renewed on or after the
25 effective date of this Act. An application made or policy
26 delivered, issued for delivery, or renewed before the effective
27 date of this Act is governed by the law as it existed immediately

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1 before the effective date of this Act, and that law is continued in
2 effect for that purpose.

3 SECTION 7. This Act takes effect September 1, 2025.