

A BILL TO BE ENTITLED

AN ACT

relating to declination and nonrenewal of residential and personal automobile insurance policies based on previous claims.

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. DECLINATION AND NONRENEWAL OF RESIDENTIAL PROPERTY AND PERSONAL AUTOMOBILE INSURANCE POLICIES

Sec. 551.251. DEFINITIONS. In this subchapter:

(1) "Insurer" means any authorized insurer writing property and casualty 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.

(2) "Personal automobile insurance" and "residential property insurance" have the meanings assigned by Section 2254.001.

Sec. 551.252. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to:

(1) a residential property insurance policy; or

(2) a personal automobile insurance policy.

Sec. 551.253. CONSIDERATION OF PREVIOUS CLAIMS FOR DECLINATION OR NONRENEWAL. (a) When deciding whether to issue or renew an insurance policy, an insurer may not use the fact that the

1 applicant or policyholder previously made an insurance claim on any
2 policy or the amount of a previous claim as a basis for a
3 declination or nonrenewal.

4 (b) Nothing in this section prohibits an insurer from
5 considering the circumstances under which a previous claim was made
6 when deciding whether to issue or renew an insurance policy.

7 SECTION 2. The changes in law made by this Act apply only to
8 an insurance policy delivered, issued for delivery, or renewed on
9 or after January 1, 2026.

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