

By: Schwertner

S.B. No. 1644

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the use of a consumer's credit score in the underwriting
3 or rating of certain personal lines property and casualty insurance
4 policies.

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

6 SECTION 1. Section 559.053(b), Insurance Code, is amended
7 to read as follows:

8 (b) Except as provided by Section 559.058(b), if [~~if~~] a
9 policy is issued to the applicant for insurance coverage, an
10 insurer or agent is not required to make the disclosure required
11 under Subsection (a) on any subsequent renewal of the coverage.

12 SECTION 2. Subchapter B, Chapter 559, Insurance Code, is
13 amended by adding Section 559.058 to read as follows:

14 Sec. 559.058. POLICY RE-RATING BASED ON UPDATED CREDIT
15 SCORE. (a) An insurer that uses credit scoring in the underwriting
16 or rating of insurance subject to this chapter shall:

17 (1) use a consumer's credit report issued not more than
18 90 days before the date the policy is first issued or renewed;

19 (2) review and update the credit report of an insured
20 not less than every 36 months; and

21 (3) reassess the insured's policy rating and adjust
22 premiums based on the updated credit score.

23 (b) An insurer must provide written notice to the insured of
24 any change in the insured's credit score and premiums. The notice

1 must include:

2 (1) the date of the credit score update;

3 (2) a description of how the updated credit score was
4 used to calculate any change to the insured's premium, if
5 applicable; and

6 (3) a description of the insured's rights under
7 Subsection (c) and Sections 559.054 and 559.055.

8 (c) On renewal of an insurance policy, the insurer:

9 (1) shall, on request of an insured or the insured's
10 agent, re-underwrite and re-rate the policy based upon a current
11 credit report or insurance score, not exceeding once each 12-month
12 period; and

13 (2) may obtain an insured's credit score in accordance
14 with the insurer's underwriting guidelines, regardless of whether
15 the renewal occurs before the expiration of the 36-month period
16 described by Subsection (a)(2).

17 (d) An insurer is not required to update an insured's credit
18 score and policy rating under this section if:

19 (1) the insured in writing opts out of credit score
20 updates;

21 (2) the insured is in the most favorably priced tier of
22 the insurer within a group of affiliated insurers;

23 (3) credit scoring is not used in the underwriting or
24 rating of the insurance policy; or

25 (4) the insured's insurance product or type of
26 coverage does not rely on credit scoring as a factor.

27 SECTION 3. Subchapter B, Chapter 559, Insurance Code, as

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1 amended by this Act, applies only to an insurance policy that is
2 delivered, issued for delivery, or renewed on or after January 1,
3 2026.

4 SECTION 4. This Act takes effect September 1, 2025.