

1-1 By: Paul, et al. (Senate Sponsor - Middleton) H.B. No. 2067  
1-2 (In the Senate - Received from the House April 28, 2025;  
1-3 May 15, 2025, read first time and referred to Committee on Business  
1-4 & Commerce; May 22, 2025, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 11, Nays 0;  
1-6 May 22, 2025, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 2067 By: King

1-21 A BILL TO BE ENTITLED  
1-22 AN ACT

1-23 relating to declination, cancellation, or nonrenewal of insurance  
1-24 policies.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 551.001(a), Insurance Code, is amended  
1-27 to read as follows:

1-28 (a) The commissioner may, as necessary, adopt and enforce  
1-29 reasonable rules, including notice requirements, relating to the  
1-30 declination of a completed and submitted application for or the  
1-31 cancellation or ~~and~~ nonrenewal of any insurance policy regulated  
1-32 by the department under:

- 1-33 (1) Chapter 5;
- 1-34 (2) Chapter 1804, 1805, 2171, or 2301; or
- 1-35 (3) Subtitle C, D, E, or F, Title 10.

1-36 SECTION 2. Section 551.002(a), Insurance Code, is amended  
1-37 to read as follows:

1-38 (a) The commissioner shall require an insurer that declines  
1-39 a completed and submitted application for or cancels or refuses to  
1-40 renew an insurance policy to which Section 551.001 applies~~, on~~  
1-41 ~~request by an applicant for insurance or a policyholder,~~ to  
1-42 provide to the applicant or policyholder or the applicant's agent  
1-43 in accordance with Section 551.007, as applicable, a written  
1-44 statement of the reasons for the declination, cancellation, or  
1-45 nonrenewal of the ~~an insurance~~ policy ~~to which Section 551.001~~  
1-46 applies].

1-47 SECTION 3. Subchapter A, Chapter 551, Insurance Code, is  
1-48 amended by adding Sections 551.006, 551.007, and 551.008 to read as  
1-49 follows:

1-50 Sec. 551.006. QUARTERLY REPORT. (a) An insurer shall  
1-51 provide to the department each quarter a written report summarizing  
1-52 the insurer's written statements of reasons for declination,  
1-53 cancellation, or nonrenewal provided to applicants for insurance or  
1-54 policyholders as required by this chapter. The report must be:

1-55 (1) in the form and manner prescribed by the  
1-56 commissioner; and

1-57 (2) organized by the zip code of the applicant or  
1-58 policyholder that received the statement.

1-59 (b) The department shall post a report provided under this  
1-60 section on the department's Internet website.

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

2-5 (b) On receiving a notice described by Subsection (a), an  
2-6 agent shall disclose the declination to the applicant and make the  
2-7 notice available for the applicant to review.

2-8 Sec. 551.008. ELECTRONIC DELIVERY. An insurer may deliver  
2-9 notice or a written statement of a declination, cancellation, or  
2-10 nonrenewal required by this chapter electronically in accordance  
2-11 with Chapter 35.

2-12 SECTION 4. The heading to Subchapter B, Chapter 551,  
2-13 Insurance Code, is amended to read as follows:

2-14 SUBCHAPTER B. DECLINATION, CANCELLATION, AND NONRENEWAL OF CERTAIN  
2-15 LIABILITY AND COMMERCIAL PROPERTY INSURANCE POLICIES

2-16 SECTION 5. Subchapter B, Chapter 551, Insurance Code, is  
2-17 amended by adding Section 551.0521 to read as follows:

2-18 Sec. 551.0521. WRITTEN NOTICE OF DECLINATION REQUIRED. An  
2-19 insurer that declines a completed and submitted application for a  
2-20 liability insurance or commercial property insurance policy shall  
2-21 deliver or mail written notice of the declination to the applicant  
2-22 or the applicant's agent in accordance with Section 551.007, as  
2-23 applicable.

2-24 SECTION 6. Section 551.055, Insurance Code, is amended to  
2-25 read as follows:

2-26 Sec. 551.055. REASON FOR DECLINATION, CANCELLATION, OR  
2-27 NONRENEWAL REQUIRED. In a notice to an applicant or insured  
2-28 relating to declination, cancellation, or refusal to renew, an  
2-29 insurer must state the reason for the declination, cancellation, or  
2-30 nonrenewal. The statement must comply with:

- 2-31 (1) Sections 551.002(b) and (c); and
- 2-32 (2) rules adopted under Section 551.002(d).

2-33 SECTION 7. Section 551.109, Insurance Code, is amended to  
2-34 read as follows:

2-35 Sec. 551.109. INSURER STATEMENT. An insurer shall~~at the~~  
2-36 ~~request of an applicant for insurance or an insured,~~ provide a  
2-37 written statement of the reason for a declination, cancellation, or  
2-38 nonrenewal of an insurance policy. The statement must comply with:

- 2-39 (1) Sections 551.002(b) and (c); and
- 2-40 (2) rules adopted under Section 551.002(d).

2-41 SECTION 8. The change in law made by this Act applies only  
2-42 to an application for insurance that is made or an insurance policy  
2-43 that is delivered, issued for delivery, or renewed on or after the  
2-44 effective date of this Act. An application made or policy  
2-45 delivered, issued for delivery, or renewed before the effective  
2-46 date of this Act is governed by the law as it existed immediately  
2-47 before the effective date of this Act, and that law is continued in  
2-48 effect for that purpose.

2-49 SECTION 9. This Act takes effect September 1, 2025.

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