

## **BILL ANALYSIS**

Senate Research Center  
79R14634 KCR-F

H.B. 363  
By: Hegar (Armbrister)  
Business & Commerce  
5/18/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

H.B. 363 prohibits insurers from declining to offer an insurance policy for certain reasons. The bill will prevent insurance companies from using a customer inquiry as a basis for declination.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the heading to Subchapter C, Chapter 551, Insurance Code, as follows:

#### **SUBCHAPTER C. DECLINATION, CANCELLATION, AND NONRENEWAL OF CERTAIN PROPERTY AND CASUALTY POLICIES**

SECTION 2. Amends Subchapter C, Chapter 551, Insurance Code, by adding Section 551.113, as follows:

Sec. 551.113. **DECLINATION PROHIBITED; CONSIDERATION OF CERTAIN CLAIMS.** (a) Provides that this section applies only to a standard fire, homeowners, or farm and ranch owners insurance policy.

(b) Prohibits an insurer from considering a customer inquiry as a basis for declination when deciding to issue or to decline to issue an insurance policy to an applicant for insurance.

(c) Defines "customer inquiry."

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2005.