

By: Barry

H.B. No. 3569

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to certain contract refusals, terminations, and  
3 suspensions of licensed insurance agents by a property and casualty  
4 insurer.

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

6 SECTION 1. The heading to Subchapter H, Chapter 4051,  
7 Insurance Code, is amended to read as follows:

8 SUBCHAPTER H. EXECUTION, TERMINATION, OR SUSPENSION OF AGENT  
9 CONTRACTS BY PROPERTY AND CASUALTY INSURERS

10 SECTION 2. Subchapter H, Chapter 4051, Insurance Code, is  
11 amended by adding Section 4051.3515 to read as follows:

12                   Sec. 4051.3515. PROHIBITED DISCRIMINATION AGAINST LICENSED  
13 AGENT. (a) This section does not apply to a captive agent.

14                   (b) Except as provided by Subsection (c), an insurer may not  
15 refuse to enter into a contract with an agent who holds a license:

19                   (c) Subsection (b) does not apply to an agent who previously  
20 contracted with or was appointed by the insurer and the insurer  
21 terminated, suspended, or refused to renew the contract or  
22 appointment:

23 (1) in accordance with this subchapter; and

24 (2) on the basis of a requirement or other reason not

1 described by Subsection (d).

2 (d) An insurer may not terminate, suspend, or refuse to  
3 enter into or renew a contract with an agent on the basis of:

4 (1) direct written premium; or

5 (2) the amount of loss that is:

6 (A) incurred by the insurer; and

7 (B) associated with an insurance policy written  
8 or sold by the agent.

9 SECTION 3. Section 4051.3515, Insurance Code, as added by  
10 this Act, applies only to the termination or suspension of, or  
11 refusal to renew, an appointment or contract that is entered into on  
12 or after the effective date of this Act.

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