

By: Barry

H.B. No. 3569

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

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

(1) issued under this chapter; and

(2) authorizing the agent to write a line of insurance that is the subject of the contract.

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

(1) in accordance with this subchapter; and

(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.