

HB4635 • Texas

Relating to disclosure of the use of artificial intelligence in the denial of insurance claims.

Introduced

Risk: Medium

Sector-Specific

Effective: Sep 01, 2025 | Last Action (May 07, 2025): Left pending in committee

Summary

Requires insurers to disclose AI use in claim denials; effective September 1, 2025.

Business Impact

If you use AI to deny insurance claims in Texas, disclose this to claimants by 2025 or face compliance issues.

Key Provisions

- Insurers must disclose AI use in claim denials.
- Disclosure must include AI's decision basis.
- Provide appeal instructions with denial notice.

Compliance Checklist

- Disclose AI use in claim denials | Who: Insurers and health maintenance organizations
- Include AI decision basis in disclosure | Who: Insurers and health maintenance organizations
- Provide appeal instructions | Who: Insurers and health maintenance organizations

Industries Affected

Insurance

Topics

Official Source

<https://capitol.texas.gov/tlodocs/89R/billtext/html/HB04635I.htm>

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