

Commissioner's Bulletin # B-0007-24

July 8, 2024

To: All insurers, agents, and adjusters

Re: Hurricane Beryl – property and casualty vacancy provisions and premium payments

Acting Governor Dan Patrick issued a disaster declaration in response to Hurricane Beryl. Damage and evacuations caused by the disaster might mean people were displaced from their homes and jobs. The acting governor authorized the use of all available state and local government resources necessary to cope with the disaster. (Government Code Section 418.017).

TDI expects insurers to work with their policyholders as they recover from the storm. This bulletin doesn't create specific requirements. Cooperation by every insurer will help ensure the fair treatment of consumers and provide for fair competition.

Vacancy provisions

TDI expects insurers to work with policyholders temporarily displaced by Hurricane Beryl. Insurers should suspend policy vacancy provisions as long as reasonably necessary. This doesn't apply to a vacancy provision for policyholders who have moved permanently from their homes or businesses.

For questions about vacancy provisions, call the Property and Casualty Lines Office at 512-676-6710 or email PropertyCasualty@tdi.texas.gov.

Grace period for premium payments

TDI expects insurers to work with policyholders affected by Hurricane Beryl who need more time to pay premiums to continue coverage. This may include minimizing penalties or charges for late payments, or temporarily suspending payment or repayment plans.

TDI will work with insurers to minimize the effects of any suspension of premium payments, specifically regarding financial review requirements.

This grace period doesn't mean the forgiveness of premium.

For questions about grace periods, call the Financial Regulation Division at 512-676-6365 or email FIN-GM@tdi.texas.gov.

For more information, contact: PropertyCasualty@tdi.texas.gov

Commissioner's Bulletin # B-0008-24

July 8, 2024

To: All insurers, adjusters, and contractors

Re: Hurricane Beryl - adjusters and repairs

Acting Governor Dan Patrick issued a disaster declaration in response to Hurricane Beryl. Damage and evacuations caused by the disaster might mean people were displaced from their homes and jobs. The acting governor authorized the use of all available state and local government resources necessary to cope with the disaster. (Government Code Section 418.017).

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Claims adjusting and adjusters

TDI reminds insurers that they may use nonresident and emergency adjusters to handle disaster-related claims. (Insurance Code Sections 4101.002(b) and 4101.101).

Consumers have the right to contract with a licensed public insurance adjuster. (Insurance Code Section 4102.007). All public insurance adjusters must be licensed by TDI. The Insurance Code provides for both civil and criminal penalties for violating this license requirement. (Insurance Code Chapter 4102).

Texas law includes several provisions to prevent conflicts of interest in the adjusting process. (Insurance Code Chapters 4101 and 4102). These include:

- Licensed adjusters may not adjust roofing losses for an insurer if the adjuster is a roofing contractor, provides or sells roofing services or products, or is a controlling person in a roofing-related business.
- A roofing contractor may not act as an adjuster or advertise to adjust claims for any property that the contractor is providing or may provide roofing services to.
- Contractors may provide estimates and discuss those estimates and other technical information with an insurer or its adjuster.

Public adjusters

TDI reminds licensed public adjusters about state laws concerning advertisements and solicitation in Insurance Code Chapters 4102. These laws say:

- Ads and signs must include the public adjuster's address and license number.
- The name on the ad must match what is listed on the adjuster's
- Solicitation of clients is prohibited during a disaster.

Claim settlement

TDI reminds insurers, adjusters, and contractors that:

- An insurer or its representative, or any other person, may not misrepresent the terms and provisions of a policy. (Insurance Code Section 543.001).
- An insurer may not engage in unfair claim settlement practices. Insurers must attempt to reach a prompt, fair, and equitable settlement of a claim in which liability has become reasonably clear. (Insurance Code Section 542.003(a) and (b)(4)).
- It's illegal for contractors or roofers to offer to waive a deductible or promise a rebate for all or part of a deductible. (Insurance Code Chapter 707 and Business and Commerce Code Section 27.02).

For questions about this bulletin, call the TDI Help Line at 800-252-3439.

For more information, contact: PropertyCasualty@tdi.texas.gov

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Commissioner's Bulletin # B-0009-24

July 8, 2024

To: All TDI-regulated entities and the public

Re: Hurricane Beryl – property and casualty underwriting, rating, and nonrenewing

Acting Governor Dan Patrick issued a disaster declaration in response to Hurricane Beryl. Damage and evacuations caused by the disaster might mean people were displaced from their homes and jobs. The acting governor authorized the use of all available state and local government resources necessary to cope with the disaster. (Government Code Section 418.017).

TDI expects insurers to work with their policyholders as they recover from the storm. This bulletin doesn't create specific requirements. Cooperation by every insurer will help ensure the fair treatment of consumers and provide for fair competition.

Underwriting, rating, and nonrenewing

TDI expects the following:

- **Commercial auto:** If commercial auto policyholders are helping with the relief effort for Hurricane Beryl, insurers shouldn't reclassify, rerate, cancel, nonrenew, or refuse to provide coverage solely because of that participation.
- **Victims and evacuees:** Insurers should not rerate, cancel, nonrenew, refuse to provide coverage, or change a policyholder's classification or premium solely because a policyholder is a victim or evacuee of Hurricane Beryl. An insurer extending coverage during a disaster declaration has the right to earn premium on that extended coverage.
- **Credit scoring and information:** Insurers must provide reasonable exceptions to an insurer's rates, rating classifications, or underwriting rules if consumer's credit information was harmed by:
 - A catastrophic illness or injury;
 - The death of a spouse, child, or parent;
 - Temporary loss of employment;
 - Divorce; or
 - Identity theft.

Insurers can also provide exceptions for other extraordinary events. The insurer may consider only credit information *not* affected by the event or must assign a neutral credit score. TDI expects insurers to avoid placing more burdens on victims or evacuees of Hurricane Beryl and encourages insurers to accept verbal requests in lieu of written. (Insurance Code Section 559.103).

- **Nonrenewal:** Insurers nonrenewing a residential or farm or ranch owners policy because of three or more claims under a policy in any three-year period may not consider:
 - Losses from natural causes.

- Claims filed but not paid or payable.
- Claims history for remediated water damage.

Practices related to nonrenewal are also subject to restrictions against unfair discrimination. (Insurance Code Chapter 544, Subchapters A and B, and Sections 544.303, 544.353, and 551.107).

- **Inquiries:** Insurers may not nonrenew on the basis of a customer inquiry. An inquiry includes a question about how to file a claim and whether a policy will cover a loss, unless the question concerns specific damage that has occurred and that results in an investigation or claim. (Insurance Code Section 551.113).

For questions about underwriting, rating, and nonrenewing, call the Property and Casualty Lines Office at 512-676-6710 or email PropertyCasualty@tdi.texas.gov.

Restricting new business and withdrawal

- Before instituting restrictions on writing new personal automobile and residential property business in response to a catastrophic natural event, insurers—except for farm mutuals—must file a restriction plan with TDI and get prior approval. Insurers should file restriction plans with the Company Licensing and Registration Office by email at CLRFilings@tdi.texas.gov.
- When insurers, except for farm mutuals, contemplate reducing business below approved thresholds, they must file a withdrawal plan with TDI for prior approval. Insurers should file withdrawal plans with the Company Licensing and Registration Office by email at CLRFilings@tdi.texas.gov. (Insurance Code Sections 827.003–827.005 and 28 TAC Chapter 7, Subchapter R).

For questions about restricting new business and withdrawal, call the Financial Regulation Division at 512-676-6365 or email FIN-GM@tdi.texas.gov.

For more information, contact: PropertyCasualty@tdi.texas.gov

Last updated: 7/8/2024

Commissioner's Bulletin # B-0010-24

July 8, 2024

To: All insurers, agents, and the public

Re: Hurricane Beryl - wind and flood losses

Acting Governor Dan Patrick issued a disaster declaration in response to Hurricane Beryl. Damage and evacuations caused by the disaster might mean people were displaced from their homes and jobs. The acting governor authorized the use of all available state and local government resources necessary to cope with the disaster. (Government Code Section 418.017).

TDI expects insurers to work with their policyholders as they recover from the storm. This bulletin doesn't create specific requirements. Cooperation by every insurer will help ensure the fair treatment of consumers and provide for fair competition.

Wind losses

TDI expects insurers that deny coverage for wind losses to tell policyholders to check whether they have separate coverage from the Texas Windstorm Insurance Association (TWIA) or another windstorm insurer if the damage was in a coastal county.

Flood losses

TDI expects insurers responding to flood loss questions and claims to provide information to their policyholders about possible help from the Federal Emergency Management Agency (FEMA). This should include FEMA contact information and a link to [disasterassistance.gov](https://www.disasterassistance.gov).

Flooded vehicles

A title for a salvage or nonrepairable vehicle with damage caused exclusively by flood must include a "FLOOD DAMAGE" notation. Titles for flood-damaged vehicles must comply with Transportation Code Chapter 501, Subchapter E.

TDI expects insurers to take steps to make sure Vehicle Identification Numbers and other information is accurate. Get more information about salvage vehicle titles on the [DMV website](https://www.dmv.texas.gov).

For questions about this bulletin, call the Property and Casualty Lines Office at 512-676-6710 or email PropertyCasualty@tdi.texas.gov.

For more information, contact: PropertyCasualty@tdi.texas.gov

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