

# **TDI** **InsurED**

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88th Legislative Session Review

December 7, 2023

TDI regulates more than 3,300 companies and more than 827,000 insurance agents and adjusters.

- Life insurance and fully insured health insurance plans.
- Property and casualty insurance products.
- Amusement rides.
- State Fire Marshal's Office.
- Division of Workers' Compensation.

# TDI | 88th Legislative Session

- Each regular Texas Legislative session begins in January in odd-numbered years.
- Regular session lasts 140 days.
- Once a bill passes out of the house and senate it goes to the governor.
- After the session ends, the governor has 20 days to either:
  - Sign the bill.
  - Veto the bill.
  - Let the bill become law without a signature.
- The governor can also call a 30-day special session.

# TDI | Biennial recommendations

- TDI must [submit a report](#) with legislative recommendations every odd number year.
- [2022 Biennial Report](#) recommendations:
  - ✓ Require earlier notice of nonrenewal.
  - ✓ Allow electronic audit report submissions.
  - ✓ Relax capital stock requirements.
  - ✓ Eliminate paper fireworks permit booklets.
  - ✓ Add liquidity stress testing requirements and confidentiality standards.
  - ✓ Align life principle-based reserving exemption with recent changes.
  - ✓ Expand provider directory requirements.
  - ✓ Clarify prompt pay waivers during a catastrophe.
  - Allow TDI to accept gifts, grants, and donations to attend training.

## HB 1900: require earlier nonrenewal notice

- Requires insurers to give 60-days notice for nonrenewal or cancellation rather than 30 days.
- Applies to residential property policies and policies issued to governmental entities.

## Implementation

- Comments on proposed rule closed 11/6/23.

## Amends Insurance Code:

- [551.104](#)(f)
- [551.105](#)

Effective: 9/1/23

## HB 1901: electronic title audit reports

- The Insurance Code required annual paper audits of title insurance company, insurance agent, or direct operation accounts.
- Removed references to mail to allow electronic audit submission to increase efficiency and reduce costs for the title industry and TDI.

## Implementation

[Commissioner's bulletin # B-0010-23](#)

## Amends Insurance Code:

- [2651.151\(b\)](#)
- [2651.152\(b\)](#)

Effective: 9/1/23

## HB 1903: relax capital stock requirements

- Removes the requirement for stock insurers to have at least 50% of their authorized stock issued and outstanding (sold to a shareholder).
- Prevents insurers from needing to request TDI approval to increase the number of authorized shares before expanding to other states.

### Amends Insurance Code:

- [822.056](#)(d)
- [841.057](#)

### Repeals Insurance Code:

- [822.055](#)(d)
- [841.055](#)(c)
- [841.056](#)(d)

Effective: 9/1/23

## HB 2259: eliminate paper fireworks permit booklets

- Allows the State Fire Marshal's Office to sell retail fireworks permit online.
- Removes the requirement for sell paper booklets.
- This update:
  - Reduces costs.
  - Decreases delays.
  - Decreases risk of data entry errors.

Amends Occupations Code:

[2154.202\(c\)](#)

Repeals Occupations Code:

• [2154.202\(d\)](#)

• [2154.202\(f\)](#)

Effective: 9/1/23

## HB 2839: liquidity stress testing

- Adds requirements and confidentiality standards for an annual liquidity stress test for large life insurers.
- Liquidity stress testing is a National Association of Insurance Commissioners (NAIC) accreditation standard (2025) in states designated as a lead state for companies triggering the testing requirement.

Amends Insurance Code:

Adds [823.0596](#)

Effective: 9/1/23

## HB 3673: align principles-based reserving exemption

- Insurers set aside funds, known as reserves, to pay insurance claims when they become due.
- Principles-based reserving (PBR) informs reserves using insurer experience and risk factors.
- Aligns PBR requirements with NAIC update broadening the exemption from PBR.

Amends Insurance Code:

[425.073](#)(d)

Repeals Insurance Code:

[425.073](#)(e)

Effective: 9/1/23

## SB 1003: expand provider directory requirements

- Requires provider directories to include non-physician providers who may bill separately from a facility by January 1, 2024.
- Helps consumers plan their care and maximize benefits.

### Amends Insurance Code:

- [1451.501](#)(1-a)
- [1451.504](#)(c), (d), adds (e)

Effective: 9/1/23

## SB 1286: clarify waivers during a catastrophe

- Texas statute allows for relief from claims submission and prompt payment deadlines during catastrophic events.
- Authorizes TDI to limit the duration of relief from claim-handling deadlines.
- TDI may approve or disapprove requests for extensions.

### Amends Insurance Code:

- [843.337](#)(b), (c), adds (c-1)
- [842.342](#)(h)
- [1301.102](#)(d), (e), adds (e-1)
- [1301.137](#)(h)

Effective: 9/1/23

# TDI | Sunset review rescheduled

## SB 1659: Delayed TDI Sunset review until 2029

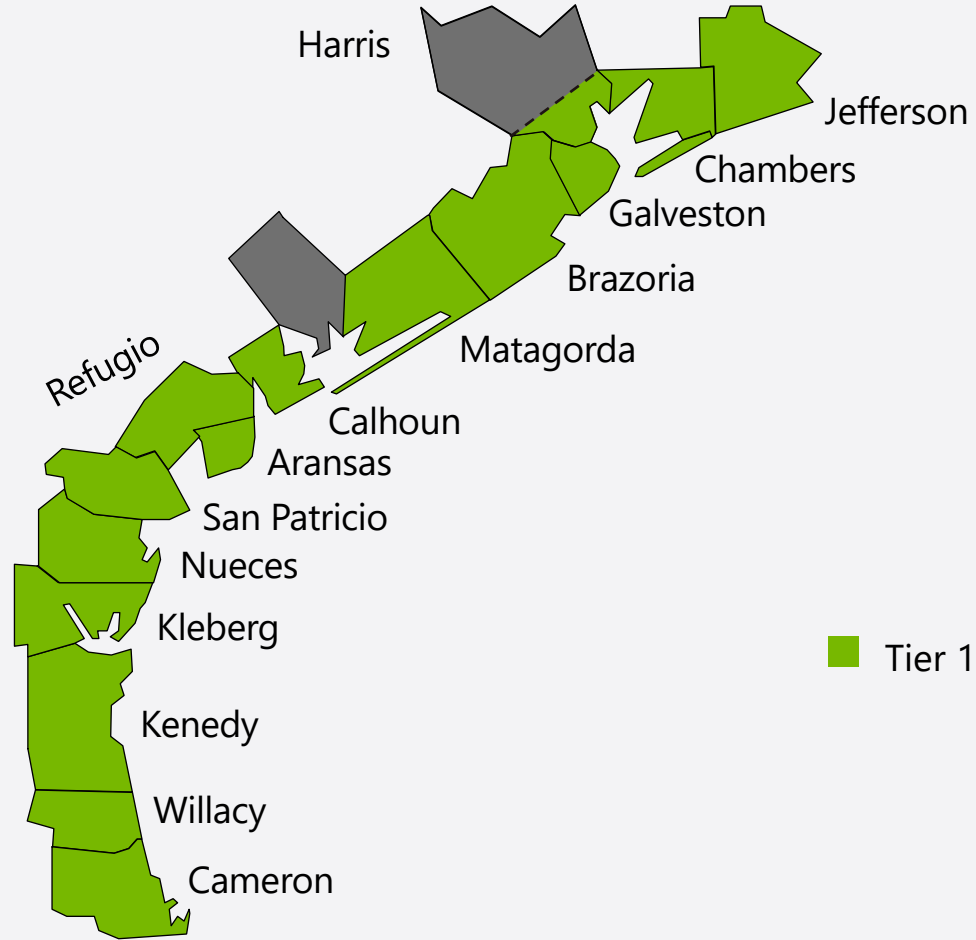
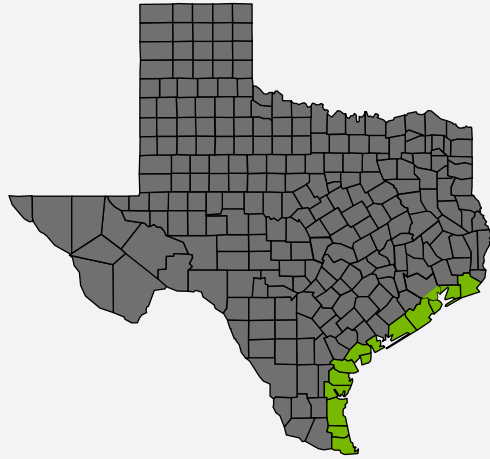
- Last review: 2010-11.
- Scheduled for review: 2024-25.
- Rescheduled for: 2028-29.

Amends Insurance Code:

[31.004](#)

Effective: 9/1/23

# TDI | Texas Windstorm Insurance Association



## HB 3208: limit TWIA premium refunds

- Limits the reasons TWIA can refund the unearned premium if the insured cancels to:
- Purchase of similar coverage in the voluntary market.
- Sale or total loss of the property.
- TWIA determines the property is no longer insurable.

### Amends Insurance Code:

- [2210.204](#)(d), (e), adds (d-1), (d-2), (d-3)

Effective: 9/1/23

## HB 3310: TWIA appraisal deadlines

Appraisal is the statutorily-prescribed way TWIA and policyholders resolve disputes about the amount of loss TWIA pays for the accepted portion of a claim.

- Requires the commissioner to adopt rules establishing the deadline for completing appraisal after it is demanded.
- Applies to appraisal demands on and after January 1, 2024.

Amends Insurance Code:

[2210.574](#)(d), adds (d-1)

Effective: 9/1/23

## HB 3311: change to TWIA Board requirement

- The TWIA Board is equal parts industry, coastal public, and inland public representatives.
- Removes the requirement that TWIA solicit candidates for insurer representatives from industry and submit candidates to TDI.

Repeals Insurance Code:

[2210.102\(f\)](#)

Effective: 9/1/23

## SB 2232: agent requirements

Allows TWIA to:

- Establish requirements that agents must comply with to offer or sell TWIA policies.
- Audit agents for compliance with the requirements.
- Limit or prohibit an agent from offering or selling a policy. if the agent is noncompliant.

Amends Insurance Code:

Adds [2210.016](#)

Effective: 9/1/23

## SB 2233: automatic commercial property renewals

- Limits TWIA's required process for automatic policy renewal to residential property policies.
- Previously, TWIA must have a process for automatic renewal of all policies.
- This makes sense for residential property but not commercial, hence the change.

Amends Insurance Code:

[2210.2031\(a\)](#)

Effective: 9/1/23

## HB 1040: electronic communication

- Allows regulated entities to conduct business electronically to the same extent as in-person transactions, provided all parties agree or receive notice and don't request otherwise.
- A notice of the cancellation or termination of a policy must be on paper or another nonelectronic form.

## Implementation

[Commissioner's bulletin # B-0012-23](#)

## Amends Insurance Code:

- [35.003](#)
- [35.004](#)(c), (d), adds (1)
- [35.0041](#)(a)
- [35.003](#)
- [35.004](#)

Effective: 9/1/23

# TDI | Property and casualty legislation

## HB 1074: rebating and loss control

- Clarifies that loss control and mitigation services are not prohibited by the anti-rebating and anti-inducement statutes.
- Services must be integrally related to the policy and aimed at predicting and preventing losses under the policy.
- Insurer costs must be reasonable in comparison to premiums or coverage.

Amends Insurance Code:

Adds [1806.002](#)

Effective: 9/1/23

# TDI | Property and casualty legislation

## SB 224: catalytic converter theft

- Increases the annual Motor Vehicle Crime Prevention Authority fee from \$4 to \$5 per motor vehicle.  
[Transportation Code 1006.153\(b\)](#).
- Increases criminal penalties for catalytic converter theft.

## Implementation

- [Commissioner's bulletin B-0006-23](#)
- Requires Texas Comptroller and Department of Public Safety action.

## Amends Penal Codes:

[28.03](#)(b), [31.03](#)(c), (e), adds (f-1), [31.21](#), [71.02](#)

## Amends Occupations Code:

[1956.001](#)(6-b), (7), adds (6-c), [1956.107](#)(b), [1956.022](#), [1956.024](#)(a), adds [1956.030](#), adds [1956 Subchapter C-1](#), [2305.0041](#), [2305.0051](#), (a), [2305.101](#)(c), adds [2305 Subchapter D](#)

## Amends Transportation Code:

[1006.001](#)(2), [1006.153](#)(b), (e)

Effective: 5/29/23

# TDI | Property and casualty legislation

## HB 1706: right to a public adjuster

- Prohibits an insurance policy, including any endorsement, to forbid the insured from contracting with a public insurance adjuster.
- Includes residential and commercial property insurance policies issued by a:
  - Capital stock, mutual, county mutual, or farm mutual insurance company.
  - Lloyd 's plan.
  - Reciprocal or interinsurance exchange.
  - Eligible surplus lines insurer if Texas is the insured's home state.

Amends Insurance Code:

Adds [4102.007](#)

Effective: 9/1/23

# TDI | Property and casualty legislation

## HB 2065: uncooperative insured tweaks

- Requires the at-fault driver to cooperate in the claims process or face nonrenewal by the insurance company when a claim is filed with their insurance company.
- Clarifies that the requirement for insurers to nonrenew uncooperative policyholders applies to third-party claims.

Amends Insurance Code:

[551.1053](#)

Effective: 9/1/23

# TDI | Property and casualty legislation

## SB 2008: farm mutual expansion

- Increases or what is considered rural property for farm mutual insurance companies.
- Property in municipalities of 6,500 or less is considered rural.
- Previous limit was 2,500.

Amends Insurance Code:

[911.301](#)(a), adds (e), (f)

Effective: 9/1/23

# TDI | Property and casualty legislation

## HB 2188: TDI statistical agent requirements

- TDI must have a designated statistical agent for commercial lines of business for reporting purposes.
- To qualify as a statistical agent, an organization must have experience in data collection, data maintenance, data quality control, accounting, and related areas.
- Decreases the minimum number of years of experience for a statistical agent from five to two, which allows for additional statistical reporting agents to be considered for appointment.

Amends Insurance Code:

[38.203](#)

Effective: 9/1/23

## HB 3359: Network adequacy and access plans

- Adds network adequacy framework and requirements.
- Adds travel time, distance, and appointment wait time requirements.
- Requires the commissioner to hold a public hearing before approving a waiver to determine whether there is good cause for a waiver.
- Limits waivers to no more than four over 21 years if the issue may be remedied through good faith efforts.
- Expands annual report requirements to include data on waivers, deviation from network adequacy standards, and corrective actions, sanctions, or penalties related to deficiencies.

### Amends Insurance Code:

- Adds [1301.001](#) (6-a)
- [1301.005](#), (a), adds (d)
- [1301.0053](#)(a), (b), adds (d), (e)
- [1301.0055](#), adds [1301.00553](#), [1301.00554](#), [1301.00555](#)
- [1301.0056](#)(a), adds (a-1), (e)
- Adds [1301.00565](#), [1301.00566](#)
- [1301.009](#)(b)
- Adds [1301.0642](#)

Effective: 9/1/23

## HB 711: networking contracting

- New provisions related to:
  - Anti-steering clause.
  - Anti-tiering clause.
  - Gag clause.
  - Most favored nation.

### Amends Insurance Code:

1458.001 adds (1-a), (1-b), (4-a), (4-b), (5-a), (g), (h), and (i)

Effective: 6/12/23

## HB 1592: independent dispute resolution opt-in

- Allows Employee Retirement Income Security Act (ERISA) health plans to opt-in to Texas' balance billing and independent dispute resolution system.
- ERISA plans are generally not regulated by TDI.

Amends Insurance Code:

[1275.002](#)

Effective: 9/1/23

## SB 2476: ground ambulance balance billing

- Expands current state independent dispute resolution system to include ground-ambulance services (not air ambulance).
- Requires TDI to add an emergency service provider balance billing rate database.
- Applies to ground ambulance bills for service on or after January 1, 2024.

### Amends Insurance Code:

- Adds [38.006](#)
- [1271.008](#), adds [1271.159](#)
- [1275.003](#), adds [1275.054](#)
- [1301.0045](#)(b)
- [1301.010](#), adds [1301.166](#)
- [1551.015](#), adds [1551.231](#)
- [1575.009](#), adds [1575.174](#)
- [1579.009](#), adds [1579.112](#)

Effective: 9/1/23

## HB 290: multiple employer welfare associations

- Allows multiple employer welfare associations (MEWAs) based on the employers' geographical association.
- Allows for working owners to get MEWA coverage.
- Waives two-year requirement.
- Requires demonstration of federal compliance.
- Authorizes MEWAs to provide comprehensive health benefit plans and structure like a preferred provider organization or exclusive provider organization, provided they comply with additional Insurance Code provisions.

### Amends Insurance Code:

- Adds [846.003](#)
- [846.052](#)(b)
- [846.053](#)(b), (c), adds (d-1)

Effective: 9/1/23

## SB 510: license holder confidentiality

- Designates certain license holder's personal info as confidential and not subject to public disclosure.
- Confidential information now includes:
  - Home address and phone number.
  - Email address.
  - Social security number.
  - Date of birth.
  - Driver's license, state identification, and passport numbers.
  - Emergency contact information.
  - Payment information.

Amends Insurance Code:  
[552.1176](#)(a), adds (d) and (e)

Amends Government Code:  
Adds [552.11765](#)

Amends Occupation Code:  
Adds [507.161](#)

Repeals Government Code:  
[552.1176](#)(b)

Effective: 9/1/23

## HB 1587: separate accounts

- Exempts certain life and annuity products from the form filing and approval process.
- Previously, insurance companies could not hold reserves for a guaranteed benefit in separate accounts without commissioner's approval. This requirement will no longer apply for foreign insurance companies (those domiciled in other states).

### Amends Insurance Code:

- [1152.055](#)
- Adds [1701.006](#)

Effective: 6/9/23

# **TDI** | Questions

Texas Department of Insurance

(512) 676-6000

[www.tdi.texas.gov](http://www.tdi.texas.gov)