

## Get Help from TDI

For insurance questions or for help with an insurance-related complaint, call the **TDI Consumer Help Line** at **1-800-252-3439** or visit our website at **tdi.texas.gov**.

Visit **HelpInsure.com** to shop for automobile, homeowners, condo, and renters insurance, and **TexasHealthOptions.com** to learn more about health insurance and your options for coverage.

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# If My Insurance Company Fails



**tdi**  Texas Department  
of Insurance

**Learn about insurance.**  
1-800-252-3439 | [tdi.texas.gov](http://tdi.texas.gov)

Texas law protects policyholders if their insurance companies have financial problems and can't pay claims or debts.

Most insurance companies that do business in Texas must belong to a guaranty association. Guaranty associations help pay policy claims if an insurance company fails, or becomes insolvent. There are three guaranty associations in Texas:

- **The Texas Life and Health Insurance Guaranty Association** covers life insurance, health insurance, and annuities. For more information, visit [txlifega.org](http://txlifega.org).
- **The Texas Property and Casualty Insurance Guaranty Association** covers homeowners, auto, and workers' compensation insurance. For more information, visit [tpciga.org](http://tpciga.org).
- **The Texas Title Insurance Guaranty Association** covers title insurance and escrow shortages. For more information visit [ttiga.org](http://ttiga.org).

Texas also has a Self-Insurance Guaranty Fund and a Self-Insurance Group Guaranty Fund. These funds cover workers' compensation benefits provided by self-insured employers and groups.

Health maintenance organizations (HMOs), surplus lines insurance companies, and multiple employer welfare arrangements don't have guaranty associations. If an insurance company isn't a member of a guaranty association, the policy must say that it isn't covered by a guaranty association.

## Covering Claims

Guaranty associations pay claims for their member companies that become insolvent. Some claims have dollar limits or other limitations, which vary by type of insurance. This means that only some of your claim might get paid. There's no dollar limit for workers' compensation benefits.

If an insurance company fails, it may be placed in receivership. Receivership is a process in which an independent person, or receiver, takes control of the company's assets to pay off its debts. If your claim isn't covered by a guaranty association, or is only partially paid, you might be able to file a claim with the company's receiver. The receiver will usually send you a notice of the claims process or post it on its website.

## Protect Yourself

When shopping for insurance, follow these tips to protect yourself:

- **Buy only from licensed companies and agents.** Unlicensed companies might not have enough money to pay claims. And if an unlicensed company fails, there's no guaranty association to help pay its claims.
- **Consider factors other than price.** A company's financial rating indicates its financial strength and stability. Its complaint index can indicate its customer service record. The complaint index shows how the number of consumer complaints against the company compares with other companies selling the same type of insurance. Call the Texas Department of

Insurance (TDI) Consumer Help Line or visit our website to learn a company's license status, its financial rating from an independent rating organization, and its complaint index.