

2020-6582

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 5. Property and Casualty Insurance

Adopted Section
Page 1 of 3

SUBCHAPTER Q. GENERAL PROPERTY AND CASUALTY RULES **DIVISION 1. RESIDENTIAL PROPERTY** **28 TAC §5.9700**

INTRODUCTION. The Commissioner of Insurance adopts amended §5.9700, relating to residential property declarations pages and deductible disclosures. The amendment is adopted with changes to the proposed text published in the September 18, 2020, issue of the *Texas Register* (45 TexReg 6578). The rule will be republished.

REASONED JUSTIFICATION. The amendment updates a rule citation that changed in July 2019 when the Texas Department of Insurance (TDI) repealed §§5.9320 - 5.9323. Language similar to former §5.9323 was adopted in §5.9327. As a result, the reference to §5.9323(a) in current §5.9700(f) is inaccurate.

Section 5.9700 is amended by revising subsection (f) to remove a citation to §5.9323(a) and replace it with a citation to §5.9327.

SUMMARY OF COMMENTS. TDI did not receive any comments on the proposed amendment.

STATUTORY AUTHORITY. The Commissioner adopts the amendment to 28 TAC §5.9700 under Insurance Code §2301.055 and Insurance Code §36.001.

Insurance Code §2301.055 provides that the Commissioner may adopt reasonable and necessary rules to implement Insurance Code Chapter 2301, Subchapter B.

2020-6582

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 5. Property and Casualty Insurance

Adopted Section
Page 2 of 3

Insurance Code §36.001 provides that the Commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

TEXT.

§5.9700. Residential Property Declarations Pages and Deductible Disclosures.

(a) All residential property insurance policy declarations pages must list and identify each type of deductible in the policy, including applicable endorsements, and state the exact dollar amount of each deductible. To identify a deductible, the insurer must provide a brief description, such as "Wind and Hail," "Earthquake," or "Jewelry."

(b) If a residential property insurance policy or endorsement contains a provision that may cause the exact dollar amount of a deductible under the policy to change, the declarations page or a separate disclosure page must identify or include a written disclosure that clearly identifies the applicable policy provision or endorsement. The policy provision or endorsement must explain how any change in the applicable deductible amount is determined. To identify the applicable policy provision or endorsement, the insurer must provide a brief description and reference, such as "Inflation Adjustments: See page 1, Section A.2.a."

(c) Insurers may provide disclosures under this section on a separate disclosure page. The separate disclosure page must follow immediately after the declarations page.

(d) A declarations page and a separate disclosure page may each consist of more than one page.

2020-6582

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 5. Property and Casualty Insurance

Adopted Section
Page 3 of 3

(e) Insurers must issue a declarations page at renewal if the dollar amount of a deductible changes on the declarations page or separate disclosure page. Alternatively, insurers may issue a renewal certificate that meets the requirements of this rule and Insurance Code §2301.056.

(f) Insurers and agents that provide separate disclosure pages must include them with the declarations page each time they provide a declarations page, as defined in §5.9327 of this title (relating to Residential Property Declarations Page Forms), to a policyholder.

CERTIFICATION. This agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on December 1, 2020.

DocuSigned by:
James Person
75578E954EFC48A...
James Person, General Counsel
Texas Department of Insurance

The Commissioner adopts the amendment to 28 TAC §5.9700.

Commissioner of Insurance
DocuSigned by:
Doug Slape
By: C77A87C8C21B435...
Doug Slape
Chief Deputy Commissioner
Tex. Gov't Code §601.002
Commissioner's Order No. 2018-5528