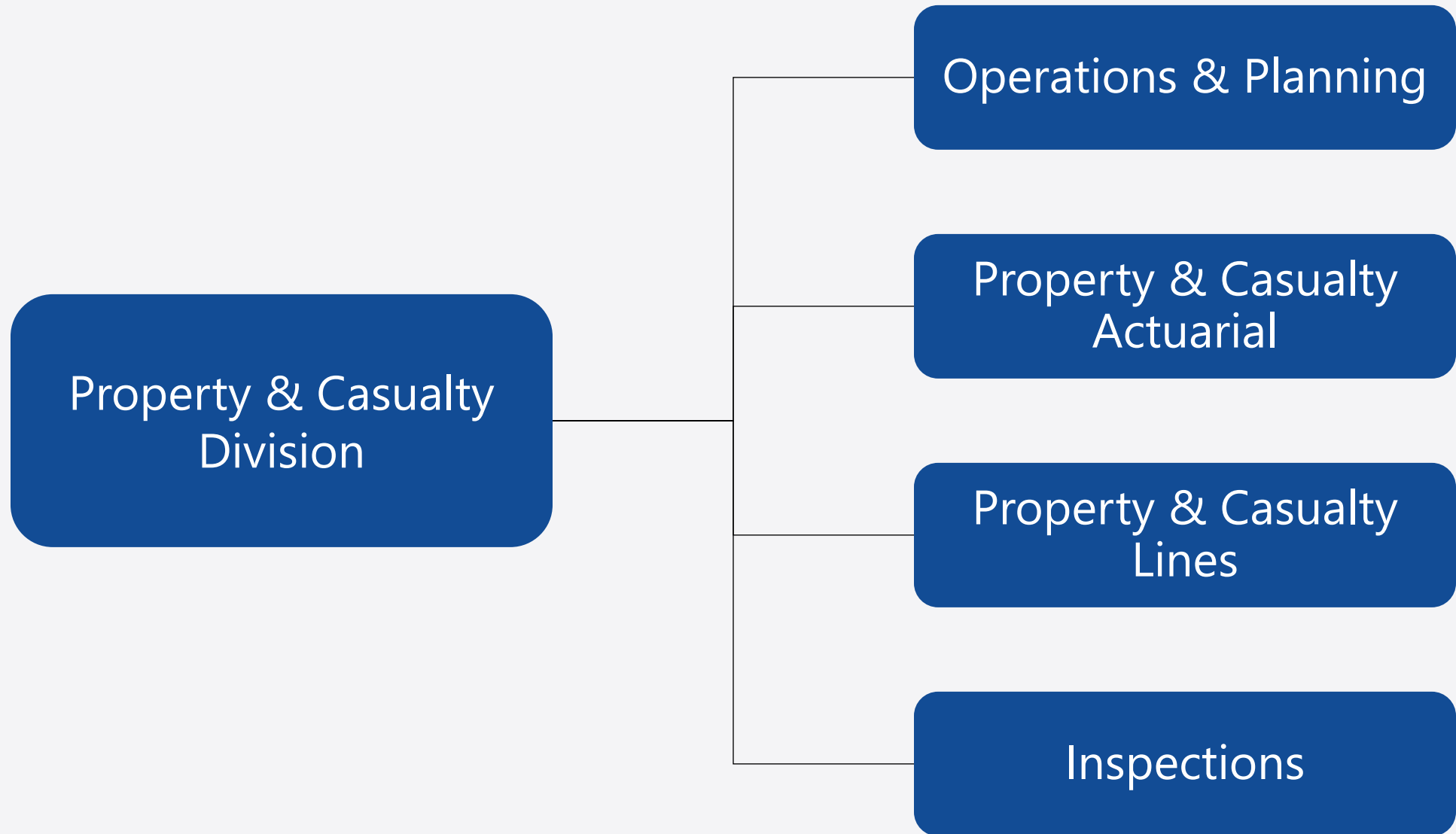


TDI **InsurED**

Property & Casualty Filings

August 22, 2024

TDI | Property & Casualty Division



TDI | What we do

- Regulate property and casualty insurance products sold in Texas.
- Review filings – forms, rates and rating rules, credit scoring models, and underwriting guidelines.
- Collect and review data.
- Publish reports.
- Monitor residual market insurers.

2,899

Rate filings

1,977

Form filings

90%

Filings completed within 90 days

TDI | Reviewing filings

Prior approval

- Policy forms.
- Endorsements.
- Certificates of insurance.

File and use

- Rates/rules.
- Credit scoring models.

Use and file

Underwriting guidelines.

There are exceptions. See [Filings Made Easy Guide](#) for more information.

TDI | General standards – rates

- Adequate and sufficient to pay claims and expenses.
- Not excessive.
- Based on sound actuarial principles.
- Reasonably related to all costs (expected losses, expenses).
- Not based on insured's race, creed, color, ethnicity, or national origin.

TDI | General standards – forms

Forms may not:

- Violate any law.
- Violate public policy.
- Be unfair, unjust, deceptive, inequitable, or misleading.

Filings Made Easy Rule Updates

TDI | Filings Made Easy (FME) rule updates

Third-party data and models

- Applies to rate/rule and underwriting guideline filings.
- Basic identifying and descriptive information.

Underwriting guidelines

- Each filing must include a complete set of guidelines.
- File only when new guidelines or changes.
- No longer required to file every three years.

TDI | Filings Made Easy rule updates

Monoline filings and multi-peril insurance

- Filings submitted for one line of insurance can be used in multi-peril insurance.
- Definition of “dual filings” was removed.

Personal auto application forms

- When filing a new personal auto policy form, you must file the application form.
- Applications that are not part of the policy are filed for informational purposes.

TDI | Filings Made Easy rule updates

Endorsements with inapplicable provisions

Applies to:

- Personal auto and residential property.
- Filings made on or after Jan. 1, 2025.
- Endorsement forms with provisions that do not apply to every policy to which endorsement will be attached.

Requirements

- Must bracket provisions in the filing to show they are variable text.
- Must indicate that when endorsement is attached to a policyholder's specific policy, it will not include any inapplicable provisions.

Example: Endorsement has provisions that amend HO-3 and HO-5 policies. A provision that only applies to HO-5 policies must be bracketed in the filing. The provision must not be included when the endorsement is attached to HO-3 policies.

TDI | Filing tips

- File early.
- Stay in touch.
- Tell us about critical deadlines.
- Key to faster turnaround:
 - Detailed filing memorandum.
 - Make sure your filing is complete.
 - Avoid filing mistakes.

TDI | Resources to help avoid mistakes

- [Filings Made Easy Guide](#).
- Filing review requirements [checklists](#).
- SERFF information – don't skip over anything.
 - Supporting documentation.
 - State specific questions.

Filings Made Easy Guide

TDI | How is it organized?

- General information.
- By filing type.
- FAQs.
- Appendix – quick references, filing exhibits, resource links.

Contents

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Confidential or public information

If a filer marks its entire filing as confidential, TDI will reject the filing. TDI will also override any schedule tabs marked confidential.

Form filings: Form filings and supporting information are open to public inspection. Filers should not mark form filings or any portion of them as confidential...

Rate/rule filings: Rate/rule filings and supporting information are considered public information under [TIC 2251.107](#). They're subject to open records requests. Filers can mark portions of their filings confidential. If you mark items confidential and we receive an open records request, we'll ask the Texas Attorney General for a ruling.

To protect documents from public view, companies must click the appropriate box when uploading in SERFF.

Copyright

Information included in a filing that is marked "copyright" may be made available for public disclosure in the same manner as information that is not marked "copyright." Public disclosure methods may include posting filings on TDI's website or making them available for viewing through SERFF.

Password-protected and encrypted documents

Documents included in filings may **not** be encrypted or password protected.

Filing regulation by line of insurance

The following chart summarizes governing statutes and administrative rules for form and rate filing regulation for each line of insurance.

Line of insurance	Form filing regulation		Rate filing regulation	
	TIC chapter (unless noted)	Regulation	TIC chapter (unless noted)	Regulation
Auto – commercial	2301	Prior approval	2251	File and use
Auto – personal	2301	Prior approval	2251	File and use
Boiler & machinery	2301	Exempt	2251	Exempt
Comm. casualty*	2301	Prior approval	2251	File and use
Comm. tuition withdrawal ins.	TAC 5.5201	Exempt	TAC 5.5201	Exempt
Contractual liability reimbursement	2301	Prior approval	2251	File and use

TDI | Exempt lines

- Some commercial lines are exempt
 - TIC [2251.0031](#) and [2301.0031](#) (added September 2021).
 - [TAC 5.5201](#) (added December 2023).
- Some inland marine is exempt
 - Commercial risks and some others – [TAC 5.5001 – 5.5008](#).
 - Pet insurance – [TAC 5.5008\(25\)](#).

Other exemptions and exceptions

Large risks. TIC [2251.101\(c\)](#) and [2301.004](#) exempts rate and form filings for use with an insured that has:

- 1) Total insured property values of \$5 million or more;
- 2) Total annual gross revenues of \$10 million or more; or
- 3) A total premium of \$25,000 or more for property insurance, \$25,000 or more for general liability insurance, or \$50,000 or more for multiperil insurance.

Farm mutuals. These insurers are not required to file rates or policy forms. They are exempt from insurance laws other than [TIC Chapter 911](#) and those statutes listed in [TIC 911.001](#), unless the other law specifically provides that it applies to a farm mutual.

TDI | Other exemptions and exceptions

More company types

Lloyd's Plan, Reciprocal or Interinsurance Exchange. TIC [2251.003\(c\)](#) and [2301.003\(d\)](#) specifies that these insurers are not required to file rates or policy forms with respect to inland marine insurance, rain insurance, or hail insurance on farm crops. TIC [2251.003\(c\)](#) specifies that these insurers are not required to file rates for commercial property insurance.

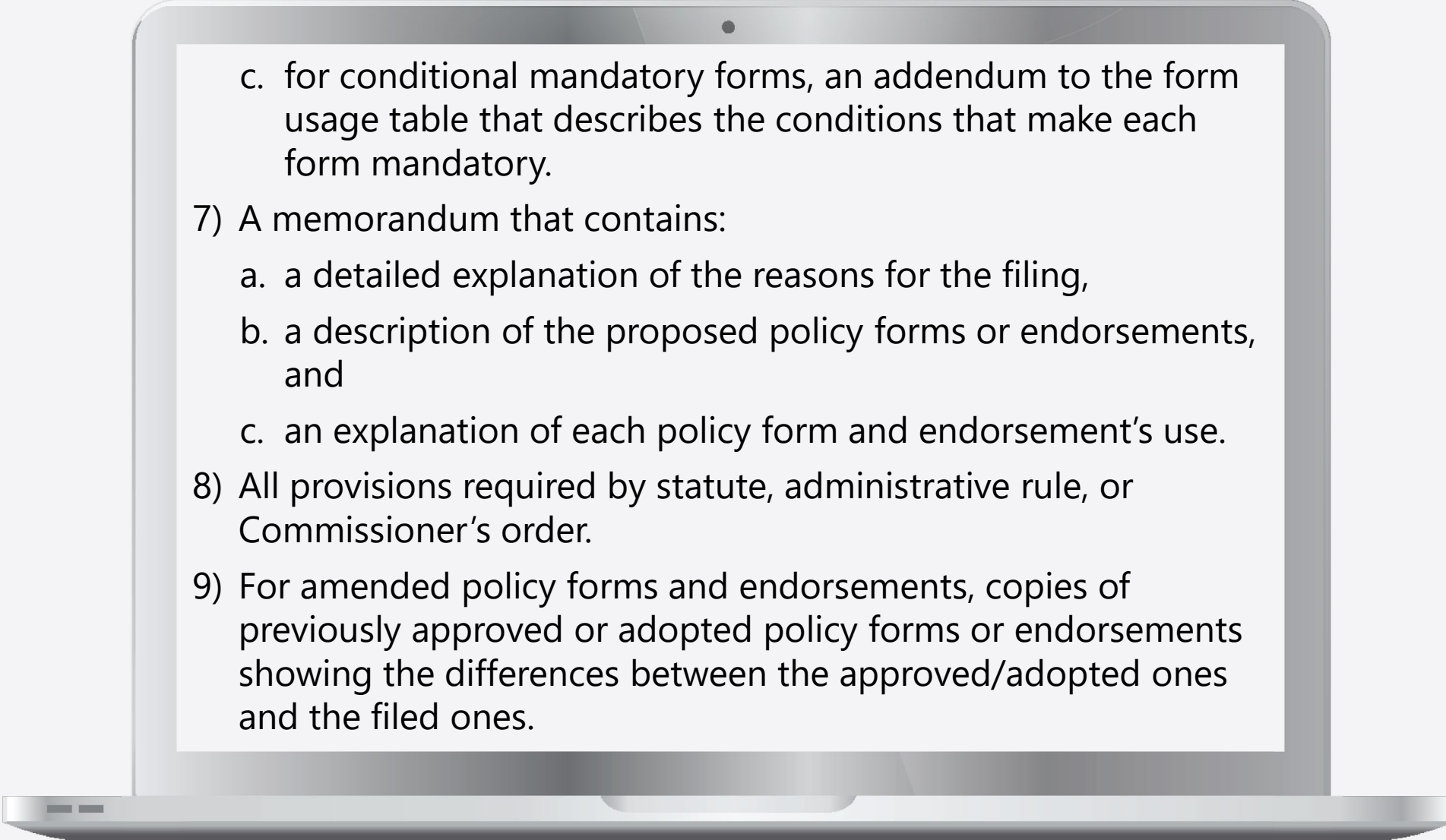
Risk retention groups. These insurers are not required to file rates or policy forms.

Risk purchasing groups. TAC [5.9326](#) and [5.9337](#) clarify that forms and rates for risk purchasing groups must comply with the filing requirements of the FME rule. Commissioner's Bulletin #[B-0016-15](#).

TDI | Form filings general requirements

1. Transmittal information (this is included in the General Information and State Specific tabs).
2. A copy of the proposed policy forms or endorsements.
3. A form number for each proposed form.
4. An edition date for each proposed form, if applicable.
5. The TDI file number or SERFF tracking number for the previously approved policy to which the proposed form will be attached, if applicable.
6. A form usage table that includes:
 - a. the form name and form number for each proposed form in the same order as they are shown on the Form Schedule,
 - b. information indicating whether each proposed form is optional, mandatory, or conditional mandatory, and

TDI | Form filings general requirements

- 
- c. for conditional mandatory forms, an addendum to the form usage table that describes the conditions that make each form mandatory.
 - 7) A memorandum that contains:
 - a. a detailed explanation of the reasons for the filing,
 - b. a description of the proposed policy forms or endorsements, and
 - c. an explanation of each policy form and endorsement's use.
 - 8) All provisions required by statute, administrative rule, or Commissioner's order.
 - 9) For amended policy forms and endorsements, copies of previously approved or adopted policy forms or endorsements showing the differences between the approved/adopted ones and the filed ones.

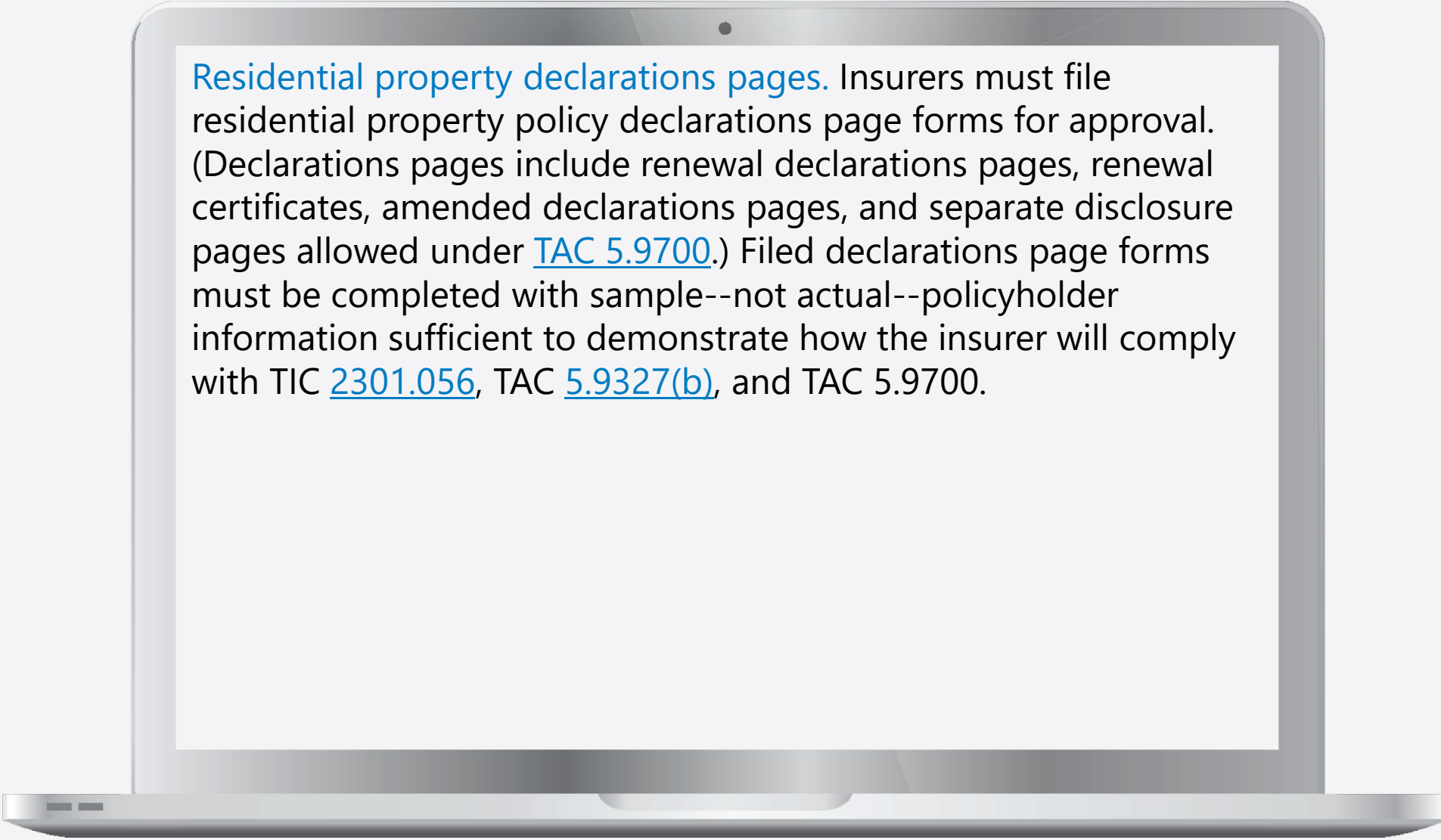
TDI | Form usage table

Submit the form usage table under the Supporting Documentation tab. The form usage table must indicate whether each form or endorsement is optional, mandatory, or conditional mandatory. Use the following definitions:

Form usage	Description
Optional	The policy form or endorsement will be used only if the policyholder chooses to add it to their policy. Example: Optional – Personal Articles Endorsement.
Mandatory	The policy form or endorsement will be required on all policies. Example: Special Provisions – Texas.
Conditional mandatory	The company requires the policy form or endorsement in certain situations. Example: Cosmetic Damage for Metal Roofs Exclusion.

Optional endorsements that broaden or reduce coverage require a debit or credit to comply with the rate standards in [TIC 2251.052](#).

TDI | Residential property declarations pages



[Residential property declarations pages](#). Insurers must file residential property policy declarations page forms for approval. (Declarations pages include renewal declarations pages, renewal certificates, amended declarations pages, and separate disclosure pages allowed under [TAC 5.9700](#).) Filed declarations page forms must be completed with sample--not actual--policyholder information sufficient to demonstrate how the insurer will comply with TIC [2301.056](#), TAC [5.9327\(b\)](#), and TAC 5.9700.

TDI | Personal auto form filings

Auto application forms. For personal automobile insurance application forms, insurers must file:

For approval: New or amended application forms that are part of the insurance policy.

For information purposes: When an insurer files a new personal automobile policy form, application forms that are not part of the insurance policy.

Inapplicable provisions. For new or amended personal automobile and residential property endorsements filed on or after January 1, 2025, insurers must enclose provisions that are variable text with brackets. The filings must also indicate that when the endorsement is attached to a policyholder's specific policy, the endorsement will not include any provisions that do not apply to that specific policy.

TDI | Incomplete form filings

A filing is incomplete if it does not include the required items above or those required for a reference filing. If TDI determines that a filing is incomplete, TDI will notify the filer and describe the deficiencies in the filing and the additional information required to complete the filing.

If the filing still has deficiencies on the date specified in the notice, TDI may reject the filing. Rejected filings will not be reopened for purposes of resubmission.

The deemer period does not begin until TDI receives a complete filing.

If your reference filing also includes your company's own policy forms or endorsements, you must attach those forms or endorsements to the filing. Do not attach the referenced forms.

TDI | Rate/rule filings effective dates

- You may use rates/rules for lines regulated under [TIC 2251](#) on or after the date they are filed. Include effective dates for new and renewal business when you file.
- For workers' compensation, rate/rule filings must be submitted at least 30 days before the effective date and filings may not be submitted any more frequently than once every six months.
- For mortgage guaranty insurance under [TIC 3502](#), rate/rule filings must be submitted at least 15 days before the effective date.
- Notification is required on effective date changes for rate/rule filings. You may request a change in effective date using a post submission update. Filers must notify TDI through a post-submission update before the effective date in the filing. Failure to provide timely notification of a change in effective dates may result in a violation of TIC Chapter 2251, Subchapter C.

TDI | Rate/rule filings requirements

Filing requirements

Every filing should contain:

- Manual pages showing the proposed rates, fees, supplementary rating information, and rating rules.
- A filing memorandum.
- Supporting information required by [TAC 5.9334](#).

Use the Quick Reference – Rate/Rule Filing Requirements chart to determine what supporting information to provide. See the Appendix for instructions on completing the TDI's rate/rule filing exhibits.

Under [TAC 5.9332](#), actuarial support “consists of sufficient documentation and analysis to allow a qualified actuary to understand and evaluate the rates, each component used in developing the rates, and the appropriateness of each material assumption.”

...

Rates which are developed using generalized linear modeling or other predictive modeling techniques should include detailed discussion of the modeling process. This should include a thorough description of the modeling data, data dictionary, variable selection process, model testing and validation, and any judgments made throughout the modeling process.

...

TDI | Rate/rule filings supporting info

TDI form number	Instructions	Title
Policy form, endorsements		
PC 424	PC 424	Form Usage Table
Rate/rule		
PC 420	PC 420	Exhibit A – Rate Filing Checklist
PC 365	PC 365	Exhibit C – Statewide Average Rate Level Information
PC 366	PC 366	Exhibit D – Historical Experience
PC 367	PC 367	Exhibit E – Expense Information – Including Disallowed Expense Adjustment
PC 368	PC 368	Exhibit F – Expense Information – For Workers' Compensation and Mortgage Guaranty
PC 369	PC 369	Exhibit G – Loss Cost Information for Reference Filings
PC 370	PC 370	Exhibit H – Multi-Peril Rate/Rule Reference Information
PC 371	PC 371	Exhibit L – Profit Provision Information

TDI | Rate/rule filings third-party info

Rate/rule filings must include information on third-party data and third-party models.

For each third-party data set used in ratemaking or to determine rates or premiums, include:

- The name of the data vendor or source;
- A description of the data, such as a data dictionary, that includes the name for each data element and the corresponding definition;
- A description of how the data is used in in ratemaking or to determine rates or premiums; and
- A list of rating variables that reflect the use of the data.

TDI | Rate/rule filings third-party info

For each third-party model used in ratemaking or to determine rates of premiums, include:

- The name of the model vendor or source;
- The model name and version number;
- A description of the model;
- A description of the model input;
- A description of how the model output is used in ratemaking or to determine rates or premiums; and
- A list of rating variables that depend on the output of the model.

TDI | Rate/rule reduced filing requirements

- Underserved residential property. TIC [2251.251-252](#); [TAC 5.9357](#)
- Commercial multi-peril for Lloyd's plans, reciprocal or interinsurance exchanges. [TAC 5.5101](#)
- FME Guide lists criteria and required documentation.

Filing requirements

A complete filing contains the following documents. The filing may apply to only one line of insurance.

- 1) Credit Scoring Model Filing Form (PC 361).
- 2) Complete copy of the credit scoring model, including variable definitions (except in the case of reference filings as described below).
- 3) Compliance Questionnaire – Use of Credit Information (PC 404).

Filing requirements

Reference filings – A credit scoring model filing may be made referencing a credit scoring model without including a copy of the referenced credit scoring model. The complete name of the model must be included on the Credit Scoring Model Filing Form.

Other filing types – Credit scoring model filings must be made separately from all other filing types due to distinct and separate statutes governing underwriting guidelines and credit scoring models. Do not combine with rates/rules, forms, endorsements, or underwriting guideline filings.

Group filings – Multiple companies in a group may file jointly if they use the same credit scoring model and in the same manner.

Disclosure form concerning the use of credit info

An insurer subject to TIC 559 must issue Form CD-1 in accordance with [TAC 5.9940](#) subsection (d).

The disclosure form, unless identical to Form CD-1, must be submitted as a form filing with TDI before use. If the disclosure form is identical to Form CD-1, it does not need to be filed.

As provided in TAC 5.9940 subsection (e), an insurer may use a disclosure form that

- Is allowed or approved for use in another state, and
- Complies with all requirements of this section and Form CD-1.

Applicability

Underwriting guidelines are required to be filed for:

- Personal auto and residential property insurance ([TIC 38.002](#)).
- Workers' compensation insurance ([TIC 2053.034](#)).

All other lines are subject to [TIC 38.003](#) and are not required to be filed, unless specifically requested by TDI or the Office of Public Insurance Counsel (OPIC).

When to file

Insurers must file a comprehensive set of underwriting guidelines not later than the 10th day after an underwriting guideline has changed.

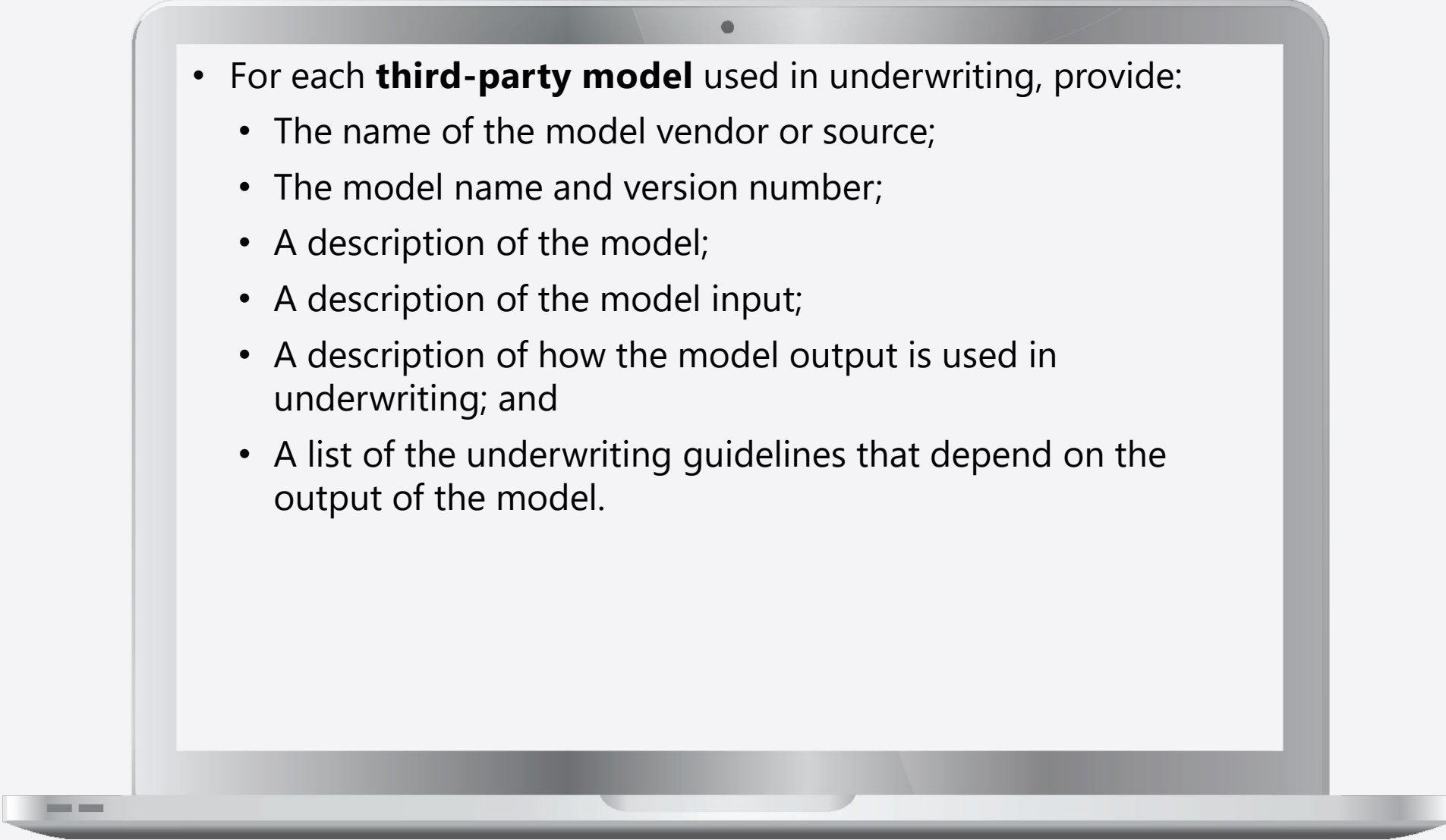
Group filings

An insurer group or group of affiliated insurers may file one set of underwriting guidelines or update to underwriting guidelines on behalf of individual insurers in the group if the group clearly identifies which underwriting guidelines apply to each insurer within the group.

TDI | Underwriting guidelines requirements

- A **comprehensive set** of underwriting guidelines. Attach these to the Rate/Rule Schedule tab. Indicate “new” or “replacement” under Rate Action. Be sure to indicate the rule number or page number being replaced, if applicable, and provide the previous TDI file number or SERFF tracking number.
- A **mark-up or redline** version of the underwriting guidelines, clearly indicating any changes.
- For each **third-party data set** used in underwriting, provide:
 - The name of the data vendor or source;
 - A description of the data, such as a data dictionary, that includes the name for each data element and the corresponding definition;
 - A description of how the data is used in underwriting; and
 - A list of the guidelines that reflect the use of the data.

TDI | Underwriting guidelines requirements

- 
- For each **third-party model** used in underwriting, provide:
 - The name of the model vendor or source;
 - The model name and version number;
 - A description of the model;
 - A description of the model input;
 - A description of how the model output is used in underwriting; and
 - A list of the underwriting guidelines that depend on the output of the model.

TDI | Certificates of insurance filings

Line of insurance	Form regulation / TIC	Regulation	TAC
All lines	TIC 1811	Prior approval	TAC 5.9370-5.9376

- An insurer or an agent may not issue a certificate of insurance unless the certificate is filed and approved by TDI, or is a standard form approved by TDI under TIC 1811.103.
- Filings for certificates of insurance filings must include:
 - A typed or electronically completed Certificate of Insurance Transmittal Form PC 419.
 - A copy of the proposed certificate of insurance form. The form must include a form number and an edition date.
 - A marked copy of the certificate of insurance form, if applicable.
 - The previously approved TDI file number or SERFF tracking number, when applicable.

TDI | Other filings and topics

- Specimen policy filings. [TIC Chapter 1812](#)
- Interline filings – Only certain kinds of forms and fees.
- Advisory organization filings. [TIC Chapter 1805](#)
- **Monoline filings** – Monoline refers to a filing submitted for one line of insurance that may also be used in multi-peril insurance.

TDI | Multi-peril filings

Policies and rates for two or more lines of insurance that are subject to regulation under TIC [2251](#) and [2301](#) are considered multi-peril insurance.

If multi-peril insurance includes only exempt lines of insurance, a filing is not required. If one or more lines are not exempt, a filing is required for the nonexempt lines. The table shows examples of different combinations of lines of insurance for multi-peril.

Line 1 (TIC 2251/2301)	Line 2 (TIC 2251/2301)	Filing required
Filed	Filed	Yes
Filed	Not filed (exempt)	Yes, for line 1
Not filed (exempt)	Not filed (exempt)	No

A multi-peril filing can adopt monoline TDI file numbers or SERFF tracking numbers.

TDI | Reference filings

Reference filings are used to adopt an advisory organization's or another insurance company's approved/accepted policy form, endorsement, rate, rule, or credit scoring model.

A reference filing may not include changes to an approved/accepted policy form, endorsement, rate, rule, or credit scoring model.

If your reference filing also includes your company's own policy forms or endorsements, you must attach those forms or endorsements to the filing. Do not attach the referenced forms.

Advisory organizations do not submit filings for their members in Texas. A company must file to affirmatively adopt an advisory organization's approved/accepted filings.

TDI | Frequently asked questions

- Common issues found in form and rate/rule filings.
- What happened to dual filings?
- Does my company need a certificate of authority before I file in SERFF?
- Changes to company name, logo, or address.

Do I need to make a filing to withdraw an approved form?

You ordinarily do not need to make a filing to tell us about withdrawing approved forms or form filings.

Sometimes, we may ask you to withdraw a previously approved form. In that case, we will update the previous filing to reflect the withdrawal.

Do I need to make a filing to withdraw previously approved/accepted rates or rules?

You do not need to request to withdraw previously approved/accepted rates or rules and you do not need to make a new filing to withdraw previously approved/accepted rates.

TDI | Withdrawal plan filings

Review [TIC Chapter 827](#) to determine whether a withdrawal plan must be submitted. Withdrawal plans are filed with the Company Licensing and Registration Office and are not submitted through SERFF. Do not submit a filing through SERFF for the sole purpose of filing a withdrawal plan.

For more information, see [here](#).

TDI | Rate/rule requirements quick reference

	TAC citation	FME exhibit	Filings for:								
			New Rates or Rules	Changes to Rates or Rules	Owner-occupied Homeowners	Personal Auto	Loss Cost Reference (except WC)	Loss Cost Reference (WC)	Mortgage Guaranty	Reduced Requirements	Short Track
Filing information											
Transmittal information			x	x	x	x	x	x	x	x	X
Rates and supplementary rating information			x	x	x	x	x	x	x	x	X
Filing memorandum			x	x	x	x	x	x	x	x	X
Rate/rule filing checklist	1	A	x	x	x	x	x	x	x	x	X
Rate change information	2	C	x	x	x	x	x	x	x	x	X
SERFF company rate information	3		x	x	x	x	x	x	x	x	X
Loss cost information	4	G					x	x			
Actuarial memorandum	5		x	x	x	x	x	x	x		
Actuarial support	6		x	x	x	x	x	x	x		
Policyholder impact information	7				x	x				x	
Average rate change by county	8	County			x					x	
Historical premium and loss information	9	D		x	x	x	x	x	x		
Expense information (with disallowed expenses)	10	E	x	x	x	x	x				
Expense information	10	F						x	x		
Profit provision information	11	L	x	x	x	x	x	x	x		
Third-party data information	12		x	x	x	x	x	x	x		
Third-party model information	13		x	x	x	x	x	x	x		
Certification – mortgage guaranty		MG							x		

Information links

[Filings Made Easy Rule](#)

[Property and Casualty Filing Review Requirement Checklists](#)

[Texas Insurance Code](#)

[Texas Administrative Code](#)

[Approved/Disapproved Form Filings](#)

[Approved/Disapproved Advisory Organization Filings](#)

[Certificates of Insurance](#)

Property and Casualty Actuarial Office

PCActuarial@tdi.texas.gov

Property and Casualty Lines Office

PropertyCasualty@tdi.texas.gov

Main number: 512-676-6710

And just in case you missed it... [Filings Made Easy Guide](#)