

TDI **InsurED**

89th Legislative Session Review

September 25, 2025

Kenisha Schuster

Associate Commissioner,
Government Relations
External Relations

Robert Simons

Office of Policy Development

Marianne Baker

Director, Property and
Casualty Lines

TDI | Overview



More than 3,400 companies and 944,000 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 | 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.
- The governor can also call 30-day special sessions.

TDI | Governor's action

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.

TDI | Session committees of jurisdiction

- Senate Business & Commerce Committee
- Senate Health & Human Services Committee
- House Insurance Committee

89th Regular Legislative Session

TDI | Sunset review & efficiency audits

HB 12: add efficiency audits before Sunset review

- Requires the State Auditor's Office to conduct efficiency audits of each state agency subject to a sunset review.
- Reviews to occur four years before the state agency's abolishment date.
- TDI is scheduled for the 2028-29 Sunset review cycle and will undergo an audit in fiscal year 2026 or 2027.

Amends Government Code:

- [325.010](#) (b)
- [325.012](#) (a)
- Adds [352.002](#) (4)
- Adds [325.008](#) (d, e, f)
- Adds [325.016](#)
- Adds [Chapter 327](#)

Effective 9/1/2025

TDI | Biennial recommendations

- TDI must submit a report with legislative recommendations every odd number year.
- 2024 Biennial Report recommendations:
 - ☑ Require companies to tell consumers why their policy was declined, canceled, or nonrenewed.
 - ☑ Align fire investigator salaries with other licensed peace officers.
 - ☑ Improve the Fraud Unit's ability to investigate electronic communications.



TDI | Biennial recommendation 1

HB 2067: require companies to tell consumers why their policy was declined, canceled, or nonrenewed

- Insurers must give insurance policyholders and applicants a written statement explaining why an insurance policy was declined, canceled, or nonrenewed.
- TDI will post a summary report online with the reasons submitted by insurers.
- Applies to all property and casualty insurers.

Implementation:

TDI will adopt rules.

Amends Insurance Code:

- [Chapter 551 Subchapter B](#) heading
- [551.001](#) (a)
- [551.002](#) (a)
- [551.055](#)
- [551.109](#)
- Adds [551.006-551.008](#)
- Adds [551.0521](#)

Effective 1/1/2026

[HB 2467](#): align fire investigator salaries with other licensed peace officers

- Allows fire investigators that perform duties similar to licensed officers at other state agencies to be compensated equally.
- Aligns SFMO law enforcement officers with the law enforcement occupational category and law enforcement duties.
- Requires the state auditor to classify an SFMO investigator as a Schedule C position under the position classification plan maintained under Government Code Chapter 654.

Amends Government Code:

- [417.006](#)
- [659.301](#) (5)
- [661.918](#) (a)
- Adds [661.918](#) (a-7)
- [Chapter 654](#)

Effective 9/1/2025

TDI | Biennial recommendation 3

[SB 739](#): improve the Fraud Unit's ability to investigate electronic communications

- Gives the Fraud Unit the same legal authority to review electronic data as similar state agencies with licensed peace officers.
- Doesn't change any law that requires a grand jury subpoena, court order, or search warrant that is required under Code of Criminal Procedure.

Reenacts and amends Code of Criminal Procedure [18B.001](#) (1).

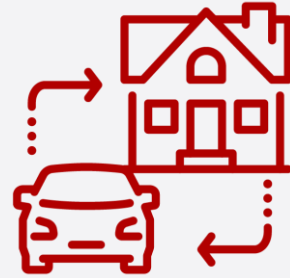
Effective 9/1/2025

Property & casualty related bills

TDI | Property & casualty legislative updates



HB 2213, 2517, 2518, 3689
Texas Windstorm Insurance
Association changes



SB 213
Home and auto bundling



SB 458
Home and auto appraisal



SB 3388
Group property
and casualty products



SB 1644
Credit scores used
in underwriting

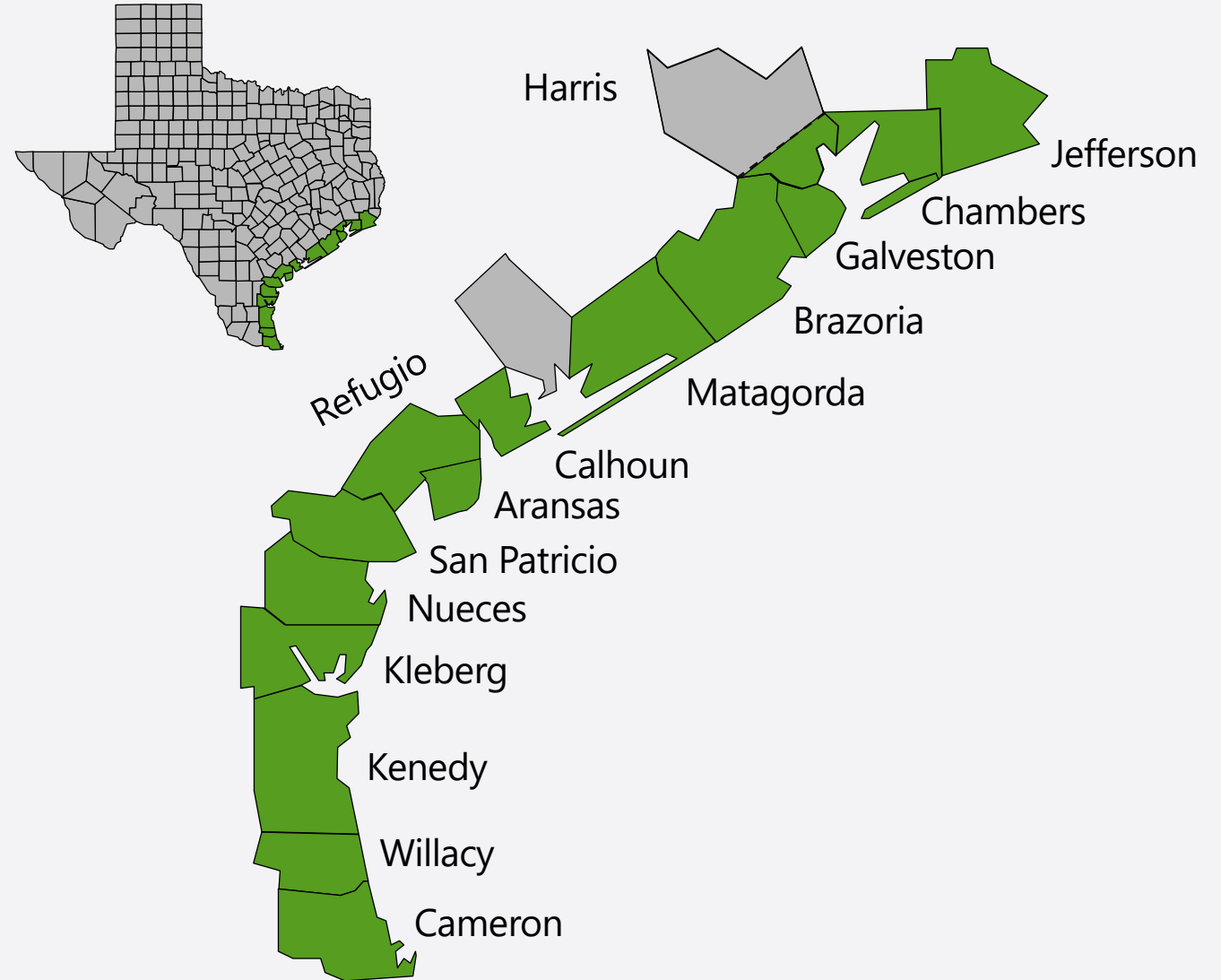


HB 2563
Prescribed burn
self-insurance pools

TDI | Texas Windstorm Insurance Association

Texas Windstorm Insurance Association (TWIA) includes Harris County, east of State Highway 146, and these 14 counties:

- Aransas
- Brazoria
- Calhoun
- Cameron
- Chambers
- Galveston
- Jefferson
- Kenedy
- Kleberg
- Matagorda
- Nueces
- Refugio
- San Patricio
- Willacy



TDI | TWIA and FAIR Plan tax exemptions

[HB 2517](#): change premium and maintenance tax exemptions

- Exempts TWIA and the Texas FAIR Plan Association (FAIR Plan) from paying taxes on their gross premiums maintenance taxes previously required.
- Doesn't affect tax liability before the 2023 calendar year.

Amends Insurance Code:

- [221.001](#) (b)
- [252.005](#)

Effective 9/1/2025

TDI | TWIA premium payment installment plans

[HB 2518](#): ban third-party TWIA payment plans

- Prohibits TWIA policyholders from using premium financing arrangements to pay premiums. Multiple installment payment plans are available through TWIA at no additional cost to the insured.
- This was a proposed legislative change in TWIA's 2024 Biennial Report to the 89th Texas Legislature.
- Applies to policies issued or renewed on or after January 1, 2026.

Amends Insurance Code:

Adds [2210.2032](#) (c)

Effective 9/1/2025

HB 2213: TWIA board eligibility requirements

- Requires insurance industry board members to live in Texas.
- Allows for more than one coastal public board member to be a licensed property and casualty agent. Requires that the agent must be actively offering or selling wind and hail policies.
- Changes the residence requirement for the three inland TWIA board members from "more than 100 miles from the Texas coastline" to "outside a catastrophe area."

Amends Insurance Code:

[2210.102](#) (b), (c-1), (d)

Effective 9/1/2025

TDI | TWIA funding structure

[HB 3689](#): change TWIA funding structure

- Allows for TWIA to use up to \$1 billion from the Economic Stabilization Fund to pay excess losses.
- Requires property insurance policy holders to repay the Fund through a catastrophe surcharge order.
- Changes total available loss funding by replacing a minimum 1-in-100-year probable maximum loss standard with a 1-in-50-year standard.

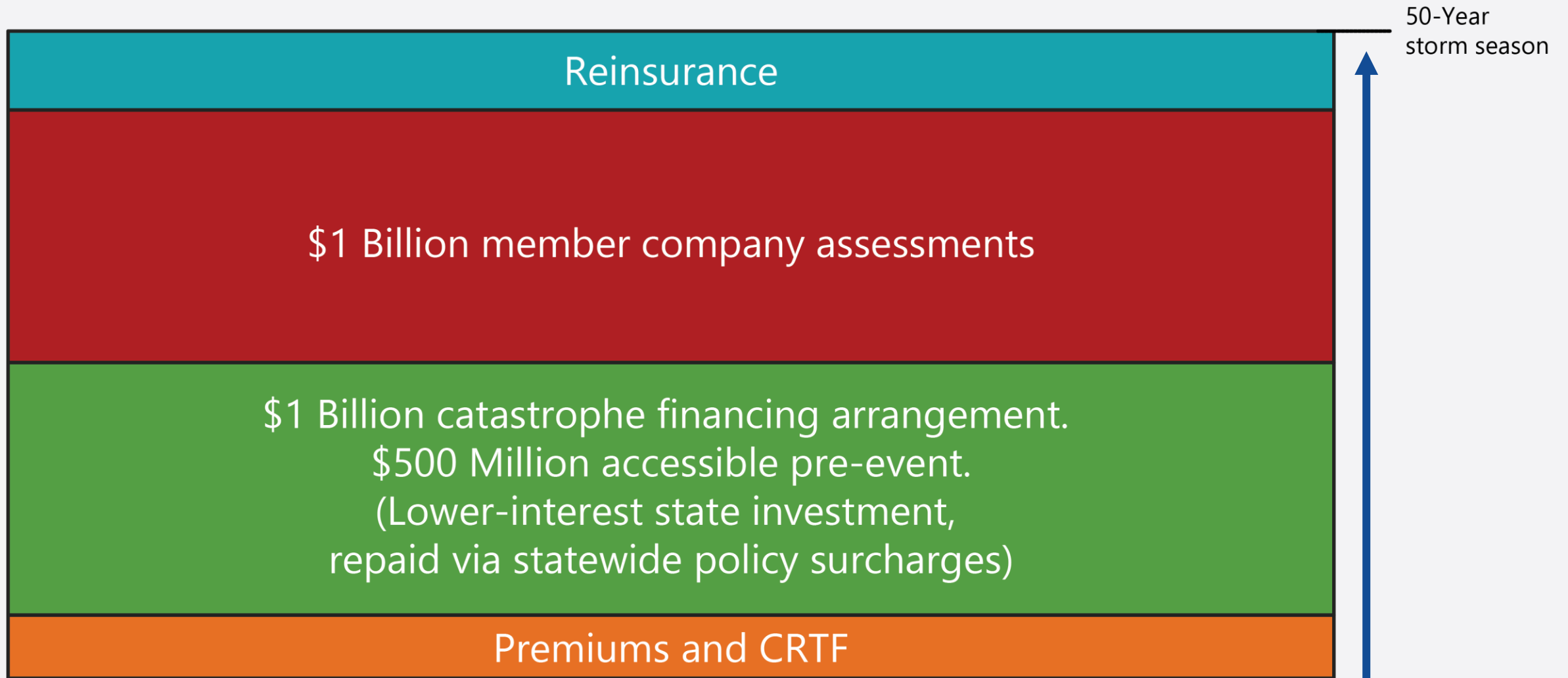
Implementation:

TDI will adopt rules.

Amends Insurance Code:
Multiple changes and additions to Chapter [2210](#)

Effective 9/1/2025

TDI | New TWIA funding structure



As of September 1, 2025. Graphic not to scale

SB 213: ban mandatory bundling

Prohibits insurers from requiring bundled residential property policy and a personal auto policy from the same insurer or an affiliated insurer.

Implementation:

No rulemaking anticipated.

Amends Insurance Code:

Adds [Chapter 551](#)
[Subchapter F](#)

Effective 9/1/2025

[SB 458](#): right to home and auto appraisal

- Requires personal auto and residential property policies to have an appraisal provision to resolve disputes about the loss amount.
- Applies to forms issued or renewed after January 1, 2026.

Implementation:

TDI will adopt rules.

Amends Insurance Code:

Adds [Chapter 1813](#)

Effective 9/1/2025

TDI | Group property and casualty products

[HB 3388](#): group property and casualty products

- Allows personal lines group policies and amending requirements for commercial group policies.
- Allows personal lines group insurance for groups of 10 or more, which may also be issued by a surplus lines insurer.
- Reduces surplus lines reporting.
- Only apply to insurance policies delivered, issued for delivery, or renewed on or after September 1, 2025.

Amends Insurance Code:

- [2171.001](#)
- Adds [2171.006-2171.009](#)
- Adds [Chapter 2172](#)

Effective 9/1/2025

TDI | Credit scores used in underwriting

SB 1644: Use of credit scores in underwriting

- Requires insurers to review and update all insured's credit reports every three years, reassess the insured's policy rating, and adjust premiums based on the insured's updated credit score.
- Applies to policies issued or renewed after January 1, 2026.

This was Office of Public Insurance Counsel biennial recommendation.

Amends Insurance Code:

- [559.054](#) (a)
- [Chapter 559 subchapter B](#)
- Adds [559.058](#)

Effective 9/1/2025

TDI | Prescribed burn self-insurance pools

[HB 2563](#): create prescribed burn self-insurance pools

- Establishes a prescribed burn manager self-insurance pool administered by the Texas A&M Forest Service.
- Provides a backstop program in response to the lack of insurance capacity in the admitted market for prescribed burns.
- Expires on September 1, 2040.

Amends Insurance Code:

Adds [Chapter 2155](#)

Effective 9/1/2025

Life & health related bills

TDI | Life & health legislative updates



SB 916, 1409, 2254
Independent dispute
resolution (IDR)



HB 815, 3812
Utilization review



HB 138
New coverage
analysis program



HB 2516
ALS & ESRD
Medicare coverage



HB 3211
Vision care benefits
and networks



SB 896
Newborn health
plan enrollment



SB 926, HB 2254
Health provider
guidelines & models



HB 2221
Rebating
guidelines

TDI | IDR: ambulance rates

SB 916: provide ambulance rate adjustments

- Authorizes political subdivisions to annually adjust submitted ambulance rates, rather than an annual adjustment by health plans.
- Continues provisions provided by SB 2467 (88R) that expanded balance billing protections to ground ambulance and was set to expire September 1, 2025.
- Expires September 1, 2027.

Implementation:

TDI will adopt rules and issue a data call.

Amends Health and Safety Code:

- Adds [773.061](#) (a-1)

Amends Insurance Code:

- [38.006](#) (b)
- [1271.159](#) (c), (g)
- [1275.054](#) (c), (f)
- [1301.166](#) (c), (g)
- [1551.231](#) (c), (f)
- [1575.174](#) (c), (f)
- [1579.112](#) (c), (f)

Effective 9/1/2025

TDI | IDR: education health plans

SB 1409: define postsecondary education health plans

- Authorizes postsecondary educational institutions to offer health benefit plans.
- Specifies health benefit plans are not considered insurance.
- Requires balance billing protections apply to these plans, which must register with TDI to participate in independent dispute resolution.

Implementation:

TDI will update balance billing rules.

Amends Insurance Code:

- [1275.002](#)
- Adds [Chapter 1683](#)

Effective 5/13/2025

TDI | IDR: mediation deadline

SB 2544: create a balance billing mediation deadline

- Creates a 180-day deadline to submit balance billing disputes to the Texas portal for disputes involving facilities.
- Disputes occurring before the effective date must be submitted within 120 days of the effective date of the bill.

Implementation:

TDI will adopt rules.

Amends Insurance Code:

[1467.054](#) (a)

Effective 6/20/2025

SB 815: use of AI in utilization review

- Restricts use of "automated decision systems" for utilization review. Provides an exemption for administrative or fraud-detection functions.
- Expands adverse determination disclosures to include review procedures.
- Allows TDI to audit or inspect URA's use of an automated decision system at any time.
- Applies to policies issued or renewed after January 1, 2026.

Amends Insurance Code:

- [4201.002](#) (1), adds (1-a), (1-b), (1-c)
- Adds [4201.156](#)
- [4201.303](#) (a)

Effective 9/1/2025

TDI | Gold card reform

HB 3812: reform prior authorization gold card

- Expands claims evaluated for consideration of issuing a physician or provider gold card.
- Extends evaluation periods.
- Creates an appeal process for initial gold card denials.
- Adds gold card reports.

Implementation:

TDI will adopt rules.

Amends Insurance Code:

- [4201.152](#)
- [4201.651](#) (a)
- [4201.653](#)
- [4201.655](#) (a), (b), adds (b-1)
- [4201.656](#) (a)
- [4201.658](#)
- [4201.659](#) (b), (c)
- Adds [4201.660](#)

Effective 9/1/2025

TDI | Coverage analysis program

HB 138: create a health coverage analysis program

- Directs the Center for Healthcare Data at the UT Health Science Center at Houston to create a Health Impact, Cost, and Coverage Analysis Program.
- Requires the program conduct an analysis of legislation that would impose a new mandate on health plans using claims data and other scientific and academic sources upon request from legislative leadership.

Implementation:

- See legislation for more effective date information.
- TDI will collaborate with the comptroller to report health plan data.

Amends Insurance Code:

Adds [Chapter 38 subchapter J](#)

Effective immediately

TDI | ALS & ESRD Medicare coverage

[HB 2516](#): coverage for people under 65 on Medicare with ALS or end-stage renal disease (ESRD)

- Requires plan providers to offer the same supplement coverage offered to people over 65.
- Requires A, B, and D plan providers to offer the same premium rate offered to people over 65.
- Premiums for other Medicare plans can't exceed 200% of the 65 and older premium rate.

Implementation

- See [Bulletin # B-0010-25](#) for guidance.
- TDI will adopt rules.

Amends Insurance Code:

Adds [1652.059-1652.060](#)

Effective immediately

TDI | Vision care benefits & networks

[HB 3211](#): expand vision benefit network participation

- Requires vision care plan issuers to include a method for a licensed optometrist or therapeutic optometrist to submit an application for inclusion as a participating provider in the plan.
- Includes deadlines for credentialing and finalizing contracts.

Implementation:

TDI will adopt rules.

Amends Insurance code:

- Adds [1451.1545](#)
- Adds [1451.155](#) (i)
- [1451.157](#)

Effective immediately

TDI | Newborn health plan enrollment

[SB 896](#): extend health plan enrollment period for newborns to 60 days

- Extends the time to enroll a newborn child in a health plan that provides maternity benefits or accident and health coverage for additional newborn children from 31 days to 60 days. This aligns with the special enrollment period provided in the individual market under federal law.
- Applies to policies issued or renewed after January 1, 2026.

Implementation:

TDI will adopt rules.

Amends Insurance code:

- [846.258](#) (b)
- [1367.003](#)
- [1501.157](#) (b)
- [1501.607](#) (b)

Effective 9/1/2025

TDI | Health provider guidelines

[SB 926](#): provide provider ranking, tiering, & steering guidelines

- Allows health plans to steer enrollees to certain physicians and providers using incentives or tiered networks.
- States steering and incentives are subject to a fiduciary duty to do so only for the primary benefit of the enrollee or group contract holder.

Implementation:

TDI will adopt rules.

Amends Insurance Code:

- Adds [843.322](#)
- [1301.0045](#) (a)
- Adds [1301.0047](#)
- [1460.003](#) (a), adds (a-1)
- [1460.005](#) (c), adds (d)
- Adds [1460.007](#) (c)

Effective 9/1/2025

TDI | PPO & EPO value-based models

[HB 2254](#): use of value-based models

- Authorizes preferred provider organization (PPO) and exclusive provider organization (EPO) to use value-based and capitated payment arrangements when contracting directly with primary care physicians or primary care physician groups.
- Prohibits global capitation arrangements.

Amends Insurance Code:

Adds [1301.0065](#)

Effective immediately

[HB 2221](#): provide rebating guidelines

- Adds provisions allowing loss control or value-added services to policies.
- Continues to prohibit unlawful rebates, inducement, and discrimination.

Implementation:

TDI will adopt rules.

Amends Insurance Code:

- [Title 9](#) title
- Adds [Chapter 1702](#)
- [81.001](#) (c)
- [846.007](#) (d)
- [1114.057](#)
- [1501.107](#) (b)

Repeals Insurance Code:

- 541.056-541.058
- 543.003
- 1201.013

Effective 9/1/2025

State Fire Marshal related bills

TDI | State Fire Marshal legislative updates



HB 3824

Battery energy storage



HB 1899

Fireworks licenses

TDI | Battery energy storage requirements

[HB 3824](#): establish battery energy storage systems (BESS) requirements

- Requires:
- TDI adopt fire safety standards and testing requirements for the design, installation, operation, and safety of BESS.
- Facility owners or operators to meet established standards and requirements before applying for a building permit or other authorization.
- A fire safety inspection at least every five years.

Implementation:

TDI will adopt rules.

Amends Utilities Code:

Adds [Chapter 187](#)

Effective 9/1/2025

TDI | Fireworks licenses

HB 1899: lower age to get fireworks licenses

Changes the age from 21 to 18 for a public fireworks display permit and pyrotechnic license.

Implementation:

TDI will adopt rules.

Amends Occupations Code:

- [2154.101](#) (b)
- [2154.201](#) (a)

Effective 9/1/2025

Special Session

TDI | Special legislative sessions

First called session

- July 21-August 15.
- The 18 agenda items included:
 - Flood preparation and recovery.
 - Property tax cuts.
 - Title theft and deed fraud.
 - Hemp regulation/ban.
 - Redistricting.

Second called session

- Began on August 15.
- The 19 agenda items included:
 - Camp safety.
 - Flood preparation and recovery.
 - Property tax cuts.
 - Title theft and deed fraud.
 - Hemp regulation/ban.
 - Redistricting.

TDI | Questions

Texas Department of Insurance

(512) 676-6000

www.tdi.texas.gov