

No. **2024-8743**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 07/18/2024

Subject Considered:

Prompt Pay Extension for a Weather-Related Event: Hurricane Beryl

General Remarks and Official Action Taken:

The Texas Department of Insurance (TDI) received a request from a group of insurers to declare a weather-related catastrophe for claim processing under Insurance Code § 542.059 and 28 TAC § 5.9303 for losses incurred July 7, 2024, through July 9, 2024, in 67 counties in Texas.

TDI reviewed the request and determined that the weather-related event was a catastrophe under Insurance Code § 542.059. As a result, deadlines for processing claims under Insurance Code Chapter 542, Subchapter B, are extended by an extra 15 days in those counties.

Background

Insurance Code Chapter 542, Subchapter B, requires insurers to meet specific deadlines when they process insurance claims. Insurance Code § 542.059 extends those deadlines by 15 days in the event of a weather-related catastrophe or major natural disaster, as defined by the commissioner.

An individual insurer or a group of insurers may petition TDI for a determination that a weather-related event is a catastrophe or major natural disaster under 28 TAC § 5.9303(a).

A petition must include:

- the type of losses,
- specific lines of insurance affected,
- location of the loss,
- the specific time period during which the event occurred,

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- the insurer's total estimated dollar losses,
- the insurer's total estimated number of claims, and
- the reasons the insurer is unable to process claims within the statutorily required time periods. 28 TAC § 5.9303(b).

A weather-related event constitutes a catastrophe or major natural disaster if, for the designated area where the losses occur, either the:

- estimated total dollar losses are \$50 million or more in the aggregate for all insurers, and the estimated total number of claims are 5,000 or more in the aggregate for all insurers; or
- estimated total number of claims are 10,000 or more in the aggregate for all insurers. 28 TAC § 5.9303(c).

The following findings of fact and conclusions of law are adopted.

Findings of Fact

1. TDI received a petition from a group of insurers for a determination that a weather-related event is a catastrophe.
2. The petition stated:
 - the losses are weather-related and may involve wind, hail, tornado, hurricane, or other weather-related losses;
 - the lines of insurance affected are fire (property) and automobile;
 - the losses are in 67 counties in Texas, including Anderson, Angelina, Aransas, Austin, Bowie, Brazoria, Brazos, Burleson, Calhoun, Cameron, Camp, Cass, Chambers, Cherokee, Colorado, Dewitt, Fayette, Fort Bend, Freestone, Galveston, Goliad, Gregg, Grimes, Hardin, Harris, Harrison, Hidalgo, Houston, Jackson, Jasper, Jefferson, Kenedy, Kleberg, Lavaca, Lee, Leon, Liberty, Madison, Marion, Matagorda, Milam, Montgomery, Morris, Nacogdoches, Newton, Nueces, Orange, Panola, Polk, Refugio, Robertson, Rusk, Sabine, San Augustine, San Jacinto, San Patricio, Shelby, Trinity, Tyler, Upshur, Victoria, Walker, Waller, Washington, Webb, Wharton, and Willacy counties;
 - the time period of the event was July 7, 2024, through July 9, 2024;
 - the group of insurers' initial estimated number of claims based on only three member insurers is between 18,300 and 18,500 residential property claims and 2,500 automobile claims, with projected overall total loss amounts over \$50 million; and

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- insurers are unable to process the claims within the statutorily required time because the significant volume of claims generated by this event will exceed the capacity of the insurers' local resources to process these catastrophe event claims in addition to processing its day-to-day claims.

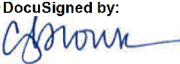
Conclusions of Law

1. The commissioner has authority and jurisdiction over this matter under Insurance Code § 542.059.
2. The area where the losses occurred is defined by reasonable boundaries.
3. The estimated total number of claims is 10,000 or more in the aggregate for all insurers for the designated area where the losses occurred.
4. The weather-related event described by the group of insurers' petition is a catastrophe for claim processing under Insurance Code § 542.059 and 28 TAC § 5.9303 for July 7, 2024, through July 9, 2024, in the 67 counties identified in the petition.

Order

It is ordered that, under Insurance Code § 542.059 and 28 TAC § 5.9303, the weather-related event impacting Anderson, Angelina, Aransas, Austin, Bowie, Brazoria, Brazos, Burleson, Calhoun, Cameron, Camp, Cass, Chambers, Cherokee, Colorado, Dewitt, Fayette, Fort Bend, Freestone, Galveston, Goliad, Gregg, Grimes, Hardin, Harris, Harrison, Hidalgo, Houston, Jackson, Jasper, Jefferson, Kenedy, Kleberg, Lavaca, Lee, Leon, Liberty, Madison, Marion, Matagorda, Milam, Montgomery, Morris, Nacogdoches, Newton, Nueces, Orange, Panola, Polk, Refugio, Robertson, Rusk, Sabine, San Augustine, San Jacinto, San Patricio, Shelby, Trinity, Tyler, Upshur, Victoria, Walker, Waller, Washington, Webb, Wharton, and Willacy counties, on July 7, 2024, through July 9, 2024, is a catastrophe.

For these counties, deadlines under Chapter 542, Subchapter B, for processing claims for losses resulting directly from the identified catastrophe or occurring during the catastrophe time period, are extended by an additional 15 days as provided in Insurance Code § 542.059 and 28 TAC § 5.9303.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance

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Recommended and reviewed by:

DocuSigned by:

Mark Worman

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Mark Worman, Deputy Commissioner

DocuSigned by:

Jessica Barta

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Jessica Barta, General Counsel