

CONSUMER BILL OF RIGHTS

Personal Automobile Insurance

What is the Bill of Rights?

It is a basic outline of important rights you have under Texas law. Insurance companies must give you this Bill of Rights with your policy. It is important to read and understand your policy.

The Bill of Rights is not:

- A complete list of all your rights,
- Part of your policy, or
- A list of everything that you are responsible for.

Questions about these rights?

- If you are not sure about anything in your policy, ask your agent or insurance company.
- If you have questions or a complaint, contact the Texas Department of Insurance (TDI):

Call with a question: 1-800-252-3439

Email with a question: ConsumerProtection@tdi.texas.gov

File a complaint through the website:

www.tdi.texas.gov/consumer/get-help-with-an-insurance-complaint.html

- To learn more about insurance, visit www.opic.texas.gov or call the Office of Public Insurance Counsel (OPIC) at 1-877-611-6742.

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Where to Get Information

1. **Your insurance company.** When you get a copy of your policy you will also get an "Important Notice" from the company. The notice explains how to contact your company and how to file a complaint. You may request a complete copy of your policy from your company at any time.
2. **Your declarations page.** The declarations page, also called the "dec page," shows: (a) the name and address of your insurance company, (b) the dates your policy is in effect, (c) the insured vehicles and drivers, (d) any excluded drivers, (e) the amounts and types of coverage, and (f) your deductibles.
3. **The Texas Department of Insurance (TDI).** You have the right to call TDI for free at 1-800-252-3439 for information and help with a complaint against an insurer. You can also find information on the TDI website at www.tdi.texas.gov.
4. **Resources for shopping for insurance.** The Office of Public Insurance Counsel (OPIC) and TDI developed www.HelpInsure.com to help you compare rates and coverages for different insurance companies. OPIC also has an online tool to help you compare policies. You can find this policy comparison tool at www.opic.texas.gov.

What You Should Know When You File a Claim

5. **Choice of repair shop and replacement parts.** You have the right to choose the repair shop and parts for your vehicle. An insurance company may not specify the brand, type, kind, age, vendor, supplier, or condition of parts or products used to repair your auto, but they are not required to pay more than a reasonable amount.
6. **Auto repair notice requirements.** The insurance company must provide you a document about your rights regarding auto repairs as follows:
 - **Claims submitted by telephone:** Written notice within 3 business days or verbal notice during the call, followed by written notice within 15 business days;
 - **Claims submitted in person:** Written notice at the time you present your vehicle to an insurer, an insurance adjuster, or other person in connection with a claim for repair; or
 - **Claims submitted in writing (including email and fax):** Written notice must be provided within 3 business days of the insurance company receiving notice of the claim.
7. **Deadlines for processing claims and payments.** When you file a claim on your own policy, the insurance company must meet these deadlines:
 - **Within 15 days after you file a claim:** The company must let you know they received your claim. The company must also start their investigation and ask you for any other information they need.

- **Within 15 business days after they get all the information they need:** The company must approve or deny your claim in writing. They can extend this deadline up to **45 days** from the date they (a) let you know they need more time, and (b) tell you why.
- **Within 5 business days after they let you know your claim is approved:** The company must pay the claim.

Note: TDI can extend these deadlines by 15 more days if there is a weather-related catastrophe.

If your company fails to meet these deadlines, you may be able to collect the claim amount, interest, and attorney's fees.

- 8. Written explanation of claim denial.** Your insurance company must tell you in writing why your claim or part of your claim was denied.
- 9. Information not required for processing your claim.** Your insurance company can only ask for information reasonably needed for their claim investigation. However, they cannot ask for your federal income tax returns unless: (a) they get a court order, or (b) your claim involves a fire loss, loss of profits, or lost income.
- 10. Reasonable investigation.** Your insurance company cannot refuse to pay your claim without a reasonable investigation of the claim. You should keep records of all claim communications (including notes from phone calls) and other claim documentation (including damage estimates and receipts).
- 11. Appraisal.** You or your insurance company have the right to demand appraisal to resolve a dispute about the amount to repair or replace your damaged property.
- 12. Deductible recovery.** If another person may be liable for the damage to your auto and you (a) filed a claim, and (b) paid or owe a deductible on your own policy, then your insurance company must:
 - Take action to recover your deductible no later than 1 year from when your claim is paid; or
 - Refund your deductible; or
 - Notify you that they will not take action and allow you to try to collect your money (a) within 1 year from the date your claim is paid, or (b) at least 90 days before the statute of limitations expires (whichever date comes first).
- 13. Notice of liability claim settlement.** Liability means you are responsible for other people's injuries or damage to their property. Your insurance company must let you know in writing:
 - About the first offer to settle a claim against you within **10 days** after the offer is made.
 - About any claim settled against you within **30 days** after the date of the settlement.

Who to Contact for Claim Disagreements

14. Claim disagreements. You can dispute the amount of your claim payment or what is covered under your policy. You can:

- Contact your insurance company.
- Contact the repair person or shop.
- Contact an attorney to advise you of your rights under the law. The State Bar of Texas can help you find an attorney.
- Pay a qualified appraiser to examine the damage to your property.
- File a complaint with TDI.

What You Should Know about Renewal, Cancellation, and Nonrenewal

Renewal means that your insurance company is extending your policy for another term.

Cancellation means that, **before the end of the policy period**, the insurance company:

- Terminates the policy;
- Gives you less coverage or limits your coverage; or
- Refuses to give additional coverage that you are entitled to under the policy.

"Refusal to renew" and **"nonrenewal"** are terms that mean your coverage ends **at the end of the policy period**. The policy period is shown on the declarations page of your policy.

15. Offer of uninsured/underinsured motorist and personal injury protection coverages.

Insurance companies must offer you Uninsured/Underinsured Motorist (UM/UIM) and Personal Injury Protection (PIP) coverage on a new policy. If you decline them, it must be in writing. The company is not required to reoffer these coverages upon renewal, but you may request them at any time.

16. Insurance company cancellation of personal automobile policies. If your policy has been in effect for **60 days or more**, your company can only cancel your policy if:

- You don't pay your premium when it is due;
- You file a fraudulent claim;
- TDI decides that keeping the policy violates the law;
- Your driver's license or vehicle registration is suspended or revoked (unless you agree to exclude coverage for yourself as a driver under the policy); or
- Any driver who lives with you, or who usually drives a vehicle covered by the policy, has their driver's license or vehicle registration suspended or revoked (unless you agree to exclude coverage for that person as a driver under the policy).

17. Notice of cancellation. If your insurance company cancels your policy, they must let you know by mail at least **10 days** before the effective date of the cancellation. Check your policy because your company may give you more than 10 days' notice.

18. Your right to cancel. You can cancel your policy at any time and get a refund of the unearned premium.

19. Refund of premium. If you or your insurance company cancel your policy, the company must refund any unearned premium within 15 business days from:

- the date the company receives notice of the cancellation, or
- the date of cancellation, whichever is later.

20. Limits on using claims history to change premium. Your insurance company can't change your premium solely because of a claim you file that is not paid or payable under your policy.

21. Timing of nonrenewal. Your insurance company must renew your policy until it has been in effect for 1 year. If your policy is renewed, your company must continue to renew your policy until the yearly anniversary of the original effective date.

For example, if your 6-month policy was originally effective on January 1, 2050, your company must renew your policy until January 1, 2051. After that, your company may only refuse to renew your policy on the original effective date (in this example, January 1) of any future year.

Note: There is an exception. See #23, "Nonrenewal for failure to cooperate."

22. Notice of nonrenewal. Your insurance company must send you a notice that they are not renewing your policy. They must let you know at least **60 days** before your policy expires, or you can require them to renew your policy.

23. Nonrenewal for failure to cooperate. Your insurance company is required to nonrenew your policy if you or someone covered by your policy fails or refuses to cooperate in the investigation, settlement, or defense of a third-party liability claim or action, or the company is unable to contact you or someone covered by your policy using reasonable efforts. The company must first give you a written notice that states:

- how you or someone covered by your policy failed or refused to cooperate, including failure as a result of the company's inability to contact you or them;
- the claim or action for which the company is requesting cooperation; and
- that continued failure or refusal to cooperate will result in the company not renewing your policy.

24. Not-at-fault claims. Your insurance company cannot refuse to renew your policy solely because of any one of the following:

- Claims involving damage from a weather-related incident that do not involve a collision, like damage from hail, wind, or flood.
- Accidents or claims involving damage by contact with animals.
- Accidents or claims involving damage caused by flying gravel, missiles, or other flying objects. However, if you have 3 of these claims in a three-year period, the company may increase your deductible on your next annual renewal date.
- Towing and labor claims. However, once you have made 4 of these claims in a three-year period, the company may remove this coverage from your policy on your next annual renewal date.
- Any other accident or claim that cannot reasonably be considered your fault, unless you have 2 of these claims or accidents in a one-year period.

25. Use of credit information to determine what you pay for your policy. If your insurance company uses credit information to rate your policy:

- The company must:
 - review and update the credit information considered in the rating of your policy not less than every 36-months; and
 - reassess policy rating and adjust premiums based on the updated credit information.
- When credit information is used to take an action that results in an adverse effect to you, the company must:
 - use a credit report issued not more than 90 days before the policy is renewed; and
 - send you written or electronic notice of your right to request that your policy be re-rated as indicated in the bullet below.
- You or your agent may request re-underwriting and re-rating of your insurance policy once in a 12-month period. If requested, your company must reassess your policy rating and adjust premiums at renewal based upon the current credit report or insurance score.

26. Limit on using age to nonrenew your policy. An insurance company cannot refuse to renew your policy based solely on the age of any person covered by the policy. Your company also cannot require you to exclude a family member from coverage solely because they reached driving age.

27. Widow classification for rating. An insurance company may not charge an individual who is widowed or whose marital status otherwise reflects the death of a spouse a rate that is different from the rate that would be charged if the individual's marital status was married.

28. Protections from discrimination. An insurance company cannot refuse to insure you; limit the coverage you buy; refuse to renew your policy; or charge you a different rate based on your race, color, creed, country of origin, or religion.

29. Right to ask questions. You can ask your insurance company a question about your policy. They cannot use your questions to deny, nonrenew, or cancel your coverage. Your questions also cannot be used to determine your premium.

For example, you may ask:

- General questions about your policy;
- Questions about the company's claims filing process; and
- Questions about whether the policy will cover a loss, unless the question is about damage (a) that occurred, and (b) that results in an investigation or claim.

30. Notice of a "material change" to your policy. If your insurance company does not want to cancel or nonrenew your policy, but wants to make certain material changes, then they must explain the changes in writing at least **30 days** before the annual renewal date. Material changes include:

- Giving you less coverage;
- Changing a condition of coverage; or
- Changing what you are required to do.

Instead of a notice of "material change" a company may choose to not renew your existing policy. If so, the company has to send a nonrenewal letter, but may still offer you a different policy.

Note: A company cannot reduce coverage during the policy period unless you ask for the change. If you ask for the change, the company does not have to send you a notice.

31. Written statement of reasons for decision not to insure. An insurance company must fully explain in writing the reasons for their decision not to insure you. This includes cancellation or nonrenewal.