

SUBCHAPTER W. CONSUMER RIGHTS NOTICES
28 TAC §5.9970 and §5.9971

INTRODUCTION. The Texas Department of Insurance (TDI) proposes to amend 28 TAC §5.9970 and §5.9971, concerning the Consumer Bills of Rights for personal automobile insurance and residential property insurance. Amendments to both sections implement Senate Bills 458, 1238, 1644, and House Bill 2067, 89th Legislature, 2025.

EXPLANATION. Under Insurance Code Chapter 501, Office of Public Insurance Counsel (OPIC) represents the interest of insurance consumers in Texas. OPIC is required by Insurance Code §501.156 to submit to TDI for adoption a consumer bill of rights appropriate to each personal line of insurance TDI regulates. These bills of rights explain to consumers how their rights are affected by applicable statutes and rules and are to be distributed by insurers to each policyholder on issuance of a policy.

TDI received a petition from OPIC on August 27, 2025, requesting adoption of a revised Consumer Bill of Rights for Personal Automobile Insurance (Auto Bill of Rights) and Consumer Bill of Rights for Homeowners, Dwelling, Renters Insurance (Homeowners Bill of Rights). OPIC's petition provided updated bills of rights to reflect multiple changes made by bills from the 89th Legislature. The current versions were adopted in 2024. Since the last amendment, the following legislation has been passed, affecting the rights of insurance consumers:

- HB 2067 amended Insurance Code §551.109, which requires insurance companies to tell policyholders or applicants in writing why an insurance policy was declined, canceled, or nonrenewed.

- SB 1238 amended Insurance Code §544.002, which prohibits insurance companies from discrimination based on an insured's marital status following a spousal death.

- SB 1644 created Insurance Code §559.058, which requires insurance companies to review and update an insured's credit reports, reassess the insured's policy rating, and adjust premiums on the basis of the insured's updated credit score at least every three years. Insurance Code §559.058 also allows an insured to request that the insurance company re-underwrite and re-rate the policy on the basis of a current credit report or insurance score once per year.

- SB 458 created Insurance Code Chapter 1813. Chapter 1813 requires certain personal auto and residential property insurance policies to include an appraisal provision to resolve disputes about loss amounts.

Personal lines insurers must distribute the Auto Bill of Rights and the Homeowner Bill of Rights to each policyholder on issuance of a new policy or on renewal if the updated bill of rights was not previously sent. Amending the Auto Bill of Rights and Homeowner Bill of Rights ensures that insurers distribute current consumer rights information to policyholders.

Descriptions of the sections' proposed amendments follow.

Section 5.9970. The amendments to §5.9970 update the English and Spanish translation versions of the Auto Bill of Rights included in subsection (b) as FIGURE 1: 28 TAC §5.9970(b) and FIGURE 2: 28 TAC §5.9970(b).

The proposed new English and Spanish translation versions of the Auto Bill of Rights contain changes from the previous versions resulting from legislative actions that affect the rights of insurance consumers. The changes, resulting from recent bills and reflecting new information for policyholders, include:

- the right to request appraisal to resolve disputes about loss amounts (SB 458);

- the right to a written explanation for a cancelation or nonrenewal of an insurance policy (HB 2067);

- how insurers must use updated credit information and the right to request an insurer to re-underwrite and re-rate the policy based on current credit information (SB 1644); and

- the right to not be discriminated against following a spousal death (SB 1238).

These amendments will ensure that the Auto Bill of Rights is consistent with the law and that consumers are informed of their rights related to their personal automobile insurance policies.

Section 5.9971. The amendments to §5.9971 update the English and Spanish translation versions of the Homeowner Bill of Rights included in subsection (b) as FIGURE 1: 28 TAC §5.9971(b) and FIGURE 2: 28 TAC §5.9971(b).

The proposed new English and Spanish translation versions of the Homeowner Bill of Rights contain changes from the previous versions resulting from legislative actions that affect the rights of insurance consumers. The changes, resulting from recent bills and reflecting new information for policyholders, include:

- the right to request appraisal to resolve disputes about loss amounts (SB 458);

- the right to a written explanation for a cancelation or nonrenewal of an insurance policy (HB 2067);

- how insurers must use updated credit information and the right to request an insurer to re-underwrite and re-rate the policy based on current credit information (SB 1644); and

- the right to not be discriminated against following a spousal death, to reflect changes from HB 1238.

These amendments will ensure that the Auto Bill of Rights is consistent with the law and that consumers are informed of their rights related to their personal automobile insurance policies.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Kristi Jordan, assistant director of the Property and Casualty Division, has determined that during each year of the first five years the proposed amendments are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the amendments. Ms. Jordan made this determination because the proposed amendments do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposal.

Ms. Jordan does not anticipate any measurable effect on local employment or the local economy as a result of this proposal because the proposal simply updates documents insurers are already required to provide.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments are in effect, Ms. Jordan expects public benefits to include consumers receiving an accurate and understandable summary of their rights related to personal automobile and homeowners insurance policies and facilitating public awareness of insurance consumer rights.

Ms. Jordan expects that the proposed amendments will impose an economic cost on persons required to comply. The cost will vary based on the lines of insurance and number of policyholders for each insurer.

Insurance Code §501.156 and TDI rules require insurers to deliver the Auto Bill of Rights and Homeowner Bill of Rights to policyholders at the time a policy is issued or renewed. Because the proposed amendments update existing documents already required to be provided with insurance policies, the amendments do not impose new duties. Insurers must provide policyholders with copies of the updated Auto Bill of Rights and Homeowner Bill of Rights at the first renewal after the rule becomes effective.

An insurer's cost of complying with this requirement will depend on the number of renewals that the insurer provides and on the number of paper bills of rights the insurer sends. TDI expects that each insurer will have the information necessary to determine its individual cost, including the number of pages to be printed, in-house printing costs, and commercial printing costs.

TDI estimates that insurers may face administrative costs associated with updating the Auto Bill of Rights and Homeowner Bill of Rights in their systems. While it is not feasible to determine the actual cost of any employees needed to comply with the requirement, TDI estimates that amending the Auto Bill of Rights and Homeowner Bill of Rights may require between 4 and 10 hours of:

- compliance officer staff time to update internal procedures so the revised bill of rights is distributed; and
- computer programming staff time to prepare and test systems to begin distributing the revised bill of rights.

Staff costs may vary depending on the skill level required, the number of staff required, and the geographic location where work is done. The 2024 median hourly wage for these positions in Texas was:

- compliance officer, \$34.64; and
- computer programmer, \$38.85.

These wages are as reported by the Texas Wages and Employment Projections database, which is developed and maintained by the Texas Workforce Commission, and can be found at www.texaswages.com/WDAWages. Information on median wages in other states may be obtained directly from the federal Bureau of Labor Statistics website at www.bls.gov/oes/current/oes_nat.htm.

Subject to the requirements for conducting business electronically under Insurance Code Chapter 35, insurers may send the updated Auto Bill of Rights and Homeowner Bill of Rights electronically, avoiding paper and printing costs. If an insurer prints paper copies of the Auto Bill of Rights and Homeowner Bill of Rights, TDI expects the cost to be between \$0.03 and \$0.05 per page for printing and paper. The Auto Bill of Rights and Homeowner Bill of Rights are both eight pages.

TDI does not anticipate additional costs for mailing or electronic distribution because the new bills of rights will be sent out in new and renewal packets that insurers already send.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that this proposal may have an adverse economic effect on any insurers that are small or micro businesses. In data the Texas Comptroller of Public Accounts provides for use in calculating the number of small businesses, its estimates indicate that there are approximately 124 insurance carriers that are considered "small businesses" as defined in Government Code §2006.001. The Economic Impact Statement and Regulatory Flexibility Analysis and the cost analysis in the Public Benefit and Cost Note section of this proposal apply to the portion of insurance carriers that write personal automobile or residential property insurance policies and are small and micro businesses. The total cost to an insurer to provide the revised bill of rights to its policyholders is not wholly dependent on the size of the insurer. Rather, the cost depends on the insurer's number of current and

future policyholders. TDI does not anticipate an impact on any rural communities because the requirement to distribute bills of rights under Insurance Code §501.156 applies to insurers, not to rural communities.

In accordance with Government Code §2006.002(c-1), TDI considered the following alternatives to minimize any adverse impact on small or micro businesses while still accomplishing the proposal's objectives:

- (1) not proposing the amended rules and figures;
- (2) imposing different rules for small or micro business; and
- (3) exempting small or micro businesses from the proposed requirements that could create an adverse effect.

Not proposing the amended rules and figures. Insurance Code §501.156 requires OPIC to submit to TDI for adoption a consumer bill of rights appropriate to each personal line of insurance TDI regulates. The statute requires these consumer bills of rights to be distributed upon issuance of a policy by insurers to all applicable policyholders. Updating the Auto Bill of Rights and Homeowner Bill of Rights is necessary to reflect legislative and regulatory actions that affect the rights of insurance policyholders despite any possible impact on small or micro businesses. To ensure compliance with the statutory requirements, TDI rejected this option.

Imposing different rules for small or micro businesses. The proposed amendments are necessary to comply with statutes and rules that require all insurers to issue the Auto Bill of Rights and Homeowner Bill of Rights to policyholders on issuance of a new or renewal policy. These statutory requirements apply to all personal automobile and homeowner insurers, regardless of size. The requirements cannot be waived or modified for small or micro businesses. For these reasons, TDI rejected this option.

Exempting small or micro businesses from the rule requirement that could create an adverse effect. The purpose of any consumer bill of rights is to notify each policyholder of

their rights applicable to those personal lines of insurance. Insurance Code §501.156 requires OPIC to submit to TDI for adoption a consumer bill of rights appropriate to each personal line of insurance that TDI regulates. These statutory requirements apply to all personal automobile and homeowner insurers, regardless of size. The requirements cannot be waived or modified for small or micro businesses. For these reasons, TDI rejected this option.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal does impose a possible cost on regulated persons. However, no additional rule amendments are required under Government Code §2001.0045 because publishing amended the Auto Bill of Rights and Homeowner Bill of Rights is necessary to implement Insurance Code §501.156, in light of the legislative changes to §551.109 and §554.002 and the new §559.058 and Chapter 1813. Section 501.156 requires OPIC to submit for adoption a consumer bill of rights appropriate to each personal line of insurance TDI regulates, and it is necessary for TDI to amend §5.9970 and 5.9971 to apply the updated bills of rights.

GOVERNMENT GROWTH IMPACT STATEMENT. TDI has determined that for each year of the first five years that the proposed amendments are in effect, the amendments:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will not create a new regulation;

-will not expand an existing regulation by adding new requirements an insurer must comply with;

-will not increase or decrease the number of individuals subject to the rule's applicability; and

-will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TDI has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments for the proposal that are received by TDI no later than 5:00 p.m., central time, on June 15, 2026. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or by mail to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

To request a public hearing on the proposal, submit a separate request before the end of the comment period to ChiefClerk@tdi.texas.gov or by mail to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030. The request for public hearing must be separate from any comments and received by TDI no later than 5:00 p.m., central time, on June 15, 2026. If a public hearing is held, TDI will consider written and oral comments presented at the hearing.

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STATUTORY AUTHORITY. TDI proposes amendments to §5.9970 and §5.9971 under Insurance Code §§501.156, 551.112, 559.004, 1813.002, and 36.001.

Insurance Code §501.156 requires OPIC to submit to TDI for adoption a consumer bill of rights appropriate to each personal line of insurance TDI regulates.

Insurance Code §551.112 authorizes the commissioner to adopt rules relating to the cancellation and nonrenewal of insurance policies.

Insurance Code §559.004 authorizes the commissioner to adopt rules necessary to implement Insurance Code Chapter 559.

Insurance Code §1813.002 directs the commissioner to adopt rules necessary to implement Insurance Code Chapter 1813.

Insurance Code §36.001 authorizes the commissioner to adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. Section 5.9970 and §5.9971 implement Insurance Code Chapter 1813 and Insurance Code §§501.156, 544.002, 551.109, 559.058, and 36.001.

TEXT.

§5.9970. Personal Automobile Insurance Consumer Bill of Rights.

(a) For purposes of this section, "insurer" means an insurance company, reciprocal or interinsurance exchange, mutual insurance company, capital stock company, county mutual insurance company, Lloyd's plan, or other legal entity authorized to write personal automobile insurance in this state. The term includes an affiliate, as described by Insurance

Code §823.003(a), if that affiliate is authorized to write and is writing personal automobile insurance in this state.

(b) The Texas Department of Insurance adopts the 2026 [~~2024~~] version of the Consumer Bill of Rights - Personal Automobile Insurance (Auto Bill of Rights), and the Spanish language translation, as developed and submitted by the Office of Public Insurance Counsel:

FIGURE 1: 28 TAC §5.9970(b) [~~FIGURE 1: 28 TAC §5.9970(b)~~]

FIGURE 2: 28 TAC §5.9970(b) [~~FIGURE 2: 28 TAC §5.9970(b)~~]

(c) All insurers writing personal automobile insurance policies must provide with each new policy of personal automobile insurance a copy of the 2026 [~~2024~~] version of the Auto Bill of Rights. At the consumer's request, the insurer may provide an electronic copy of the Auto Bill of Rights instead of a hard copy. The insurer must provide the Auto Bill of Rights with each renewal notice for personal automobile insurance unless the insurer has previously provided the policyholder with the 2026 [~~2024~~] version of the Auto Bill of Rights.

(d) The Auto Bill of Rights must appear in no less than 10-point type and be on separate pages with no other text on those pages.

(e) Insurers must provide the Spanish language version of the 2026 [~~2024~~] version of the Auto Bill of Rights to any consumer who requests it.

(f) Insurers must provide the applicable Auto Bill of Rights included in this section beginning November 1, 2026 [~~November 1, 2024~~]. Before that date, insurers may provide the Auto Bill of Rights either as it currently is included in this section or as it was included in the section as the section was amended to be effective November 1, 2024 [~~May 16, 2021~~].

§5.9971. Homeowners, Dwelling, and Renters Insurance Consumer Bill of Rights.

(a) For purposes of this section, "insurer" means an insurance company, reciprocal or interinsurance exchange, mutual insurance company, capital stock company, county mutual insurance company, Lloyd's plan, or other legal entity authorized to write residential property insurance in this state. The term includes an affiliate, as described by Insurance Code §823.003(a), if that affiliate is authorized to write and is writing residential property insurance in this state. The term does not include the Texas Windstorm Insurance Association or the Texas Fair Plan Association.

(b) The Texas Department of Insurance adopts the 2026 [~~2024~~] version of the Consumer Bill of Rights - Homeowners, Dwelling, and Renters Insurance (Homeowners of Rights), and the Spanish language translation, as developed and submitted by the Office of Public Insurance Counsel:

FIGURE 1: 28 TAC §5.9971(b) [~~FIGURE 1: 28 TAC §5.9971(b)~~]

FIGURE 2: 28 TAC §5.9971(b) [~~FIGURE 2: 28 TAC §5.9971(b)~~]

(c) All insurers writing homeowners, dwelling, or renters insurance must provide with each new policy of any such insurance a copy of the 2026 [~~2024~~] version of the Homeowners Bill of Rights. At the consumer's request, the insurer may provide an electronic copy of the Auto Bill of Rights instead of a hard copy. The insurer must provide the Homeowners Bill of Rights with each renewal notice for any such insurance unless the insurer has previously provided the policyholder with the 2026 [~~2024~~] version of the Homeowners Bill of Rights.

(d) The Homeowners Bill of Rights must appear in no less than 10-point type and be on separate pages with no other text on those pages.

(e) Insurers must provide the Spanish language version of the 2026 [~~2024~~] version of the Homeowners Bill of Rights to any consumer who requests it.

(f) Insurers must provide the applicable Homeowners Bill of Rights included in this section beginning November 1, 2026 [~~November 1, 2024~~]. Before that date, insurers may

provide the Auto Bill of Rights either as it currently is included in this section or as it was included in the section as the section was amended to be effective November 1, 2024 [~~May 16, 2021~~].

CERTIFICATION. The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Issued in Austin, Texas, on May 1, 2026.

Signed by:
Jessica Barta
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Jessica Barta, General Counsel
Texas Department of Insurance