

Get Help from TDI

For insurance questions or for help with an insurance-related complaint, call the **TDI Consumer Help Line** at **1-800-252-3439** or visit our website at **tdi.texas.gov**.

Visit **HelpInsure.com** to shop for automobile, homeowners, condo, and renters insurance, and **TexasHealthOptions.com** to learn more about health insurance and your options for coverage.

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cb015.1216

Surplus Lines Insurance



**Published by the
Texas Department of Insurance
December 2016**

It's always best to buy insurance from companies licensed in Texas. The Texas Department of Insurance (TDI) reviews licensed companies to make sure they meet the state's rules and have enough money to pay claims. But there are times when a licensed company isn't willing to sell you a policy.

Texas law allows some companies, called surplus lines insurers, to cover risks that licensed companies in the standard market aren't able or willing to insure.

Although TDI doesn't have as much oversight of surplus lines insurers as it does over licensed companies, it does determine which surplus lines insurers are eligible to do business in the state.

Agents must try to find a Texas-licensed company to sell you a policy before they sell you a policy from a surplus lines insurer. If you're not satisfied with an agent's search, consider using another agent to try to find a Texas-licensed company.

Beware of Unauthorized Insurers

An unauthorized insurer is a company that isn't licensed or eligible to sell insurance in Texas. Before you buy a surplus lines policy, check that the insurer is eligible in Texas by calling TDI's **Consumer Help Line** at **1-800-252-3439**. You can also use the Company Lookup for surplus lines insurers and Agent Lookup for surplus lines agents on our website at **tdi.texas.gov**.

Types of Surplus Lines Insurance

Most surplus lines insurance is written in the commercial market for businesses that need unique policies to cover unusual risks, such as liability coverage for special events, oil and gas refineries, and hazardous material transportation. People typically don't buy surplus lines policies because they can usually get the home or auto coverages they need through a Texas-licensed company.

Surplus lines insurers may not sell personal auto

liability policies. If you can't find a licensed company that will sell you a liability policy, your only option is to buy one through the Texas Automobile Insurance Plan Association (TAIPA). For more information about **TAIPA**, call **1-866-321-9154** or visit its website at **taipa.org**.

Regulation of Surplus Lines Insurers

Surplus lines insurers aren't subject to most Texas insurance laws. TDI does have limited oversight of the surplus lines market by

- licensing and regulating surplus lines agents,
- determining whether surplus lines insurers can issue policies in Texas, and
- maintaining a list of eligible surplus lines insurers.

Unlike licensed insurance companies, surplus lines insurers aren't members of guaranty associations. Guaranty associations pay claims of licensed companies that become insolvent. If a surplus lines insurer becomes insolvent, your claims could go unpaid.

Surplus lines insurers must be licensed in their home state or country.

Financial Requirements

Surplus lines insurers based in another state must have at least \$15 million in combined capital and surplus to do business in Texas. (Capital and surplus are a company's financial cushion against unexpected claims.) A surplus lines insurer based

in a foreign country must have a minimum of \$45 million in capital and surplus and hold an amount in trust.

Surplus lines agents may only sell you a policy from a surplus lines insurer that meets Texas' financial requirements.

Required Notice on Policies

Texas law requires agents to list their names and addresses on surplus lines policies they sell. Agents must also include a statement that the surplus lines insurer isn't licensed in Texas and that the policy is a surplus lines policy.

Surplus lines agents must send a copy of each surplus lines insurance policy they sell to the Surplus Lines Stamping Office of Texas. The stamping office reviews each policy to make sure it was properly placed with an eligible surplus lines insurer.

For more information about the **stamping office**, call **1-800-449-6394** or visit its website at **slsot.org**.