

**SUBCHAPTER E. NOTICE OF TOLL-FREE TELEPHONE NUMBERS AND PROCEDURES
FOR OBTAINING INFORMATION AND FILING COMPLAINTS**

28 TAC §1.601 AND §1.602

INTRODUCTION. The Texas Department of Insurance proposes to amend 28 TAC §1.601, relating to notice of toll-free numbers and information and complaint procedures. The amendments to §1.601 implement Insurance Code §§521.005(b), 521.056, and 521.103(b), concerning the appropriate wording and appearance of the notice. TDI also proposes to amend 28 TAC §1.602, relating to notice of an internet website. The amendments to §1.602 implement Insurance Code §32.104(b), concerning the form and content of the notice.

EXPLANATION. Amending §1.601 and §1.602 will improve the readability of the rules and make it easier for consumers to know where and how to get help with an insurance or Health Maintenance Organization (HMO) question or complaint. It will also provide better contact information for consumers with workers' compensation problems.

Insurance Code §521.005(a) requires each insurance policy delivered or issued for delivery in Texas to provide a brief written notice with the policy that includes: (1) a suggested procedure to be followed by a policyholder with a dispute concerning a claim or premium; (2) TDI's name and address; and (3) TDI's toll-free telephone number for information and complaints. Insurance Code §521.005(b) requires the Commissioner to adopt appropriate wording for these notices.

Insurance Code §521.056 requires each insurer that delivers, issues for delivery, or renews an insurance policy in this state to include an information bulletin with the policy that includes TDI's toll-free telephone number and a description of the services available through TDI's toll-free telephone number.

Under Insurance Code §521.103(a), each HMO or insurer that delivers, issues for delivery, or renews an evidence of coverage or insurance policy in Texas must print the HMO's or insurer's toll-free number on the evidence of coverage or policy. Insurance Code §521.103(b) provides that the Commissioner may adopt rules about how the toll-free telephone number appears on the evidence of coverage or insurance policy.

In addition, under Insurance Code §32.102(a), TDI, with the Office of Public Insurance Council, must establish and maintain a website that provides information about the purchase of residential property insurance and personal automobile insurance, so consumers can make informed decisions. Under Insurance Code §32.104(b), insurers must give notice of the website and the Commissioner must determine the form and content of the notice.

Section §1.601(a). Proposed amendments to §1.601(a)(1) insert the titles of Insurance Code sections cited in the paragraph. Proposed amendments to §1.601(a)(2) remove references to "health care plans" and "subscriber contracts" because they are included in the meaning of "all policies," and include text that is proposed to be deleted from §1.601(f), which relates to insurers adding a certificate holder, annuitant, or enrollee to a group policy or group plan.

Proposed amendments to §1.601 add subsection (a)(2)(A) to clarify that the notice form must prominently appear on the first, second, or third page of any package of documents.

Proposed amendments to §1.601 add subsection (a)(2)(B) to clearly provide that insurers and HMOs are not required to file the notice form with TDI. The proposed amendments continue to specify that the notice form must follow the form and content requirements in the rule, now reflected in proposed Figure: 28 TAC §1.601(a)(2)(B) and the proposed amendments to §1.601(b).

Proposed amendments to §1.601 remove the notice form under Figure: 28 TAC §1.601(a)(3) and replace it with an amended notice form under proposed Figure: 28 TAC §1.601(a)(2)(B). The amended notice form more clearly describes where and how to get help with an insurance question or complaint. The proposed form does not include item numbers 1-8 of the removed form, and it clarifies who a consumer should contact about a complaint on a claim or premium. Proposed Figure: 28 TAC §1.601(a)(2)(B) informs the consumer to also file a complaint through the insurer's or HMO's complaint or appeal process, even if the consumer files a complaint with TDI. This proposed language is necessary so that consumers are aware that they should pursue appeal rights in a timely manner.

Proposed amendments to §1.601 adds subsection (a)(2)(B) to clearly provide that insurers and HMOs are not required to file the notice form with TDI. The proposed amendments continue to specify that the notice form must follow the form and content requirements in the rule, now reflected in proposed Figure: 28 TAC §1.601(a)(2)(B) and the proposed amendments to §1.601(b). The proposed amendments also provide more accurate contact information to workers' compensation policyholders about where and how to get help with an insurance question or complaint in proposed Figure: 28 TAC §1.601(a)(2)(C). The proposed amendments and figure include contact information for the National Council on Compensation Insurance, Dispute Resolution Service, for unresolved problems with a premium payment. They also add contact information for the Division of Workers' Compensation for problems with a claim.

Section §1.601(b). Proposed amendments to §1.601(b) change the content of the notice to make it easier for consumers to read and know who they should contact to file a complaint or request other assistance, and how to contact that person. The proposed amendments remove the numbering in the notice and the use of the heading "Important

Notice." The proposed amendments to §1.601(b) require a title and telephone number for the insurer and HMO. The title and telephone number can still be the name and telephone number of an agent, third-party administrator, managing general agent, or employee benefits coordinator that provides policyholder services on behalf of the insurer or HMO.

Proposed amendments to §1.601(b)(2) require the notice to include a mailing address and email address for the insurer or HMO.

Proposed amendments to §1.601(b)(3) clarifies that the notice must appear in a font size no smaller than 10 point.

Proposed amendments to §1.601(b) also delete §1.601(b)(3)(D), which provides an exception allowing an insurer or HMO to not provide a toll-free telephone number for group policies it does not administer and for group policies issued to employers and labor unions. The exception is deleted to conform the rule text to Insurance Code §521.102 and §521.103, which require insurers and HMOs to include those numbers on each evidence of coverage or policy issued. Insurance Code §521.101(b) does not provide an exception for those group policies.

Proposed amendments to §1.601(b) also delete §1.601(b)(8), removing a requirement that the notice form must contain language about attaching the notice to the policy because proposed §1.601(a)(2)(B) clarifies that insurers and HMOs are not required to file the notice form with TDI.

Section §1.601(c). Proposed amendments to §1.601(c) simplify the process for insurers or HMOs to claim an exception to the toll-free number requirement. Under Insurance Code §521.101(b)(1), insurers or HMOs with gross initial premium receipts collected in Texas of less than \$2 million each year are not required to maintain a toll-free number for information and complaints.

The proposed amendments remove the requirement for an insurer or HMO to file a statement with TDI providing the statutory basis for the exception. The proposed amendments also simplify the description of what information and documents the insurer or HMO must retain for the exception.

Section §1.601(d). Proposed amendments to §1.601(d) clarify that insurers and HMOs will not need to refile previously approved policies, bonds, annuity contracts, certificates, or evidences of coverage, but they must provide the notice in the required manner. The proposed amendments delete language about providing the notice for renewed policies because the proposed amendments to §1.601(a)(2) describe the way to provide notice for those renewals.

Section §1.601(e). Proposed amendments to §1.601(e) state when insurers and HMOs must begin using the new notice form. To reduce disruption and facilitate the transition, the proposed amendments allow insurers and HMOs to continue using the previous version of the notice form for up to six months after the effective date of the proposed rule.

The proposed amendments delete the provisions that do not require companies to refile certain policies, bonds, annuity contracts, and certificates. The substance of the deleted provisions is effectively transferred to the proposed amendments to §1.601(d).

Section §1.601(f). Proposed amendments to §1.601 delete the text of subsection (f), which is about additions to a group policy or group plan. This provision is incorporated into the proposed amendments to §1.601(a)(2).

Section §1.602(a). Proposed amendments to §1.602(a)(1) insert the heading for Insurance Code §32.104 where that section is cited in the text.

Section §1.602(b). Proposed amendments to §1.602(b) will make the notice easier for consumers to read and know where they can compare prices and coverages on home and auto insurance policies. Proposed amendments to the notice form in §1.602(b)(1) correspond with proposed Figure: 28 TAC §1.601(a)(2)(B) and proposed amendments to notice form requirements in §1.601(b). The proposed amendments in §1.601(b) also reference the renumbered text under proposed amendments to §1.601(a)(2), providing formatting instructions on certain text in the notice, and making editorial changes to the language in the notice to make it easier for consumers to read.

Proposed amendments to §1.602(b) add §1.602(b)(1)(C) to state when insurers must begin using the new notice form. To reduce disruption and facilitate the transition, the proposed amendments allow insurers and HMOs to continue using the previous version of the notice form for up to six months after the effective date of the proposed rule.

Proposed amendments to §1.602 add Figure: 28 TAC §1.602(b)(1)(C) to replace the notice of internet website form under current Figure: 28 TAC §1.602(b)(1)(B). Proposed amendments to the notice of website form will make it easier for consumers to read and know where they can compare prices and coverages on home and auto insurance policies.

Proposed amendments to §1.602(b)(2) and Figure: 28 TAC §1.602(b)(2) will make the notice easier for consumers to read and know where they can compare prices and coverages on home and auto insurance policies. The proposed amendments to §1.602(b)(2) also state when insurers must begin using the new notice. To reduce disruption and facilitate the transition, the proposed amendments allow insurers to

continue using the previous version of the notice for up to six months after the effective date of the proposed rule.

In addition, throughout the proposed amendments, nonsubstantive editorial and formatting changes are made to conform to TDI's current style, improve the rule's clarity, and reletter and renumber rule text. TDI is also proposing revisions to the notice forms in §1.601 and §1.602 to conform to TDI's current style and to generally improve the forms' clarity.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. David Muckerheide, manager, Property and Casualty Lines Office of the Regulatory Policy 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 sections, other than that imposed by the statute. This determination was made 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 proposed amendments.

Mr. Muckerheide does not anticipate any measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments are in effect, Mr. Muckerheide expects that administering and enforcing the proposed amendments will have the public benefit of ensuring that TDI's rules conform to Insurance Code §§32.104, 521.005, 521.056, and 521.103. The proposed amendments will make it easier for consumers to understand where and how to get help with an insurance question or make a complaint. The proposed amendments will also provide better contact information for consumers with workers' compensation problems.

Mr. Muckerheide expects that the proposed amendments will impose an economic cost on persons required to comply with the amendments. The cost of compliance results from notice and complaint procedures under Insurance Code §§32.104, 521.005, 521.056, and 521.103. The costs required to comply with the proposal may include administrative and computer programming costs. Staff costs may vary depending on the skill level required, the number of staff required, and the geographic location where the work is done. The 2015 median hourly wages for workers in Texas are reported by the Texas Wages and Employment Projections database and developed and maintained by the Labor Market and Career Information Development Department of the Texas Workforce Commission. TDI used this information to estimate labor costs. This information can be found at www.texaswages.com/WDAWages.

Insurers and HMOs may calculate the total cost of labor for each category by multiplying the number of estimated hours for each component by the median hourly wage for each category of labor. The median hourly wage for a computer programmer is \$39.72. The median hourly wage for an administrative assistant is \$16.08.

Administrative expenditures could also include postage and the cost of updating and printing new notices to reflect changes to the required notice forms. It is not feasible for TDI to estimate the total increased printing, copying, mailing, and transmitting costs related to compliance with this proposal because there are many factors involved that are not quantifiable by TDI. But according to the United States Postal Service business price calculator, available at dbcalc.usps.gov, the current cost to mail a machinable letter in a single standard business mail envelope with a weight of 3.5 ounces to a standard five-digit ZIP code in the United States is \$1.13. TDI estimates that a standard business envelope costs 1.6 cent. TDI further estimates that printing or copying costs between six to eight cents per page. TDI believes that mailing costs can be avoided by providing the new contact information with the policy or certificate at the time of issuance or renewal.

TDI estimates that preparing changes to the notice forms will likely require a one-time cost for approximately two to 10 hours of administrative staff time. The cost will vary depending on whether an administrative assistant, a computer programmer, or a combination of both positions, perform this function.

TDI believes there could be some minimal cost to companies that previously did not provide their own toll-free numbers. However, TDI staff do not know of any company that is currently relying on the exceptions that the proposed amendments will delete. Companies can still delegate administration of a policy to a third party, including having the third party provide its toll-free number on the company's behalf.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed amendments may have an adverse economic effect or a disproportionate economic impact on small or micro businesses. The cost analysis in the Public Benefit and Cost Note section of this proposal also applies to these small and micro businesses. TDI estimates that the proposed amendments may affect 40 to 60 small or micro businesses. The primary objective of this proposal is to make it easier for consumers to understand where and how to get help with an insurance question or make a complaint. In addition, the proposal will provide better contact information for consumers seeking resolution of workers' compensation problems.

TDI has determined that the proposed amendments will not have an adverse economic effect or a disproportionate economic impact on rural communities because the amendments do not apply to rural communities.

TDI considered the following alternatives to minimize any adverse impact on small and micro businesses while accomplishing the proposal's objectives:

- (1) not proposing amendments;
- (2) proposing a different requirement for small and micro businesses; and

(3) not requiring companies to file the notice of toll-free telephone numbers form.

Not proposing amendments. As previously noted, the purpose of this rule proposal is to make it easier for consumers to understand where and how to get help with an insurance question or make a complaint. If TDI did not propose this rule, policyholders and other consumers would continue to not have clear notices. For some workers' compensation issues, policyholders would continue to not have correct contact information. For these reasons, TDI has rejected this option.

Proposing a different requirement for small and micro businesses. TDI believes that proposing different standards than those included in this proposal would not provide a better option for small or micro businesses. Policyholders and other consumers would not know the different regulations that a small or micro business would follow. Further, policyholders and other consumers would not receive information that makes it easier to understand where and how to get help with an insurance question or make a complaint, possibly causing confusion and potential harm. For these reasons, TDI has rejected this option.

Not requiring companies to file the notice of toll-free telephone numbers form. This proposal reduces cost impact because it amends §1.601 to not require insurers and HMOs to file the notice of toll-free telephone numbers form with TDI. TDI considered and proposed this alternative to minimize any adverse impact on small or micro businesses while accomplishing the proposal's objectives.

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 the proposed amendments to §1.601 and §1.602 reduce the overall

regulatory burden of the rule imposed on regulated persons and to comply with Insurance Code §§32.104, 521.005, 521.056, and 521.103.

Under 28 TAC §3.4(k)(1) (relating to general submission requirements), a company must file the toll-free notice form unless the company meets an exemption or has a current toll-free notice form on file. Under proposed amendments to §1.601(a)(2), the cost and regulatory burden of filing the toll-free notice form is reduced, because the proposed amendment to §1.601(a)(2) establishes that a company does not have to file the toll-free notice form with TDI.

TDI also expects the proposed amendments to reduce regulatory burden on companies by reducing consumer confusion about where and how to get help with an insurance question or make a complaint. Less consumer confusion should result in more efficient and timely handling of questions and complaints. It should also increase the opportunity for companies to informally resolve more questions or concerns before a complaint is filed with TDI and necessitates a formal response.

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

- 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 positively or adversely affect the Texas economy;

- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will expand and limit an existing regulation.

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. The department will consider any written comments on the proposal received by the department no later than 5:00 p.m., central time, on June 10, 2019. Send your comments to ChiefClerk@tdi.texas.gov; or to the Office of the Chief Clerk, MC 113-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104. To request a public hearing on the proposal, submit a request before the end of the comment period, and separate from any comments, to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC 113-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104. 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 10, 2019. If TDI holds a public hearing, TDI will consider written and oral comments presented at the hearing.

STATUTORY AUTHORITY. TDI proposes amendments to §1.601 and §1.602 under Insurance Code §§32.104(b), 521.005(b), 521.103(b), and 36.001.

Insurance Code §32.104(b) provides that the Commissioner must determine the form and content of the notice of the internet website required by Texas Insurance Code Chapter 32, Subchapter C.

Insurance Code §521.005(b) provides that the Commissioner must adopt appropriate wording for the notice required by the section.

Insurance Code §521.103(b) provides that the Commissioner may adopt rules governing the way an insurer or health maintenance organization's toll-free telephone number appears on an evidence of coverage or insurance policy.

Insurance Code §36.001 provides that the Commissioner may 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. Amendments to §1.601 implement Insurance Code §§521.005, 521.056, and 521.103. Amendments to §1.602 implement Insurance Code §32.104.

TEXT.

§1.601. Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures.

(a) Purpose and applicability.

(1) The purpose of this section is to provide the means for ~~[by which]~~ insurers and health maintenance organizations (HMOs) to ~~[may]~~ comply with the notice requirements of Insurance Code §521.103, concerning Information Included in Evidence of Coverage or Policy; ~~[and the means by which insurers may comply with the notice requirements of Insurance Code §]~~ 521.005, concerning Notice to Accompany Policy; and ~~[§]~~521.056, concerning Information Bulletin to Accompany Policy. Compliance with this

section is deemed compliance with these notice requirements.

(2) The notice must be provided at the time of delivery with all policies, bonds, annuity contracts, certificates, or evidences of coverage that are delivered, issued for delivery, or renewed in Texas by insurers or HMOs. When insurers add a certificate holder, annuitant, or enrollee to a group policy or group plan, insurers must also provide the notice when the certificate, annuity contract, or evidence of coverage is delivered.

(A) The notice must appear on a full, separate page with no text other than that provided in this section. The notice must be prominently placed in any package of documents it is delivered with, and it must be the first, second, or third page of the set of documents.

(B) The form of the notice must be consistent with Figure: 28 TAC §1.601(a)(2)(B) and the requirements of subsection (b) of this section. The form of notice is not required to be filed with the department.

Figure: 28 TAC §1.601(a)(2)(B)

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

[Insert insurance company or HMO name]

To get information or file a complaint with your insurance company or HMO:

Call: [insert title] at [insert phone number]

Toll-free: [insert phone number]

Email: [insert email address]

Mail: [insert mailing address]

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call: 1-800-252-3439

Online: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

[Insert insurance company or HMO name]

Para obtener información o para presentar una queja ante su compañía de seguros o HMO:

Llame a: [insert title] al [insert phone number]

Teléfono gratuito: [insert phone number]

Correo electrónico: [insert email address]

Dirección postal: [insert mailing address]

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame: 1-800-252-3439

En línea: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714

(C) The form of the notice for workers' compensation must be consistent with Figure: 28 TAC §1.601(a)(2)(C) and the requirements of subsection (b) of this section. The form of notice is not required to be filed with the department.

Figure: 28 TAC §1.601(a)(2)(C)

Have a workers' compensation complaint or need help?

Contact your insurance company if you have a question or problem about your premium or a claim:

[Insert Insurance company name]

Call: [insert title] at [insert phone number]

Toll-free: [insert phone number]

Email: [insert email address]

Mail: [insert mailing address]

National Council on Compensation Insurance, Dispute Resolution Services

If your problem with the premium is not resolved, contact the National Council on Compensation Insurance, Dispute Resolution Services.

Mail: 901 Peninsula Corporate Circle, Boca Raton, FL 33487-1362

Fax: 561-893-5043

Email: regulatoryassurance@ncci.com

Phone: 1-800-622-4123

The Texas Department of Insurance

If one of your employees has a problem with a claim, contact the Texas Department of Insurance, Division of Workers' Compensation.

Mail: MS-8, 7551 Metro Center Drive, Suite 100, Austin, TX 78744

Fax: 512-490-1030

Email: DWC-ComplianceReview@tdi.texas.gov

Phone: 1-800-252-7031

¿Tiene una queja de compensación para trabajadores o necesita ayuda?

Comuníquese con su compañía de seguros si tiene una pregunta o problema relacionado con su prima de seguro o con una reclamación:

[Insert Insurance Company Name]

Llame a: [insert title] al [insert phone number]

Teléfono gratuito: [insert phone number]

Correo electrónico: [insert email address]

Dirección postal: [insert mailing address]

Consejo Nacional de Seguros de Compensación (National Council on Compensation Insurance, por su nombre en inglés), **Servicios para la Resolución de Disputas**

Si su problema con la prima de seguro no es resuelto, comuníquese con el Consejo Nacional de Seguros de Compensación, Servicios para la Resolución de Disputas.

Correo postal: 901 Peninsula Corporate Circle, Boca Raton, FL 33487-1362

Fax: 561-893-5043

Correo electrónico: regulatoryassurance@ncci.com

Teléfono: 1-800-622-4123

El Departamento de Seguros de Texas

Si uno de sus empleados tiene un problema con una reclamación, comuníquese con el Departamento de Seguros de Texas, División de Compensación para Trabajadores (Texas Department of Insurance, Division of Workers' Compensation, por su nombre en inglés).

Correo postal: MS-8, 7551 Metro Center Drive, Suite 100, Austin, TX 78744

Fax: 512-490-1030

Correo electrónico: DWC-ComplianceReview@tdi.texas.gov

Teléfono: 1-800-252-7031

(b) Notice requirements. The text may be single spaced, but it must include at least one blank line between each paragraph. The Spanish portion of the notice is required for personal automobile, homeowners, life, accident, and health policies, certificates, and evidences of coverage. The notice may include the letterhead of the insurer or HMO and any automated form identification numbers.

(1) The notice must include a title and telephone number for the insurer or HMO. At its option, the insurer or HMO may provide the name and telephone number of an agent, third-party administrator, managing general agent, or employee benefits coordinator. The telephone number must be in bold type and be preceded and followed by one blank line. The insurer or HMO must provide a toll-free telephone number unless one of the exemptions in subparagraphs (A) – (C) of this paragraph applies. For purposes of this section, a toll-free telephone number is one that any covered person can use to get information or make a complaint without incurring long-distance calling expenses. An insurer or HMO is exempt from providing a toll-free number:

(A) when the insurer's or HMO's gross initial premium receipts collected in Texas are less than \$2 million a year;

(B) with respect to fidelity, surety, or guaranty bonds; or

(C) if it is a surplus lines insurer.

(2) The notice must include a mailing address and email address for the insurer or HMO.

(3) The notice must be in a font size no smaller than 10 point.

(c) Exceptions to maintenance of toll-free number. Any exception claimed under subsection (b)(1)(A) of this section must be based on gross initial premium receipts collected in Texas during the previous calendar year. This information and any other data that the company relied on to determine if it was entitled to an exception is subject to examination by the department. Failure by any insurer or HMO to maintain the information required in this paragraph, or failure to provide information to the department on request, constitutes grounds for enforcement action that may result in the cancellation, revocation, or suspension of the insurer's or HMO's certificate of authority. Any insurer or HMO claiming an exception must retain and provide to the department on request the following information:

(1) the statutory basis for the exception; and

(2) the amount of gross initial premium receipts collected in Texas for the calendar year immediately preceding the year for which an exception is claimed. The gross initial premium receipts collected may be documented either by:

(A) the annual statement submitted by the insurer or HMO; or

(B) records maintained for each new policy written during a calendar year that include the policy number, the effective date of the policy, and the amount of initial premium received, including any membership fees, assessments, dues, and any other considerations for that insurance.

(d) Providing notice. Insurers and HMOs will not need to refile previously approved policies, bonds, annuity contracts, certificates, or evidences of coverage, but they must provide the notice in the manner required by this section.

(e) Implementation date. Insurers and HMOs must begin using the notice form described in paragraph (a)(2) of this section no later than six months after the effective date of this section. Insurers and HMOs may continue using the previous notice form until that time.

~~[(2) Except as provided by subsection (b)(3), this section applies to any new or renewal insurance policy, bond, annuity contract, subscriber contract, health care plan, certificate, and evidence of coverage issued for delivery in this state on or after May 1, 1992.]~~

~~[(3) All policies, certificates, or evidences of coverage that are delivered, issued for delivery, or renewed in the State of Texas on or after May 1, 1992, by insurers or HMOs must have the notice included as the first, second, or third page of the policy, certificate, evidence of coverage, or first written communication indicating renewal of coverage, under the provisions of subsection (b) of this section. The notice must appear on a full, separate page with no text other than that provided in this section. The form of~~

~~the notice must be as provided by subsection (b) of this section. The item numbers 1–8 in the left hand column of this form correspond to the respective paragraphs of subsection (b) of this section, and the item numbers may be omitted from the notice.]~~

[Figure: 28 TAC ~~§1.601(a)(3)~~]

~~[(b) Notice requirements. Each respectively numbered item in the notice provided in subsection (a)(3) of this section must be set out as provided in this subsection. There must be at least one blank line between each item, but the text within each item may be single-spaced. The Spanish portion of each item included in a company's notice is required only for personal automobile, homeowners, life, accident, and health policies, certificates, and evidences of coverage. Text must be in at least 10-point type. The letterhead of the insurer or HMO and any automated form identification numbers may be included on the notice.]~~

~~[(1) Item 1 must be included in all notices. "Important Notice" and "Aviso Importante" must be in all capital letters and in at least 10-point bold type. There must be at least one blank line below "Important Notice" and "Aviso Importante."]~~

~~[(2) Item 2 is optional. The title for the English portion may be either "agent," "third party administrator," "managing general agent," or "employee benefits coordinator." The title for the Spanish portion may be either "agente," "administrador tercero," "agente general," or "administrador de beneficios para empleados." Instead of a specific telephone number, the insurer or HMO may refer to the applicable telephone number and where it can be found.]~~

~~[(3) Item 3 is required unless one of the exemptions provided in this subsection applies. For purposes of this section a toll-free telephone number is one that can be used by any covered person to obtain information or make a complaint without incurring long distance calling expenses. The insurer's or HMO's toll-free number must appear in at least 10-point bold type and must be preceded and followed by one blank~~

~~line. Item 3 is not required for an insurer or HMO:]~~

~~[(A) whose gross initial premium receipts collected in this state are less than \$2 million a year;]~~

~~[(B) with respect to fidelity, surety, or guaranty bonds;]~~

~~[(C) that is a surplus lines insurer; or]~~

~~[(D) with respect to certificates of insurance issued under a group policy:]~~

~~[(i) if the insurer does not administer the group policy or determine questions of coverage; or]~~

~~[(ii) if the policyholder to whom the policy is issued is an employer or a labor union.]~~

~~[(4) Item 4 is optional. If used, the insurer's or HMO's name and address must be inserted.]~~

~~[(5) Item 5 is required on all notices. The toll-free number must be in at least 10-point bold type and must be preceded and followed by one blank line.]~~

~~[(6) Item 6 is required on all notices.]~~

~~[(7) Item 7 is required on all notices except those notices provided by HMOs with evidences of coverage. "Premium or claim disputes" and "Disputas sobre primas o reclamos" must be in all capital letters and 10-point bold type. The insurer may insert either "agent," "company," or "agent or company" and may insert either "el agente," "la compañía," or "el agente o la compañía."]~~

~~[(8) Item 8 is required on all notices. "Attach this notice to your policy" and "Adjunte este aviso a su póliza" must be in all capital letters and 10-point bold type.]~~

~~[(c) Exceptions to notice requirements for insurer's toll-free number.]~~

~~[(1) Requirements. Any exception claimed under subsection (b)(3)(A) of this section for a policy, certificate, or evidence of coverage delivered, issued for delivery, or~~

~~renewed in a given year must be based on gross initial premium receipts collected in Texas during the previous calendar year. Any insurer or HMO claiming an exception must provide to TDI, at a minimum, the following information:]~~

~~[(A) a statement reciting the statutory basis for the exception;]~~

~~[(B) a statement detailing the amount of gross initial premium receipts collected in this state for the calendar year immediately preceding the calendar year for which an exception is claimed; and]~~

~~[(C) an affirmation by the chief executive officer or chief financial officer of the insurer or HMO certifying that he or she has reviewed the information and that the filed information is true, accurate, and complete, based on that person's best knowledge, information, and belief.]~~

~~[(2) Procedure. This statement must be filed separately from all other forms and exception statements filed with respect to other matters pending before TDI. Claims for exception must be addressed to the appropriate regulatory division within TDI.]~~

~~[(A) Mail codes for the respective divisions are as follows:]~~

~~[(i) Rate and Form Review Office (Life, Accident, and Health, including HMO) 106-1A;]~~

~~[(ii) Property and Casualty (including Workers' Compensation) 104-3B;]~~

~~[(iii) Title 106-2T;]~~

~~[(iv) Risk Retention Groups 305-2C.]~~

~~[(B) Exception statements should be filed with the Texas Department of Insurance, (Name of Division), (Mail Code #), P.O. Box 149104, Austin, Texas 78714-9104.]~~

~~[(3) Duration of exception. Exceptions remain in effect for one year. The information required by paragraph (1) of this subsection must be provided to TDI no later~~

~~than May 1, 1992, for calendar year 1992, and no later than March 15 of any subsequent year for which an exception is claimed.]~~

~~[(4) Policy and form filings. When an insurer or HMO files a policy form or evidence of coverage with TDI for information or review, any exception to the requirements of this section about the insurer's toll-free telephone number must be noted in the filing. If a prior exception has not been granted, the documentation required by paragraph (1) of this subsection must be filed.]~~

~~[(5) Records maintenance. Except as specifically provided in subparagraphs (A) and (B) of this paragraph, beginning with calendar year 1993, any insurer or HMO claiming an exception must maintain a system by which information about receipt of initial premiums is tracked on a calendar-year basis. This information must include for each new policy written during a calendar year the following: the policy number; the effective date of the policy; and the amount of initial premium received, including any membership fees, assessments, dues, and any other considerations for that insurance. This information and any other data on which the company relied in making the determination that it was entitled to the exception must be made available to TDI on request and is subject to examination by TDI. Failure by any insurer or HMO to maintain the information required in this paragraph or to provide information to TDI on request constitutes grounds for enforcement action that may result in the cancellation, revocation, or suspension of the insurer's or HMO's certificate of authority.]~~

~~[(A) Any insurer or HMO that is authorized to write business in Texas and that claims an exception to the maintenance of a toll-free telephone number for a calendar year is not required to maintain information about initial premium receipts as set out in this paragraph in order to claim the exception if the exception is based on the criteria set out in any of clauses (i) – (iv) of this subparagraph, as follows:]~~

~~[(i) the insurer or HMO claims the exception based on receipt~~

~~of gross premiums of less than \$2 million for the prior calendar year for business written in this state, as reported on its annual statement;]~~

~~[(ii) the insurer or HMO claims the exception based on receipt of gross first-year premiums of less than \$2 million for the prior calendar year for all business, as reported on its annual statement;]~~

~~[(iii) the insurer or HMO writes business only in Texas and claims the exception based on receipt of gross first-year premiums of less than \$2 million for the prior calendar year, as reported on its annual statement; or]~~

~~[(iv) the insurer or HMO claims the exception based on receipt of gross initial first-year premiums of less than \$2 million for business written in Texas, as reported on its annual statement.]]~~

~~[(B) Any insurer or HMO that is authorized to write business in Texas, but that does not meet the criteria of subparagraph (A) of this paragraph and that claims an exception based on receipt of gross first-year premiums of less than \$2 million for business written in this state, must maintain a system by which information about receipt of first-year premiums for Texas business is tracked on a calendar-year basis. This information must include the following information for each new policy written during a calendar year: the policy number; effective date of the policy; and amount of the first-year premium received, including any membership fees, assessments, dues, and any other considerations for the insurance.]]~~

~~[(d) Policies in force prior to May 1, 1992, and renewed on or after May 1, 1992. The notice required to be provided by this section must be provided with the first premium notice, or other communication indicating renewal of the coverage mailed or delivered after May 1, 1992.]]~~

~~[(1) For all policies, certificates or evidences of coverage in force prior to May 1, 1992, and renewed by any insurer or HMO on or after May 1, 1992, the notice~~

~~required to be provided by this section must either be mailed or be personally delivered to the policyholder, certificate holder, or enrollee, except as provided by paragraph (2) of this subsection.]~~

~~[(2) For all group policies in force prior to May 1, 1992, and renewed by any insurer or HMO on or after May 1, 1992, the notice required to be provided by this section may be provided to the group policyholder for delivery to each certificate holder or enrollee under the group policy, or it may be mailed directly to each certificate holder or enrollee by the insurer or HMO.]~~

~~[(e) Policies, bonds, annuity contracts, and certificates. Policies, bonds, annuity contracts, and certificates subject to the provisions of this section that required prior approval and were approved or filed before June 1, 2015, may be delivered or issued for delivery with the notice required by this section without refileing for approval.]~~

~~[(f) Additions to group coverage. When an individual is added as a certificate holder, annuitant, or enrollee to a policy or plan issued, delivered, or renewed on or after May 1, 1992, the notice required by this section must be included as the first, second, or third page of the certificate, annuity contract, or evidence of coverage.]~~

§1.602. Notice of Internet Website.

(a) Purpose and ~~applicability~~ [Applicability].

(1) The purpose of this section is to establish the form and content of the notice required under Insurance Code §32.104(b), concerning Duties of Insurer.

(2) This section applies to insurers who comprise the top 25 insurance groups in the national market and who issue residential property insurance or personal automobile insurance policies in this state, including a Lloyd's plan, a reciprocal or interinsurance exchange, a county mutual insurance company, a farm mutual insurance company, the Texas Windstorm Insurance Association, the FAIR Plan Association, and the

Texas Automobile Insurance Plan Association.

(3) This section applies to all residential property insurance and personal automobile insurance policies that are delivered, issued for delivery, or renewed in this state on or after January 1, 2008.

(b) Notice ~~requirements~~ [Requirements]. ~~Insurers must comply with either~~ [Each insurer specified in subsection (a)(2) of this section must comply with either] subsection (b)(1) or (b)(2) of this section, or may opt to comply with both:

(1) Notwithstanding the requirements in ~~§1.601(a)(2)~~ [~~§1.601(a)(3)~~] of this title [~~subchapter~~] (relating to Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures) [~~to the contrary~~], the insurer must include the following text [~~between item 6 and item 7~~] in the notice required under §1.601(a)(2) of this title [~~§1.601(a)(3) of this subchapter~~] with each policy specified [~~in subsection (a)(3) of this section~~]. The text must be in a font size no smaller than 10 point [~~at least 10-point type~~]. The heading "To compare policies and prices" must be in bold type. The [~~and~~] website address "Helpinsure.com" [~~"www.helpinsure.com"~~] must be in bold type and must be preceded by one blank line.

(A) "**To compare policies and prices: Visit HelpInsure.com** to compare prices and coverages on home and auto insurance policies. The website is a service of the Texas Department of Insurance and the Office of Public Insurance Counsel" in the English portion; and

(B) "**Para comparar pólizas y precios: Visite HelpInsure.com** para comparar precios y coberturas en pólizas de seguro para el hogar y automóvil. El sitio web es un servicio del Departamento de Seguros de Texas y de la Oficina del Asesor Público de Seguros (Office of Public Insurance Counsel, por su nombre en inglés)" in the Spanish portion.

(C) Insurers must begin using the notice form described in paragraph (b) of this section no later than six months after the effective date of this section. Insurers may continue using the previous notice form until that time.

Figure: 28 TAC §1.602(b)(1)(C)

Where you can get information or make a complaint

If you have a question or a problem with a claim or your premium, contact your insurance company first. You can also get information or file a complaint with the Texas Department of Insurance.

[Insert insurance company name]

To get information or file a complaint with your insurance company:

Call: [insert title] at [insert phone number]

Toll-free: [insert phone number]

Email: [insert email address]

Mail: [insert mailing address]

The Texas Department of Insurance

To get help with an insurance question, learn about your rights, or file a complaint with the state:

Call: 1-800-252-3439

Online: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714

To compare policies and prices

Visit **HelpInsure.com** to compare prices and coverages on home and auto insurance policies. The website is a service of the Texas Department of Insurance and the Office of Public Insurance Counsel.

Donde puede obtener información o presentar una queja

Si tiene una pregunta o un problema con una reclamación o con su prima de seguro, comuníquese primero con su compañía de seguros. Usted también puede obtener información o presentar una queja ante el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés).

[Insert Insurance Company Name]

Para obtener información o para presentar una queja ante su compañía de seguros:

Llame a: [insert title] al [insert phone number]

Teléfono gratuito: [insert phone number]

Correo electrónico: [insert email address]

Dirección postal: [insert mailing address]

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros, para conocer sus derechos o para presentar una queja ante el estado:

Llame: 1-800-252-3439

En línea: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714

Para comparar pólizas y precios

Visite **HelpInsure.com** para comparar precios y coberturas en pólizas de seguro para el hogar y automóvil. El sitio web es un servicio del Departamento de Seguros de Texas y de la Oficina del Asesor Público de Seguros (Office of Public Insurance Counsel, por su nombre en inglés).

~~[(A) "To obtain price and policy form comparisons and other information relating to residential property insurance and personal automobile insurance, you may visit the Texas Department of Insurance/Office of Public Insurance Counsel website: www.helpinsure.com" in the English portion; and]~~

~~[(B) "Para obtener formas la comparación de precios y pólizas y para obtener otra información sobre el seguro de propiedad residencial y de seguro de automóvil personal, visite el sitio web del Departamento de Seguros de Texas/Oficina del Asesor Público de Seguros: www.helpinsure.com" in the Spanish portion.]~~

[Figure: 28 TAC §1.602(b)(1)(B)]

(2) The insurer must provide the following notice in a conspicuous manner with each policy ~~[specified in subsection (a)(3) of this section]~~. The notice must be printed in font size that is at least as large as the font used for the main body of the policy, and it must be preceded and followed by at least one blank line. "Insurance Website Notice" and "Aviso del Sitio Web de Seguros" must be in all capital letters and bold ~~[boldface]~~ type and "Helpinsure.com" ~~["www.helpinsure.com"]~~ must be in bold type. Insurers must begin using the notice no later than six months after the effective date of this section. Insurers may continue using the previous notice until that time.

Figure: 28 TAC §1.602(b)(2):

INSURANCE WEBSITE NOTICE

To compare policies and prices

Visit **HelpInsure.com** to compare prices and coverages on home and auto insurance policies. The website is a service of the Texas Department of Insurance and the Office of Public Insurance Counsel.

AVISO DEL SITIO WEB DE SEGUROS

Para comparar pólizas y precios

Visite **HelpInsure.com** para comparar precios y coberturas en pólizas de seguro para el hogar y automóvil. El sitio web es un servicio del Departamento de Seguros de Texas y de la Oficina del Asesor Público de Seguros (Office of Public Insurance Counsel, por su nombre en inglés).

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

Issued in Austin, Texas, on April 22, 2019.

/s/ Norma Garcia
Norma Garcia, General Counsel
Texas Department of Insurance