

# Surplus Lines Insurance



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**TDI** | Texas Department  
of Insurance

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800-252-3439 | [tdi.texas.gov](http://tdi.texas.gov)

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Surplus lines insurance is a special type of insurance that covers unique risks. It fills a gap in the standard market by covering things that most companies can't or won't insure.

### **How are surplus lines companies different?**

We don't license surplus lines companies. But we do approve which ones can do business in the state. To do business in Texas, surplus lines companies must meet financial requirements and be licensed in their home state or country.

Before buying a surplus line policy, call our Help Line at 800-252-3439 to make sure the company can legally sell insurance in Texas.

### **Why would I need surplus lines insurance?**

Although it's best to buy insurance from a company that TDI licenses, you might not be able to find the insurance you need from a Texas-licensed company. That's where surplus lines companies come in.

Businesses buy the most surplus lines policies, usually to cover unique risks. For instance, they might need liability coverage for a special event or to move hazardous materials. Some people buy surplus lines policies if they can't get homeowners insurance from a standard company. Others buy it to cover very costly items, like an expensive art or classic car collection.

## **Types of surplus lines policies**

Surplus lines companies sell mostly property and casualty policies. They don't sell auto liability policies or life and health insurance.

 If you can't find a licensed company to sell you an auto liability policy, your only option is the Texas Automobile Insurance Plan Association (TAIPA). Call 866-321-9154 or visit [taipa.org](http://taipa.org) for information.

## **Getting surplus lines coverage**

You buy surplus lines insurance through insurance agents. Agents who sell surplus lines insurance in Texas must have a TDI license. Before selling you a policy, an agent must try to find a Texas-licensed company to insure you.

### **What if my company can't pay my claim?**

If a surplus lines company fails, or becomes insolvent, your claims could go unpaid. Unlike Texas-licensed companies, surplus lines companies aren't members of a guaranty association. Guaranty associations protect policyholders if their insurance companies have financial problems and can't pay claims or debts.

## **Get help from TDI**

For insurance questions or for help with an insurance-related complaint, call our Help Line at 800-252-3439 or visit our website at [tdi.texas.gov](http://tdi.texas.gov).

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