

Figure: 28 TAC §3.6011(a)

## **Consumer Bill of Rights for Credit Life, Credit Disability, and Credit Involuntary Unemployment Insurance**

**AVISO:** Este documento es un resumen de sus derechos como asegurado. Usted tiene el derecho a llamar a su compañía y pedir una copia de estos derechos en español.

### **What is the Bill of Rights?**

This Bill of Rights is a summary of your rights and does not become a part of your policy. The Texas Department of Insurance (TDI) adopted this Bill of Rights and requires insurance companies to provide you a copy when they issue your policy. In this document the term "policy" includes a certificate of insurance.

Texas law gives you certain rights regarding your credit life, credit disability (also called credit accident and health), and credit involuntary unemployment insurance. This Bill of Rights identifies your rights specified by rule or state statute but does not include all of your rights. Some exceptions to the rights are not listed here, and legislative or regulatory changes enacted since the adoption of this notice are not reflected. Contact TDI if your agent, company, or adjuster tells you that one of these rights does not apply to you.

This Bill of Rights does not address your responsibilities. Your responsibilities concerning your insurance can be found in your policy. Failure to meet your obligations may affect your rights. Many people do not file credit insurance claims because they forget they have coverage. Keep this notice and your policy with your other important documents.

### **The Bill of Rights**

#### **Purchasing Credit Insurance**

1. A creditor must provide a written statement describing any insurance you must provide in order to receive credit.
2. If credit insurance is required, a creditor cannot require that you buy it from a particular company or agent and must advise you of your right to obtain credit insurance from other sources before you complete the loan process. You may purchase a policy yourself, or you may be able to use an existing credit insurance policy.
3. Your application and policy must include your total cost for credit insurance over the term of the loan and the amount, term, and a brief description of the coverage. The total cost must be separate from any other charges. When you buy credit insurance, your creditor must give you a copy of your policy, your application for insurance, or a notice of proposed insurance.
4. An insurance company may not refuse to insure you, limit your coverage, or charge a different rate for the same coverage because of your race, color, religion, or national origin.
5. Unless it is based on sound underwriting or actuarial principles or permitted by applicable law or rule, an insurance company cannot refuse to insure you, limit your coverage, or charge a different rate for the same coverage because of your age, gender, marital status, geographic location, disability, or partial disability. Under some circumstances, an insurer may be able

to refuse coverage or charge a different rate based on age or limit coverage based on a disability. For example, an insurer may refuse to issue you a credit health policy if you are age 65 or older or charge you a higher premium based on your age for a credit life policy.

### **Restrictions on Premiums and Coverage**

6. A creditor cannot charge you more for credit insurance than what the creditor paid for that insurance when they purchase it from the insurance company.
7. A creditor cannot require you to obtain credit insurance in an amount larger than the total amount of your debt.
8. If your rate changes, a creditor must notify you at least 30 days before any unscheduled premium increases are direct drafted from your bank account. Your company must send you notice by U.S. mail and it must include a toll-free number and mailing address to accept your objection. You must object to the increased draft at least five days before it goes into effect to stop the direct draft.
9. A credit card company must give you at least 30 days written notice before changing credit insurance providers. The notice must tell you about any rate increase, your right to cancel your insurance, and explain any major decrease, if any, in coverage resulting from the change.

### **Cancellation and Refunds**

10. You can cancel your credit insurance policy at any time. Before canceling your policy, you should contact your creditor or attorney to make sure you are not breaking the terms of your loan.
11. If your loan is paid off early, you are entitled to a refund or accounting of the unearned premiums, unless the amount is less than \$3.
12. Your creditor has 60 days to tell your insurance company that you have paid off your loan. They must give the insurance company your name, address, and the date your debt was paid off so that you may be sent a refund of unearned premiums.

### **Protecting Your Privacy**

13. You may prevent an insurance company from disclosing your private personal financial information to unaffiliated companies. Some examples of private personal information are income, social security number, credit history, and premium payment history. You may not prevent the release of information that is publicly available, information the company must share in order to conduct ordinary business activities, or when the disclosure is required by law.
14. Before sharing your private personal financial information with an unaffiliated business, an insurance company must provide you with a privacy notice explaining that it intends to share your private personal financial information.
15. An insurance company must give you at least 30 days from the date you receive the privacy notice to object, or "opt out," of the disclosure of your personal financial information. You have the right to opt out at any time, and your decision remains in effect until you revoke it.

### **Filing a Claim on your Credit Insurance**

16. When you, or your beneficiary, file a claim, your insurance company must acknowledge receipt of the claim, request any additional information relevant to the claim, and commence any investigation within 15 days.
17. When the insurance company receives all the information necessary to process the claim, it has 15 business days (30 days if the company believes the loss occurred due to arson) to send a written explanation denying the claim or a written notice approving the claim. The company can extend this deadline for an additional 45 days if it sends a written explanation of why it needs more time.
18. Your insurance company must pay a claim within five (5) days of the date you, or your beneficiary, receive written notice that the company approved your claim.
19. Your insurance company must provide a written notice stating the reason for any claim that it denies. An insurance company cannot deny a claim because of a false statement on your application unless there is proof that the misstatement was material, or contributed, to the cause of your claim. If the company discovers a false statement, they must notify you within 90 days in order to use the misrepresentation as a defense at trial.
20. You, or your beneficiary, can reject any settlement amount offered by the insurance company.
21. If there is a claim on your policy and the benefits paid exceed the debt pay-off, the settlement must include a payment to you, or your beneficiary, for the excess amount.
22. You, or your beneficiary, may sue your insurance company for the claim amount plus 18 percent annual interest and attorney's fees if the claim is covered under your policy and the company fails to meet the required claims processing or payment deadlines listed in Rights 16, 17, and 18.

### **Enforcing Your Rights**

23. You can file a complaint with TDI about an insurance company or insurance matter.
24. You have the right to sue your insurance company with or without an attorney.
25. You may request that TDI make or change rules regarding any insurance issue that concerns you.

### **Where to Find More Information**

<p>To file a complaint with TDI about an insurance company or insurance matter or for more information about:</p> <ul style="list-style-type: none"> <li>• your rights as an insurance consumer</li> <li>• the license status of an insurance company or agent</li> <li>• the financial condition of an insurance company</li> <li>• the complaint history of an insurance company or agent</li> <li>• insurance companies' rates, and</li> <li>• other insurance consumer concerns.</li> </ul>	<p>Texas Department of Insurance  Consumer Protection  Mail Code 111-1A  P.O. Box 149091  Austin, Texas 78714-9091  Consumer Helpline - 1-800-252-3439 or 512-463-6515  TDI Publication and Complaint Form Order Line -  1-800-599-7467 or 512-305-7211.  The order line is available 24 hours a day, seven days a week.  Email - <a href="mailto:ConsumerProtection@tdi.texas.gov">ConsumerProtection@tdi.texas.gov</a>  Website - <a href="http://www.tdi.texas.gov">www.tdi.texas.gov</a></p>
<p>To request an administrative rule or rule change.</p>	<p>Texas Department of Insurance  Attn.: Commissioner (Mail Code 113-2A)</p>

	P.O. Box 149104 Austin, Texas 78714-9104
For questions, comments, or a list of the specific law(s) and rule(s) summarized in this Bill of Rights.	Office of Public Insurance Counsel 333 Guadalupe St., Suite 3-120 Austin, Texas 78701 1-877-611-6742 Website - <a href="http://www.opic.state.tx.us">www.opic.state.tx.us</a>
For information about noninsurance credit issues.	Office of Consumer Credit Commissioner Consumer Helpline - 1-800-538-1579 Email Address - <a href="mailto:info@occc.state.tx.us">info@occc.state.tx.us</a> Website - <a href="http://www.occc.state.tx.us">www.occc.state.tx.us</a>
For information about your policy or to make a claim or complaint with your insurance company.	Your insurance company must maintain a toll-free number and include that number on each insurance policy.