

# CONSUMER BILL OF RIGHTS

## Homeowners, Dwelling, and Renters Insurance

### What is the Bill of Rights?

It is a basic outline of important rights you have under Texas law. Insurance companies must give you this Bill of Rights with your policy. It is important to read and understand your policy.

### The Bill of Rights is not:

- A complete list of all your rights,
- Part of your policy, or
- A list of everything that you are responsible for.

### Questions about these rights?

- If you are not sure about anything in your policy, ask your agent or insurance company.
- If you have questions or a complaint, contact the Texas Department of Insurance (TDI) at:

**Phone:** 1-800-252-3439

**Email:** ConsumerProtection@tdi.texas.gov

**Website:** [www.tdi.texas.gov/consumer](http://www.tdi.texas.gov/consumer)

**Mail:** Consumer Protection MC 111-1A  
P.O. Box 149091  
Austin, TX 78714-9101

- To learn more about insurance, visit [www.opic.texas.gov](http://www.opic.texas.gov) or call the Office of Public Insurance Counsel (OPIC) at 1-877-611-6742.

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## **Where to Get Information**

1. **Your insurance company.** When you get a copy of your policy you will also get an “Important Notice” from the company. The notice explains how to contact your company and how to file a complaint.
2. **The Texas Department of Insurance (TDI).** You have the right to call TDI for free at 1-800-252-3439 for information and help with a complaint against an insurer. You can also find information on the TDI website at [www.tdi.texas.gov](http://www.tdi.texas.gov).
3. **Your declarations page.** The declarations page, also called the “dec page,” shows: (a) the name and address of your insurance company, (b) the length of your policy, and (c) the amount of coverage you have.

Your company must list the exact dollar amount of each deductible in your policy. The declarations page, or a separate page, must also list any part of your policy that changes any deductible amount.

4. **Resources for shopping for insurance.** The Office of Public Insurance Counsel (OPIC) and TDI developed [www.HelpInsure.com](http://www.HelpInsure.com) to help you compare rates and coverages for different insurance companies. OPIC also has an online tool to help you compare policies. You can find this policy comparison tool at [www.opic.texas.gov](http://www.opic.texas.gov).

## **What You Should Know When You File a Claim**

5. **Deadlines for processing claims and payments.** When you file a claim on your own policy, the insurance company must meet these deadlines:
  - **Within 15 days after you file a claim:** The company must let you know they received your claim. The company must also start their investigation and ask you for any other information they need.
  - **Within 15 business days after they get all the information they need:** The company must approve or deny your claim in writing. They can extend this deadline up to **45 days** from the date they: (a) let you know they need more time and (b) tell you why.
  - **Within 5 business days after they let you know your claim is approved:** The company must pay the claim.

Note: TDI can extend these deadlines by 15 more days if there is a weather-related catastrophe.

If your company fails to meet these deadlines, you may be able to collect the claim amount, interest, and attorney’s fees.

6. **Written explanation of claim denial.** Your insurance company must tell you in writing why your claim or part of your claim was denied.
7. **Information not required for processing your claim.** Your insurance company can only ask for information reasonably needed for their claim investigation. However, they cannot ask for your federal income tax returns unless: (a) they get a court order or (b) your claim involves a fire loss, loss of profits, or lost income.

**8. Release of claim payments from lenders.** Often an insurance company will make a claim payment to you and your lender. If your lender gets the payment:

- **No later than 10 days after receiving it they must:** (a) notify you and (b) tell you what you must do so the money can be released.
- **No later than 10 days after you ask for the money, they must:** (a) send the money to you, or (b) tell you how to get the money released.

If your lender does not: (a) provide the notices mentioned above or (b) pay the money after all the requirements have been met, the lender must pay you interest on the money.

**9. Notice of liability claim settlement.** Liability means you are responsible for other people's injuries or damage to their property. Your insurance company must let you know in writing:

- About the first offer to settle a claim against you within **10 days** after the offer is made.
- About any claim settled against you within **30 days** after the date of the settlement.

**10. Claim disagreements.** You can dispute the amount of your claim payment or what is covered under your policy.

## **What You Should Know about Cancellation and Nonrenewal**

**Cancellation** means that, **before the end of the policy period**, the insurance company:

- Terminates the policy;
- Gives you less coverage or limits your coverage; or
- Refuses to provide additional coverage.

“**Refusal to renew**” and “**nonrenewal**” are terms that means your coverage ends **at the end of the policy period**. The policy period is shown on the declarations page of your policy.

**11. Insurance company cancellation of homeowner's policies.** If your homeowner's policy has been in effect for **60 days or more**, your company can only cancel your policy if:

- You don't pay your premium when it is due;
- You file a fraudulent claim;
- There is an increase in the risk covered by the policy that is: (a) within your control and (b) would make your premium go up; or
- TDI decides that keeping the policy violates the law.

If your policy has been in effect for **less than 60 days**, your company can only cancel your policy if:

- One of the reasons listed above applies;
- They reject a required inspection report within **10 days** after getting the report. The report must be done by a licensed or authorized inspector and cannot be more than 90 days old; or
- They find something that creates an increase in risk that you did not include in your application and is not related to a prior claim.

**12. Insurance company cancellation of other residential property policies.** After your policy has been in effect for **90 days**, your company can only cancel your policy if:

- You don't pay your premium when it is due;
- You file a fraudulent claim;
- There is an increase in the risk covered by the policy that is within your control and would make your premium go up; or
- TDI decides that keeping the policy violates the law.

**13. Notice of cancellation.** If your insurance company cancels your policy, they must let you know by mail at least **10 days** before the effective date of the cancellation. Check your policy because your company may give you more than 10 days' notice.

**14. Your right to cancel.** You can cancel your policy at any time and get a refund of the unused premium.

**15. Refund of premium.** If you or the insurance company cancel your policy before it ends, any unused premium must be refunded.

- If you cancel, the company must refund the unused premium within **15 business days** from the date you tell them you are cancelling your policy.
- If the company cancels, they have **15 business days** from the date they cancel your policy.

You must let your company know you want the refund sent to you. If not, they may refund the remaining premium by giving you a premium credit on the same policy.

**16. Limits on using claims history for nonrenewal.** Your insurance company cannot use claims you filed as a reason to nonrenew your policy unless:

- You file 3 or more claims in 3 years; and
- After you file 2 claims, your company lets you know in writing that filing a third claim could result in your policy not being renewed.

**17. Limits on using claims history to increase premium.** Your insurance company can charge you more premium, sometimes called a premium surcharge, if you:

- File 2 or more claims in 3 years; or
- File 3 or more appliance-related water damage claims in 3 years, unless the repairs to fix that damage have been inspected and certified.

Note: A company cannot include claims filed but not paid or payable under the policy.

**18. Right to ask questions.** You can ask your insurance company a question about your policy. They cannot use your questions to deny, nonrenew, or cancel your coverage. Your questions also cannot be used to determine your premium.

For example, you may ask:

- General questions about your policy;
- Questions about the company's claims filing process; and
- Questions about whether the policy will cover a loss, unless the question is about damage: (a) that occurred and (b) that results in an investigation or claim.

19. **Limit on using credit information to nonrenew your policy.** An insurance company cannot refuse to renew your policy solely because of your credit.
20. **Protections from discrimination.** An insurance company cannot refuse to insure you; limit the coverage you buy; refuse to renew your policy; or charge you a different rate based on your race, color, creed, country of origin, or religion.
21. **Protection for low-value property.** An insurance company cannot refuse to renew your policy because the property value is low.
22. **Protection for older houses.** An insurance company cannot refuse to renew your policy based on the age of your property. However, they can refuse to renew your policy based on the condition of your property, including your plumbing, heating, air conditioning, wiring, or roof.
23. **Notice of nonrenewal.** Your insurance company must send you a notice that they are not renewing your policy. They must let you know at least **30 days** before your policy expires, or you can require them to renew your policy.
24. **Notice of a “material change” to your policy.** If your insurance company does not want to cancel or nonrenew your policy, but wants to make certain material changes, then they must explain the changes in writing at least **30 days** before the renewal date. Material changes include:
  - Giving you less coverage;
  - Changing a condition of coverage; or
  - Changing what you are required to do.

Instead of a notice of “material change” a company may choose to not renew your existing policy. If so, the company has to send a nonrenewal letter, but may still offer you a different policy.

Note: A company cannot reduce coverage during the policy period unless you ask for the change. If you ask for the change, the company does not have to send you a notice.

25. **Written explanation of cancellation or nonrenewal.** You can ask your insurance company to tell you in writing the reasons for their decision to cancel or not renew your policy. The company must explain in detail why they cancelled or nonrenewed your policy.