Subchapter O. Statistical Plans
28 TAC §5.9501

INTRODUCTION. The commissioner of insurance adopts amendments to 28 TAC §5.9501, concerning the *Texas Commercial Lines Statistical Plan* (Commercial Plan). The amendments are adopted with changes to the proposed text published in the May 22, 2026 issue of the *Texas Register* (51 TexReg 3526). Section 5.9501 was revised in response to public comments. The Commercial Plan referenced in §5.9501 has also been revised in response to public comments and to provide clarification, ensure consistency, and correct errors and typos.

REASONED JUSTIFICATION. The amendments to §5.9501 and the Commercial Plan are necessary to implement House Bill 2067, 89th Legislature, 2025. HB 2067 amends Insurance Code Chapter 551 to require insurers to disclose their reasons for cancellation or nonrenewal of an existing insurance policy or for declination of an application. HB 2067 also requires that insurers provide to TDI--at least once a quarter and in the form and manner TDI prescribes--a written report organized by ZIP code that summarizes the reasons that were provided to consumers. The bill also requires TDI to post an aggregated summary of the reports on its website. To implement HB 2067 as to certain personal lines, TDI adopted by reference updated versions of the *Texas Statistical Plan for Residential Risks* and the *Texas Private Passenger Auto Statistical Plan*, which became effective on February 4, 2026, for use starting on April 1, 2026.

Descriptions of the amendments to §5.9501, which adopts by reference a revised version of the Commercial Plan, follow. Details about the adopted changes to the Commercial Plan appear after the rule text discussion.

Amendments to subsection (a)(1) provide an expanded statement of the purpose of the section: to establish requirements for data reporting under Insurance Code §38.001, §551.006, and Chapter 38. In addition to the new citations to Insurance Code §38.001 and §551.006, a title is added to the existing citation to Insurance Code Chapter 38, Subchapter E, to conform to agency style.

An amendment deletes subsection (a)(2) to remove the unnecessary statement that the commissioner has designated a statistical agent for commercial lines of insurance.

The first sentence of subsection (a)(3) is redesignated as subsection (a)(2), and amendments replace references to reporting of premium and loss cost experience under Insurance Code §38.205 with a broader reference to the reporting requirements described in the Commercial Plan. The word "all" is deleted to avoid confusion about the insurers subject to the rule and a title is added to the reference to Insurance Code §38.202 and the title of the Commercial Plan is italicized for consistency with agency style.

The second sentence of subsection (a)(2) is designated as new (a)(3) and changes the word "report" to the plural form to clarify that all reports must comply with the Commercial Plan. In addition, the title of the Commercial Plan in the subsection is italicized.

TDI proposed an amendment to subsection (a)(4) to provide October 1, 2026, as the date that insurers must begin filing the reports under the section. In response to comments, the proposed text has been changed, and the adopted implementation date is April 1, 2027. The adopted implementation date will give insurers additional time to integrate the tracking, collection, and reporting of the new data into its computer systems, databases, and business processes.

Amendments to subsection (b) update the effective date of the revised version of the Commercial Plan adopted by reference to April 1, 2027, and italicize the plan title. In addition, the statement about the availability of the Commercial Plan on TDI's website is shortened for clarity. As proposed, the effective date of the Commercial Plan was October 1, 2026. But, as with the date in subsection (a)(4), this effective date as adopted is changed to April 1, 2027.

To implement HB 2067, amendments to the Commercial Plan require insurers to include data by ZIP code relating to the reasons for coverage decisions in the statistical reports submitted to TDI's statistical agents. Insurers must report the data for farm and ranch and farm and ranchowners lines on a monthly basis and the data for other lines designated in the Commercial Plan on a quarterly basis, aligning with current reporting frequency. The revisions to the Commercial Plan facilitate insurers' reporting of the data and TDI's collection and posting of an aggregated summary of the data reports, in compliance with HB 2067. The revised Commercial Plan provides codes to be used as shorthand for various common reasons an insurer would decline an application or cancel or not renew a policy.

As proposed, the implementation date for insurers to begin reporting HB 2067 data under the Commercial Plan was October 1, 2026. In response to comments, TDI has extended the implementation date to April 1, 2027. As instructed in the Commercial Plan as adopted, the reason-related reporting requirements will apply to all declinations, cancellations, and nonrenewals starting on April 1, 2027, except for:

(1) declination of an application that was made before April 1, 2027; and

(2) cancellation of a policy that was delivered, issued for delivery, or renewed before April 1, 2027.

In the Commercial Plan, newly added Section K describes the requirements, instructions, record layout, and field definitions for reason-code reporting for lines of insurance other than farm and ranch and farm and ranchowners. As proposed, reporting requirements under Section K apply to commercial liability, commercial property, businessowners, commercial auto, miscellaneous commercial, fidelity and surety, and miscellaneous personal lines of insurance covered by the current version of the Commercial Plan. In response to comments, the lines of business subject to Section K are narrowed to exclude miscellaneous commercial, fidelity and surety, and miscellaneous personal lines of insurance. Under Section K as adopted, the following lines of business are subject to reason-code reporting: commercial liability, commercial property, businessowners, and commercial auto. Specific Instructions No. 4 instructs insurers to review the definitions in the Commercial Plan to determine whether specific policies or products are subject to reporting.

New Section M is added to describe the requirements, instructions, record layout, and field definitions for reason-code reporting for farm and ranch and farm and ranchowners lines of insurance.

Conforming revisions are made to the existing sections of the plan to reflect new Sections K and M.

Insurers should note that the reason codes are provided only for use in a statistical plan report submitted to TDI's statistical agents. TDI expects that in notices or disclosures of reasons to consumers, as required by HB 2067, insurers will provide a comprehensive description or explanation of the reasons for a specific declination, cancellation, or nonrenewal; the insurer should not rely on TDI's reason codes in its consumer notices or disclosures. TDI anticipates that reason-code updates will be needed to align future data

reports with the evolving insurance market, address stakeholder feedback, or improve the usefulness of collected data.

Consistent with Insurance Code §§551.002(c), 551.055, and 551.109, the proposed reason-code reporting requirements had an indicator for reasons that include the use of third-party information. The reason source indicator requires insurers to specify whether the reasons for a declination, cancellation, or nonrenewal were based on the use of aerial imagery versus other types of third-party information. An indicator for cancellations that occur during the first 60 days of an initial policy term was also included in the proposed Commercial Plan. In response to comments and to simplify data reporting and collection, the Commercial Plan as adopted removes the requirements to report a reason source indicator and 60-day indicator from Section K, but keeps these requirements for farm and ranch and farm and ranchowners lines under Section M.

Section K as adopted also removes the requirement that insurers report data by annual statement line of business. In response to comment, Section K as adopted requires insurers to report data according to the Texas Commercial Lines Statistical Plan lines of business (TCLSP lines of business), which will streamline data reporting and simplify data collection.

In response to comment, TDI also clarifies ZIP code field definitions in Section K by specifying that insurers should report zero in the ZIP code field if no specific risk location is available. To avoid redundancy with the ZIP code field definitions, Section K removes the specific instructions for ZIP code.

TDI also clarifies the specific instructions for declinations, cancellations, and nonrenewals. As adopted, insurers should only report declinations, cancellations, and nonrenewals when the action applies to the entire application or policy. The insurer is

instructed to report declinations for each line of business that a policy would have been issued for had the application not been declined, and report cancellations and nonrenewals for each applicable line of business. If an application is declined before determining the ultimate policy structure, the insurer should report the most likely line or lines of business on the basis of the available information. Specific instructions are also added to clarify how insurers should report a declination when using a group rating structure. The field definitions in Sections K and M as adopted clarify that, when reporting the action effective date for declinations, the date the action is effective should match the notification date. Partially in response to comment, the adopted field definitions in Sections K and M clarify that, when reporting the action effective date for declinations, the date the action is effective should match the notification date. Although the definitions in Section K and M are slightly different than what was adopted in the Residential Property and Private Passenger Automobile Statistical Plans, the field definitions as adopted are consistent with TDI's interpretation of statute and TDI's approach to the declinations under the Residential Property and Private Passenger Automobile Statistical Plans. TDI expects the notification date of the declination to be contemporaneous with the declination action taken, and the reporting should reflect the date the notification was actually sent.

TDI also adopts new reporting requirements for additional reports of the numbers of declined applications and canceled and nonrenewed policies by ZIP code. New Sections L and N are added to the Commercial Plan to provide the requirements, instructions, record layout, and field definitions for reporting the data for the different lines of insurance. Conforming revisions are made to the existing sections of the plan. As adopted, Section L makes conforming changes to align with Section K as adopted, including

changing the applicability, the lines of business reporting, the ZIP code definitions, and clarifying specific instructions and field definitions.

In addition to the revisions to implement HB 2067 and Insurance Code Chapter 38, Subchapter E, TDI adopts revisions to the Commercial Plan relating to the reporting of premium and loss data in the experience reports (i.e., experience report updates). These revisions include correcting errors, updating reference tables, and removing obsolete technology references. During the last update of the Commercial Plan adopted in 2016, a map of territory codes was inadvertently removed from Attachment A-3 of the Quarterly Liability Experience Report section; because the map is no longer needed, TDI did not propose to reinsert the map and TDI received no comments regarding its removal. In the Record Layout for Loss Transactions of the Quarterly Fidelity & Surety Experience Report section, the field length for the Report Date is corrected to six digits instead of five. A missing word is inserted in Attachment 3 to the General Reporting Instructions. References to obsolete technology (magnetic tape) and reporting mediums (cartridge, diskette, CD) are replaced with instructions for electronic submission in General Reporting Instructions Nos. 5 - 7 (consolidated down to revised Nos. 5 and 6); in General Rules Nos. 17 and 23 for the Farm and Ranch Annual Experience Report (FR) section; and in General Rules Nos. 18 and 24 for the Farm and Ranchowners Annual Experience Report (FRO) section. General Rules No. 24 in the FR section and General Rules No. 25 in the FRO section addressing obsolete technology are deleted.

Attachment 2 of the General Reporting Instructions, which sets forth the Annual Statement Line of Business Codes, is updated to reflect current National Association of Insurance Commissioners (NAIC) lines of business and clarify reporting applicability. As proposed, Attachment 2 included additional lines for federal flood (2.3), private crop (2.4),

private flood (2.5), ocean marine (8), inland marine (9.1), pet insurance (9.2), medical professional liability – occurrence (11.1), medical professional liability – claims-made (11.2), products liability – occurrence (18.1), products liability – claims-made (18.2), aircraft (22), and credit (28). As adopted, Attachment 2 is revised from the proposed version to remove lines for federal flood (2.3), mortgage guaranty (6), ocean marine (8), financial guaranty (10), aircraft (22), and credit (28) to avoid confusion because these lines do not report data under the plan; and remove lines for commercial multi-peril (5), inland marine (9), medical professional liability (11), and products liability (18) because data for these lines should be reported under their sublines. A footnote is added for clarity for multi-peril crop (2.2), private crop (2.4), and farmowners multi-peril (3), indicating applicability of reporting to certain statistical agents. As adopted, conforming and clarifying edits are made to Specific Instruction No. 2 for Sections A, B, C, D, E, F, and G to tie the applicable lines of business to Attachment 2.

Additional revisions to the FR and FRO sections (Sections H and I) include adding new codes to reflect market developments, aligning reporting requirements with current industry practices, removing obsolete reporting requirements, and making clarifying edits. General Rules No. 22 of the FR section and General Rules No. 23 of the FRO section address the designation of the statistical agent for residential property insurance. For clarity and to avoid confusion about the lines of business covered by the term "residential property" as used in the Commercial Plan, references to "residential property" are changed to "farm and ranch" and "farm and ranchowners," respectively, in each section.

New classification codes for unmanned aerial systems are added in the subsections titled Coding Section - Premium and Loss and Coding Guidelines - Premium in the FR section and the Coding Guidelines - Premium subsection in the FRO section. These

additions will allow reporting of scheduled farm personal property that reflects the use of technology by property owners to monitor and manage their lands.

The updates to the experience report also add a new field to accommodate larger deductibles. At least one insurer has inquired about reporting deductible amounts that exceed $999,999 or span seven digits. Because the current FR and FRO sections allocate six positions for reporting the deductible amount, insurers currently report "999999" in the deductible field when the deductible is seven digits.

Since the existing deductible field has six positions and there is not room in the record layout to expand the positions, a new field called "large deductible programs" has been added where seven positions in the record layout are available. Insurers will report under one field or the other but not both. If an insurer offers deductibles that exceed $999,999, the insurer would report all its deductible amounts under the new large deductible program field, and report zeroes in the existing deductible field. If an insurer does not offer deductibles that exceed $999,999, the insurer would report all its deductible amounts under the currently existing deductible field and then report zeroes under the large deductible program field. Updated instructions and record layouts for reporting deductibles have been added to General Rules No. 15, Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses in the FR section and to General Rules No. 16, Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses in the FRO section. The addition of the large deductible program field addresses limitations in the current plan that make reporting of accurate statistical data difficult.

The changes to the Commercial Plan also remove obsolete reporting requirements for the Tear Out and Replacement of Building and Land Coverage Endorsement, which

reflect limited coverage for tear out and replacement of buildings and land in order to access a plumbing drain system located within or under the slab or foundation. The endorsement was part of the benchmark rating system, which used the Texas Personal Lines Manual (TPLM). Senate Bill 1499, 75th Legislature, 1997, changed the regulation of farm and ranch and farm and ranchowners insurance so that these lines were regulated as commercial property insurance and no longer subject to the benchmark rating system and the TPLM. The TPLM subsequently became obsolete when the Texas Legislature passed Senate Bill 14, 78th Legislature, 2003, which replaced the benchmark rating system. The now-obsolete references and instructions for the Tear Out and Replacement of Building and Land Coverage Endorsement are removed from General Rules No. 25 and the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FR section and General Rules No. 26 and the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FRO section.

The changes to the Commercial Plan also remove obsolete references to coverages and sublines under the Property Protection Program (PPP). Insurance Code Article 5.35-3 authorized the PPP to provide residential property insurance coverage against loss to real or tangible personal property at a fixed location provided in a homeowners policy, residential fire and allied lines policy, or farm and ranchowners policy. Under House Bill 2017, 79th Legislature, 2005, Article 5.35 was subsequently recodified as Insurance Code Chapter 2004 and references to the PPP were removed. Because the program no longer exists, references to coverage under the PPP are removed from the Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses subsections of the FR section and from the Coding Guidelines - Premium and Coding Guidelines - Losses subsections of the FRO section.

Because insurers are no longer required by the statistical agent to submit a formal affidavit with report filings, changes to the Commercial Plan remove the requirement for a formal affidavit from General Rules No. 4 in both the FR and FRO sections.

Several experience report updates are made to reflect current industry practice. New codes for additional policy forms, endorsements, and coverage are added. These include codes added to the Coding Section - Premium and Loss and the Coding Guidelines - Premium subsections in both the FR and FRO sections to reflect policy forms used in the market for two additional farm insurance programs, an Independent Farm Program and the American Association of Insurance Services (AAIS) Farm Program. Codes are also added for Farm and Ranchowners Tenant Policies and related tenant forms in the Coding Section - Premium and Loss, the Coding Guidelines - Premium, and the Coding Guidelines - Losses subsections of the FRO section. Similarly, a new code for policies with an "Individual Company Enhancement Endorsement" is added to the Coding Guidelines - Premium subsection in the FR section. Coverage, classification, and subline codes for liability are added to the Coding Section - Premium and Loss, Coding Guidelines - Premium, and Coding Guidelines - Losses subsection in the FR section to accommodate current reporting practices for liability coverage offered by farm and ranch insurers.

In addition, a new code for reinstatements of pro rata cancellations is added to the record type in the Coding Guidelines - Premium subsection of the FR and FRO sections to accommodate current reporting practices.

As clean-up, asterisks are deleted from code column entries for SKIP fields throughout both the FR and FRO sections. Asterisks in the Codes column are used to distinguish entries made by the reporting company that do not have designated codes. For a SKIP field, the Codes column entry must be blank because the field is a placeholder

not currently intended for any data. An asterisk is also added to some fields where the asterisk was inadvertently shifted from the field listed above or below the SKIP field.

Because the Commercial Plan is available on TDI's website, the description of the plan in "loose leaf form" and how pages are revised or reprinted has also been deleted in General Rules No. 1 in both the FR and FRO sections. General Rules No. 17 of the FR section and General Rules No. 18 of the FRO section are revised to clarify who should submit the annual reconciliation and also clarify that reports should be submitted to TDI's statistical agent.

Nonsubstantive changes are made throughout the Commercial Plan, including typographical, grammatical, and other corrections; plain language edits; TDI division name and contact information updates; updates to the name and contact information for one of the statistical agents; and style and formatting changes to reflect current TDI style preferences. A revision also clarifies that the lines of business covered by the Commercial Plan include miscellaneous personal lines, as stated in General Reporting Instructions No. 3.

SUMMARY OF COMMENTS AND AGENCY RESPONSE. TDI provided an opportunity for public comment on the rule proposal for a period that ended on June 22, 2026.

Commenters: TDI received comments from five commenters. Four commenters spoke at a public hearing on the proposal held on June 15, 2026. Commenters in support of the proposal with changes were Acuity Insurance, American Property and Casualty Insurance Association, Insurance Council of Texas, Markel Specialty Insurance, and the Surety and Fidelity Association of America.

Comment. Multiple commenters state concerns with the proposed deadline to begin complying with the reporting requirements. Commenters suggest modifying the implementation date from October 1, 2026, as proposed, to no earlier than January 1, 2027. The commenters state that the reporting requirements are a significant change and will require time to update systems. One commenter also notes that the detailed reporting requirements under HB 2067 are especially difficult to implement for commercial lines, which are often subject to less data reporting than personal lines. Companies will need time to revise or design and test systems to collect and report the data. Other commenters agree with the need to modify the deadline and the underlying reasons stated but suggest a deadline of April 1, 2027, to begin complying.

Agency Response. TDI recognizes the challenge of implementing the new reporting requirements by the proposed deadline and agrees to extend the implementation time. To reflect this, the effective date of the Commercial Plan in the rule text and in the plan is modified from October 1, 2026, to April 1, 2027. TDI believes that delaying the plan's effective date will provide insurers with sufficient time to implement the reporting requirements, which will promote accurate and timely data reporting. With the additional implementation time, insurers should be able to make necessary updates to their systems and processes before the reporting begins.

In §5.9501(a)(4), TDI modifies the date that insurers must begin filing the reports under §5.9501(a) from October 1, 2026, to April 1, 2027. The effective date in the Commercial Plan is also changed from October 1, 2026, to April 1, 2027. To reflect this change, TDI modifies the plan effective date referenced in §5.9501(b) from October 1, 2026, to April 1, 2027.

Comment. Multiple commenters express concern about the short amount of time available for testing and validating updates to insurer systems needed to comply with the new reporting requirements. One commenter asks whether TDI will offer a test submission or validation environment to allow for file formatting and data quality prior to initial filing deadlines or whether a "de minimis threshold" or "phase-in" will be provided for declination reporting, given the significant system changes required to capture and report declination data across multiple intake channels. Another commenter envisions considerable time for testing and for insurers to work with the statistical agents to ensure programming and systems alignment, and recommends that initial required reports be subject to a "safe harbor" or "pilot" period with allowances for good-faith errors and corrections.

Agency Response. TDI recognizes the challenge of implementing the reporting requirements by the proposed deadline but declines to offer a testing environment or establish a safe harbor or pilot reporting period. As previously described, the effective date of the Commercial Plan in the rule text and in the plan is changed from October 1, 2026, to April 1, 2027. This delayed implementation date will give insurers more time to update and test coding and programming systems to comply with the requirements.

Comment. Multiple commenters express concern about the applicability of HB 2067 and the Commercial Plan. One commenter asks for specific guidance on what types of policies constitute liability, property, businessowners, commercial auto, miscellaneous commercial, fidelity and surety, and miscellaneous personal coverages. The commenter also requests that TDI confirm whether inland and ocean marine, umbrella and excess liability policies, and warranty products are intended to be out of scope. Another

commenter states that the lines that are not subject to the reporting requirements in HB 2067 should be identified to avoid confusion about the reporting requirements in the Commercial Plan.

Similarly, one commenter notes that the insurers required to report under the Commercial Plan do not exactly match the set of insurers required to comply with the notice requirements in Insurance Code Chapter 551. The commenter recommends that TDI review §5.9501 and the Commercial Plan as proposed to determine whether revisions are needed to reflect the differences in applicability between the lines of business.

Agency Response. TDI notes that the Commercial Plan provides instructions for determining line of business reporting. Sections K and L list the lines of business and the definitions that insurers should reference to determine the business subject to reporting. As adopted in Item 4 of Sections K and L, the following lines of business are subject to HB 2067 reporting: liability business as defined in section A, item 2; commercial property as defined in section B, item 2; businessowners as defined in section C, item 2; and commercial auto as defined in section D, items 2 and 3. As previously described, the adopted Commercial Plan removes miscellaneous commercial business, fidelity and surety business, and miscellaneous personal business from the reporting requirements in Sections K and L. Insurers should review the definitions in the Commercial Plan to determine whether reporting applies to the line or product at issue.

In addition, as previously described, the annual statement lines of business listed in Attachment 2 in the General Reporting Instructions are modified to clarify lines of business subject to reporting and to align the annual statement line of business codes with the current NAIC lines of business.

Comment. Two commenters express concern with applying HB 2067 reporting requirements to surety and fidelity bonds. The commenters request that TDI remove the line of business from the HB 2067 reporting requirements in the Commercial Plan and provide various arguments to justify its removal.

The commenters question whether Insurance Code Chapter 551 intended to apply the new reporting requirements to the fidelity and surety line of business, which is generally not subject to the Insurance Code. One commenter notes that Insurance Code §551.001 does not appear to include surety and fidelity bonds within the scope of promulgated rules under Insurance Code Chapter 551, and the other commenter states that surety bonds are not insurance policies in the traditional sense contemplated by Insurance Code Chapter 551. Surety bonds are three-party instruments between a principal, an obligee, and a surety that guarantees the principal's performance obligation to the obligee. The commenter contrasts the purpose of this contractual agreement with an insurance policy, which is designed to protect policyholders against financial loss, and states that the Texas Legislature has a long-standing practice of distinguishing between bonds and insurance policies.

In addition to the structure, commenters also note that surety and fidelity bonds are underwritten using entirely different criteria than insurance policies. Things like wildfire exposure, wind or hail exposure, hurricane exposure, concentration of risk in an area, location of risk, and property condition are largely irrelevant to surety underwriting decisions. Commenters argue that reporting location-specific data via ZIP codes would produce little regulatory value because underwriting is not based on location-specific criteria. One commenter also notes that many principals operate across multiple ZIP codes or even statewide, which would further undermine the utility of the data. The commenter

argues that the reporting requirements would impose a substantial compliance burden while producing poor data.

Commenters state that, because the structure and underwriting differ so much from insurance policies, the reporting framework cannot be meaningfully applied to surety bonds. One commenter notes that Section F of the Commercial Plan contains specialized categories unique to fidelity and surety bonds. The commenter reasons that by establishing this unique reporting framework, TDI recognized that other reporting classifications are inapplicable to surety and fidelity bonds. The commenter argues that departing from the tailored reporting approach as illustrated in Section F would create internal inconsistencies in TDI's approach to surety and fidelity bonds.

Agency Response. TDI agrees to remove fidelity and surety bonds from reporting requirements under Section K and L of the Commercial Plan.

Comment. Two commenters express concern about which insurer actions were required to be reported, depending on the action type and the effective date of the policy. One commenter notes that, under HB 2067, notices are required for an "application for insurance that is made or an insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act," which was January 1, 2026. Another commenter states that as proposed, the Commercial Plan uses a policy-effective-date approach for declinations and cancellations but introduces a transaction-based approach for nonrenewals. The commenter states that the reporting requirements should be consistent and apply only to policies effective on or after the effective date.

Agency Response. TDI disagrees and declines to modify the reporting approach as proposed beyond changing the implementation date from October 1, 2026, to April 1,

2027. TDI notes that the provisions in HB 2067 apply to "an insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act." If policies issued before January 1, 2026, and nonrenewing after that date were not in scope, notices and reporting for nonrenewals would not apply until after policies were renewed at least once after the effective date. This would result in an information gap for TDI and consumers, and potentially conflict with legislative intent to ensure that consumers are informed about the reasons for nonrenewal of their insurance coverage.

Comment. One commenter notes that Insurance Code §551.006(b) requires TDI to post an aggregated summary that does not identify, directly or indirectly, any insurer. The commenter states that this section recognizes that insurer reports will include confidential and proprietary information that, if released, could expose companies' underwriting guidelines and other sensitive information. The commenter urges TDI to take all necessary steps in rulemaking to protect the confidentiality of the reported information.

Agency Response. TDI declines to add confidentiality provisions in the Commercial Plan because confidentiality is addressed in HB 2067. As the commenter notes and consistent with Insurance Code §551.006(b), TDI will post an aggregated summary of insurers' reports, which will not identify, directly or indirectly, any insurer as required by HB 2067. TDI notes that insurers currently report detailed statistical data under the Commercial Plan without explicit confidentiality provisions laid out in this plan.

Comment. One commenter requests that TDI remove the requirement to report whether a cancellation occurred within the first 60 days of a policy term. The commenter states that the timing of the cancellation is a separate inquiry and is not relevant to the

information to be reported under HB 2067. The commenter also states that the requirement would necessitate additional programming to collect data not specified in the bill.

Agency Response. To lessen the additional programming needed to collect data, TDI agrees to remove the 60-day indicator requirement for certain insurers under Section K of the Commercial Plan. As adopted, the 60-day indicator must be reported for farm and ranch and farm and ranchowners lines as instructed in Section M of the Commercial Plan. TDI views farm and ranch and farm and ranchowners coverage as similar to residential property insurance coverage, which is required to report this indicator.

Comment. Two commenters question the requirement that insurers report an indicator for reasons that include the use of third-party information and aerial imagery. One commenter seeks clarification on whether these requirements apply to commercial lines. Another commenter notes that the requirement to report the use of third-party information and aerial imagery goes beyond the scope of HB 2067, as Insurance Code §551.006 refers only to reasons. The commenter also notes that use of this information is a tool for assessing risk but is not a reason for an underwriting action. The commenter recommends that TDI leave to the Texas Legislature the policy decision on whether and how to regulate the use of aerial imagery, including the definition of key terms.

Agency Response. TDI disagrees that the requirement to report the use of third-party information and aerial imagery goes beyond the scope of HB 2067 but agrees to remove this requirement for certain insurers under Section K of the Commercial Plan. However, as adopted, the reason source indicator must be reported for farm and ranch and farm and ranchowners lines as instructed in Section M of the Commercial Plan. TDI views farm and

ranch and farm and ranchowners coverage as similar to residential property insurance coverage, which is required to report this indicator. It is important to collect data on insurers' reliance on sources of information they use to make decisions that adversely affect farm and ranch and farm and ranchowners insurance applicants and policyholders.

Comment. Multiple commenters ask for clarification on what information or sources of information constitute "third-party information" for purposes of reporting the reason source indicator. Commenters ask whether "third-party information" includes driving records, Department of Motor Vehicles reports, or publicly available data sets like Secretary of State filings or Occupational Safety and Health Administration records. Another commenter notes that "third-party information" as proposed is so broad, it may encompass a wide range of data sources like catastrophe modeling outputs, financial or credit-related information, prior carrier loss runs, or public records. A commenter notes that companies may not currently capture where the information used to make a decision originated.

Agency Response. TDI considers information from an external provider or source as constituting third-party information, which includes information from the sources that commenters cited. As previously described, the requirement to report a reason source indicator for third-party information is removed under Section K. As adopted, only farm and ranch and farm and ranchowners lines under Section M must report a reason source indicator for third-party information.

Comment. Multiple commenters note that "aerial imagery" is not defined. One commenter requests clarification on whether it includes sources of information, such as

satellite imagery, manned or unmanned (e.g., drone) aircraft imagery, and publicly available tools like Google Earth. One commenter notes that clear definitions will help ensure consistent reporting and avoid overinclusive or inconsistent interpretations. Another commenter encourages TDI to leave to the Texas Legislature the policy decision on whether and how to regulate the use of aerial imagery, including the definition of key terms.

Agency Response. Any imagery taken from an aerial view is considered aerial imagery, including imagery taken from the sources cited by commenters. As previously described, the requirement to report a reason source indicator for aerial imagery is removed under Section K. As adopted, only farm and ranch and farm and ranchowners lines under Section M must report a reason source indicator for aerial imagery.

Comment. Multiple commenters request clarification on selecting and reporting reasons codes and what constitutes a "completed and submitted application" for purposes of reporting declination data. One commenter asks whether there is a minimum set of required data elements, such as receiving the applicant's name, risk address, or requested coverages in an application. Another commenter asks at what point in the application process an application becomes "completed and submitted" and notes that more clarification is needed because commercial insurance often includes multiple quotes.

Similarly, one commenter requests guidance on how to select reason codes where limited information is available, such as in early-stage declinations based on class or territory. The commenter states that this information is necessary to assist with assigning data fields. The commenter also asks how to treat incomplete submissions, such as where the applicant fails to provide information or financials. The commenter also asks whether

automated declinations must be reported and, if so, how reason codes and notification dates should be assigned.

Agency Response. Insurance Code §§551.002, 551.0521, and 551.007 refer to a "completed and submitted application," so the commenter should report declinations when the application is completed and submitted. In those situations, the insurer should report the reasons codes that would apply. TDI declines to specify the elements or the point in the application process where the application is considered "complete and submitted." Because the Commercial Plan applies to many different lines of insurance and there is likely variance in the application process across these lines, it would be difficult to formulate a specific definition or set of elements that accounts for those variations. If an insurer declines a completed and submitted application, the insurer must provide the applicant with a written statement giving the reasons for the declination and report the declination according to the Commercial Plan.

Comment. One commenter requests additional guidance on what constitutes the "notification date" for declinations communicated verbally or through informal email. The commenter notes that this information is necessary to assist in assigning data fields.

Agency Response. Insurers must report the "notification date," which is "the date on which the notice providing the reasons for cancellation, nonrenewal, or declination was sent to the policyholder or applicant." The record layout and field definitions or descriptions in the Commercial Plan provide information on this field.

Comment. One commenter asks for guidance on assigning data fields. Specifically, what ZIP code should be reported when a specific risk location is not available. The commenter also asks whether using an applicant mailing address or a default ZIP code is acceptable.

Agency Response. TDI agrees to modify the Commercial Plan to clarify the Five-Digit ZIP Code field definitions in Sections K and L, which are organized by risk type--property, auto, or all other risks. As adopted, the "all other risks" category states that the insurer should report the ZIP code for the primary physical business location. For multilocation risks or if there is no specific risk location available, the insurer should report "zero" in the ZIP code field. TDI removes the specific instructions for ZIP codes because it is redundant with the field definitions and may result in confusion.

Comment. A few commenters request clarification on how to report when multiline policies are the subject of the action. One commenter asks how to report a cancellation of an all-lines policy where the automobile line prompted the cancellation. The commenter also asks whether they should report cancellation of a multiline policy only when it is a "full cancellation" or based on each line being canceled.

Another commenter asked whether an insurer should report declinations components separately for a multiline submission where the insurer partially accepts and partially declines.

Similarly, a commenter asks for guidance on assigning line of business and annual statement line of business codes where limited information is available, such as classifying the line of business where a submission is declined before the ultimate policy structure has been determined. The commenter also asks whether insurers should report the most likely classification on the basis of available information or use a default code for

indeterminate submissions where a broker submits a request for multiple coverages but the insurer ultimately declines the submission before determining how the coverage would be written.

Agency Response. To lessen the complexity of data collection and reporting, the Commercial Plan as adopted removes the requirement that insurers report annual statement line of business data under Sections K and L. The Commercial Plan as adopted adds clarification in the specific instructions under Sections K and L for multiline reporting. Insurers should report actions only when those actions apply to the entire policy or submission and report actions for each applicable TCLSP line of business. For declinations, insurers should report under the TCLSP line of business that is most likely applicable on the basis of information available to the insurer. Also, for declinations, for insurers using a group rating structure, where a risk is assigned to an insurer within an affiliated group based on certain underwriting criteria, insurers should only report a declination for the most permissive insurer.

Subchapter O. Statistical Plans
28 TAC §5.9501

STATUTORY AUTHORITY. The commissioner adopts the amendments to §5.9501 under Insurance Code §§38.001(b), 38.202, 38.204(a), 38.205 - 38.207, 551.006, 551.112, and 36.001.

Insurance Code §38.001(b) authorizes TDI to address a reasonable inquiry to any insurance company or other holder of an authorization relating to the business condition or any matter connected with the person's transactions that TDI considers necessary for the public good or for the proper discharge of TDI's duties.

Insurance Code §38.202 allows the commissioner to, for a line or subline of insurance, designate or contract with a qualified organization to serve as the statistical agent for the commissioner to gather data relevant for regulatory purposes.

Insurance Code §38.204(a) provides that a designated statistical agent must collect data from reporting insurers under a statistical plan adopted by the commissioner.

Insurance Code §38.205 provides that insurers must provide all premium and loss cost data to the commissioner or designated statistical agent as the commissioner or agent requires.

Insurance Code §38.206 authorizes the statistical agent to collect from reporting insurers any fees necessary for the agent to recover the necessary and reasonable costs of collecting data from that reporting insurer.

Insurance Code §38.207 authorizes the commissioner to adopt rules necessary to accomplish the purposes of Insurance Code Chapter 38, Subchapter E.

Insurance Code §551.006 authorizes the commissioner to prescribe the form and manner of an insurer's written report summarizing the insurer's reasons for declination, cancellation, or nonrenewal provided to applicants or policyholders as required by Insurance Code Chapter 551.

Insurance Code §551.112 authorizes the commissioner to adopt rules relating to the cancellation and nonrenewal of insurance policies.

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.

TEXT.

§5.9501. Texas Commercial Lines Statistical Plan.

(a) Purpose and Applicability.

(1) The purpose of this section is to establish requirements for the reporting of data by certain direct commercial and miscellaneous personal lines insurers under Insurance Code Chapter 38, Subchapter E, concerning Statistical Data Collection; Insurance Code §38.001, concerning Inquiries; and Insurance Code §551.006, concerning Report Required.

(2) Insurers writing direct commercial and miscellaneous personal lines business in Texas must provide the required reports described in the *Texas Commercial Lines Statistical Plan* adopted by reference in subsection (b) of this section to the commissioner or the statistical agent designated under Insurance Code §38.202, concerning Statistical Agent.

(3) The reports must comply with the reporting requirements and instructions specified in the *Texas Commercial Lines Statistical Plan* adopted by reference in subsection (b) of this section.

(4) This section applies to all reports required to be filed with the department under this section for reporting periods beginning on or after April 1, 2027.

(b) Adoption by Reference. The commissioner adopts by reference the *Texas Commercial Lines Statistical Plan*, effective April 1, 2027. This document is published on the department's website at www.tdi.texas.gov.

CERTIFICATION. The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on November 16, 2026.

Signed by:
Jessica Barta
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Jessica Barta, General Counsel
Texas Department of Insurance

The amendments to 28 TAC §5.9501 are adopted.

Signed by:
Amanda Crawford
FE10434BC41A470...

Amanda Crawford
Commissioner of Insurance

Commissioner's Order No. 2026-10231