

Commissioner's Bulletin # B-0007-25

July 10, 2025

To: All insurers, HMOs, agents, adjusters, contractors, and the public

Re: Hill Country flooding disaster guidance

Governor Greg Abbott issued a disaster declaration in response to the Hill Country flooding. Damage and evacuations caused by the disaster have displaced people from their homes and jobs. The governor authorized the use of all available state and local government resources necessary to cope with the disaster. (Government Code Section 418.017).

The Texas Department of Insurance (TDI) expects insurers and health maintenance organizations (HMOs) to work with their policyholders as they recover from the disaster. This bulletin does not create specific requirements. Cooperation by every insurer and HMO will help ensure the fair treatment of consumers. Insurers and HMOs should look to the governor's ongoing declarations related to the Hill Country flooding for guidance on how long to extend relief.

Consumer education

TDI expects insurers handling flood loss inquiries and claims to inform their policyholders about potential Federal Emergency Management Agency (FEMA) assistance. This information should include FEMA contact information and a link to [DisasterAssistance.gov](https://www.fema.gov/disaster-assistance).

Insurers should remind consumers with National Flood Insurance Program policies that losses typically must be reported to the flood insurer within 60 days.

TDI expects insurers to inform their policyholders about other potential disaster assistance programs such as the [U.S. Small Business Administration's](https://www.sba.gov/disaster-loans) declared disaster loans.

Flooded vehicles

A title for a salvage or nonrepairable vehicle with damage caused exclusively by flood must include a "FLOOD DAMAGE" notation. Titles for flood-damaged vehicles must comply with Transportation Code Chapter 501, Subchapter E.

TDI expects insurers to take measures to ensure that Vehicle Identification Numbers are correct and other title information is accurate. You can find more information about salvage vehicle titles at www.txdmv.gov/salvage-nonrepairable-manual (PDF).

Vacancy provisions

TDI expects insurers to work with policyholders temporarily displaced by the disaster. Insurers should suspend policy vacancy provisions as long as reasonably necessary. This does not apply to a vacancy provision for policyholders who have moved permanently from their homes or businesses.

Grace period for premium payments

TDI expects insurers to work with policyholders affected by the disaster who need more time to pay premiums to continue coverage. This may include minimizing penalties or charges for late payments or temporarily suspending payment or repayment plans.

TDI will work with insurers to minimize the effects of any suspension of premium payments, specifically regarding financial review requirements.

This grace period does not mean the forgiveness of premium.

Claims adjusting and adjusters

TDI reminds insurers that they may use nonresident and emergency adjusters to handle disaster-related claims. (Insurance Code Sections 4101.002(b) and 4101.101).

Consumers have the right to contract with a licensed public insurance adjuster. (Insurance Code Section 4102.007). All public insurance adjusters must be licensed by TDI. The Insurance Code provides for both civil and criminal penalties for violating this license requirement. (Insurance Code Chapter 4102).

Texas law includes several provisions to prevent conflicts of interest in the adjusting process. (Insurance Code Chapters 4101 and 4102). However, contractors may provide estimates and discuss those estimates and other technical information with an insurer or its adjuster.

TDI reminds licensed public adjusters about state laws concerning advertisements and solicitation in Insurance Code Chapters 4102. These laws say:

- Ads and signs must include the public adjuster's address and license number.
- The name on the ad must match what is listed on the adjuster's
- Solicitation of clients is prohibited during a disaster.

Claims settlement

TDI reminds insurers, adjusters, and contractors that:

- An insurer or its representative, or any other person, may not misrepresent the terms and provisions of a policy. (Insurance Code Section 543.001).
- An insurer may not engage in unfair claim settlement practices. Insurers must attempt to reach a prompt, fair, and equitable settlement of a claim in which liability has become reasonably clear. (Insurance Code Section 542.003(a) and (b)(4)).
- It is illegal for contractors to offer to waive a deductible or promise a rebate for all or part of a deductible. (Insurance Code Chapter 707 and Business and Commerce Code Section 27.02).

Prohibited nonrenewal practices

TDI reminds insurers of their obligations under Insurance Code Chapter 551:

- When nonrenewing a standard fire, homeowners, or farm or ranch owners policy due to a policyholder filing three or more claims in any three-year period, insurers may not consider:
 - losses caused by natural causes;
 - claims filed but not paid or payable; or

- claims history for water damage under Insurance Code Section 544.353. (Insurance Code Section 551.107).
- Insurers may not consider a customer inquiry as a basis for nonrenewal. (Insurance Code Section 551.113).
- Insurers must comply with Insurance Code Chapter 551 as it applies to the lines of coverage they write.

Practices related to nonrenewal are subject to restrictions against unfair discrimination. (Insurance Code Chapter 544, Subchapters A and B).

Insurers that do not comply with statutory requirements are subject to enforcement action.

Restricting new business

Before instituting restrictions on writing new personal automobile and residential property business in response to a catastrophic natural event, insurers—except for farm mutuals—must file a proposed restriction plan with TDI and get prior approval. Insurers should file restriction plans with the Company Licensing and Registration Office by email at CLRFilings@tdi.texas.gov.

Medical services

TDI expects insurers and HMOs to:

- Authorize payment to pharmacies for up to a 90-day supply of any prescription medication for individuals, no matter when the prescription was last filled.
- Waive referral requirements and reissue ID cards upon request from individuals in the affected areas.

Questions?

Flood and property insurance: Property and Casualty Lines Office, (512) 676-6710 or PropertyCasualty@tdi.texas.gov.

Restriction plan and grace period for premium payments: Financial Regulation Division, 512-676-6365 or FIN-GM@tdi.texas.gov.

Medical services: Managed Care Quality Assurance, (512) 676-6400 (select option 4) or MCQA@tdi.texas.gov.

General: TDI Help Line at 800-252-3439.

For more information, contact: PropertyCasualty@tdi.texas.gov

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