

INSURANCE CODE

TITLE 10. PROPERTY AND CASUALTY INSURANCE

SUBTITLE I. POLICY FORMS IN GENERAL

CHAPTER 2301. POLICY FORMS

SUBCHAPTER A. POLICY FORMS GENERALLY

Sec. 2301.001. PURPOSE. The purposes of this subchapter are to:

- (1) promote the availability of insurance;
- (2) regulate the insurance forms used for lines of insurance to which this subchapter applies to ensure that the forms are not unjust, unfair, inequitable, misleading, or deceptive; and
- (3) provide regulatory procedures for the maintenance of appropriate information reporting systems.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.002. DEFINITIONS. In this subchapter:

(1) "Commercial property insurance" means insurance coverage against loss caused by or resulting from loss, damage, or destruction of real or personal property provided through a commercial property insurance policy. The term includes any combination of:

- (A) commercial fire or allied lines;
- (B) commercial inland marine insurance;
- (C) commercial crime coverage;
- (D) boiler and machinery insurance other than explosion;
- (E) glass insurance provided as part of other coverage; and
- (F) as authorized by commissioner rule, insurance covering other perils or providing other coverages or other lines of first party property insurance.

(1-a) "Form" means an insurance policy form or a printed endorsement form.

(2) "Residential property insurance" means insurance

coverage against loss to real or tangible personal property at a fixed location that is provided through a homeowners insurance policy, including a tenants insurance policy, a condominium owners insurance policy, or a residential fire and allied lines insurance policy.

(3) "Supporting information" means any information required by the department to be filed.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 254 (H.B. 1298), Sec. 2, eff. May 29, 2017.

Sec. 2301.003. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies to:

(1) an insurer to which Article 5.13 applies, other than the Texas Windstorm Insurance Association, the FAIR Plan Association, and the Texas Automobile Insurance Plan Association; and

(2) except as provided by Subsections (c) and (d), a Lloyd's plan, reciprocal or interinsurance exchange, and county mutual insurance company with respect to the lines of insurance described by Subsection (b).

(b) Except as provided by Section 2301.0031, this subchapter applies to all lines of the following kinds of insurance written under an insurance policy or contract issued by an insurer authorized to engage in the business of insurance in this state:

(1) general liability insurance;

(2) residential and commercial property insurance, including farm and ranch insurance and farm and ranch owners insurance;

(3) personal and commercial casualty insurance, except as provided by Section 2301.005;

(4) medical professional liability insurance;

(5) fidelity, guaranty, and surety bonds other than criminal court appearance bonds;

(6) personal umbrella insurance;

- (7) personal liability insurance;
- (8) guaranteed auto protection (GAP) insurance;
- (9) involuntary unemployment insurance;
- (10) financial guaranty insurance;
- (11) inland marine insurance;
- (12) rain insurance;
- (13) hail insurance on farm crops;
- (14) personal and commercial automobile insurance;
- (15) multi-peril insurance; and
- (16) identity theft insurance issued under Chapter 706.

(c) Section 2301.009 does not apply to a Lloyd's plan or a reciprocal or interinsurance exchange with respect to commercial property insurance.

(d) This subchapter does not apply to a Lloyd's plan or reciprocal or interinsurance exchange with respect to inland marine insurance, rain insurance, or hail insurance on farm crops.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.071(b), eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.071(b), eff. September 1, 2007.

Acts 2021, 87th Leg., R.S., Ch. 42 (S.B. 1367), Sec. 5, eff. September 1, 2021.

Sec. 2301.0031. EXCEPTIONS FOR CERTAIN LINES. (a) Except as provided by Subsection (d), Sections 2301.006, 2301.007(a) and (b), and 2301.008 do not apply to any line of the following kinds of insurance written under a commercial insurance policy or contract issued by an insurer authorized to engage in the business of insurance in this state:

- (1) surety bonds;
- (2) fidelity bonds;
- (3) commercial inland marine;
- (4) boiler and machinery;

- (5) environmental impairment or pollution liability;
- (6) kidnap and ransom;
- (7) political risk or expropriation;
- (8) commercial excess liability or umbrella liability;
- (9) directors' and officers' liability;
- (10) fiduciary liability;
- (11) employment practices liability;
- (12) errors and omission and professional liability other than medical professional liability;
- (13) media liability;
- (14) product liability, product recall, or completed operations;
- (15) commercial cybersecurity, including first- and third-party commercial lines coverage for losses arising out of or relating to data privacy breaches, network security, computer viruses, and similar exposures;
- (16) highly protected commercial property;
- (17) commercial flood insurance not provided through the National Flood Insurance Program; or
- (18) any combination of only the kinds of insurance listed in this subsection or exempted under Subsection (c).

(b) For purposes of Subsection (a), "highly protected commercial property" is commercial property that is subject to a much lower than normal probability of loss due to low-hazard occupancy or property type, superior construction, special fire protection equipment and procedures, and management commitment to loss prevention.

(c) The commissioner by rule may exempt a commercial line of insurance or commercial risk not listed in Subsection (a) from the form filing requirements of this subchapter to promote enhanced competition or more effectively use the resources of the department that might otherwise be used to review commercial lines filings.

(d) Notwithstanding Subsection (a), the commissioner may temporarily impose the requirements of Sections [2301.006](#), [2301.007](#)(a) and (b), and [2301.008](#) for a specific kind of insurance listed in Subsection (a) for a period of not longer than one year

if, after notice and hearing, the commissioner issues an order that:

(1) includes a finding that a reasonable degree of competition does not exist for that specific kind of insurance; and

(2) specifies the relevant tests and test results used to determine the degree of competition for that kind of insurance.

(e) In the absence of a finding described by Subsection (d) with respect to a specific kind of insurance, a competitive market is presumed to exist for that kind of insurance.

(f) The commissioner may adopt reasonable and necessary rules to implement this section.

Added by Acts 2021, 87th Leg., R.S., Ch. 42 (S.B. [1367](#)), Sec. 6, eff. September 1, 2021.

Sec. 2301.004. EXEMPTION FOR LARGE RISKS. Sections [2301.006](#), [2301.007](#)(a) and (b), and [2301.008](#) do not apply to forms for use with an insured that has:

(1) total insured property values of \$5 million or more;

(2) total annual gross revenues of \$10 million or more; or

(3) a total premium of \$25,000 or more for property insurance, \$25,000 or more for general liability insurance, or \$50,000 or more for multiperil insurance.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 2, eff. April 1, 2007.

Sec. 2301.005. REGULATION OF INLAND MARINE FORMS. The commissioner shall adopt rules governing the manner in which forms for the various classifications of risks insured under inland marine insurance, as determined by the commissioner, are regulated.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 2, eff. April 1, 2007.

Sec. 2301.006. FILING AND APPROVAL OF FORMS. (a) Except as provided by Section [2301.008](#), an insurer may not deliver or issue for delivery in this state a form for use in writing insurance

described by Section [2301.003](#) unless the form has been filed with and approved by the commissioner.

(b) An insurer must file the form not later than the 60th day before the date an insurer uses the form or delivers the form for use.

(c) A filed form is approved at the expiration of 60 days after the date the form is filed unless the commissioner by order approves or disapproves the form during the 60-day period. The commissioner's approval of a filed form constitutes a waiver of any unexpired portion of the 60-day period.

(d) The commissioner may extend by not more than 10 days the 60-day period described by Subsection (c) during which the commissioner may approve or disapprove a form filed by an insurer. The commissioner shall notify the insurer of the extension before the expiration of the 60-day period.

(e) A filed form for which an extension has been granted under Subsection (d) is considered approved at the expiration of the extension period described by that subsection absent an earlier approval or disapproval of the form.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 2, eff. April 1, 2007.

Sec. 2301.007. DISAPPROVAL OF FORMS; WITHDRAWAL OF APPROVAL. (a) The commissioner may disapprove a form filed under Section [2301.006](#) or withdraw approval of a form if the form:

(1) violates any law, including a rule adopted under this code; or

(2) contains a provision or has a title or heading that is unjust or deceptive, encourages misrepresentation, or violates public policy.

(b) For good cause shown, the commissioner may withdraw approval of a form after notice and hearing.

(c) An order issued by the commissioner disapproving a form, or a notice of the commissioner's intention to withdraw approval of a form, must state the grounds for the disapproval or withdrawal of approval in sufficient detail to reasonably inform the insurer of those grounds.

(d) An order of withdrawal of approval of a form takes effect on the date prescribed by the commissioner in the order. The commissioner may not prescribe a date earlier than the 30th day after the effective date of the order, as prescribed by the commissioner.

(e) An insurer may not use a form in this state after the commissioner disapproves the form or withdraws approval of the form.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.008. ADOPTION AND USE OF STANDARD FORMS. The commissioner may adopt standard insurance policy forms, printed endorsement forms, and related forms other than insurance policy forms and printed endorsement forms, that an insurer may use instead of the insurer's own forms in writing insurance subject to this subchapter.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.009. PUBLIC INSPECTION OF INFORMATION. Each filing made, and any supporting information filed, under this subchapter is open to public inspection as of the date of the filing.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.010. CONTRACTUAL LIMITATIONS PERIOD AND CLAIM FILING PERIOD IN CERTAIN PROPERTY INSURANCE FORMS. (a) This section applies only to an insurer that issues windstorm and hail insurance in the catastrophe area, as defined by Section 2210.003.

(b) Notwithstanding Section 16.070, Civil Practice and Remedies Code, and for the purpose described by Section 2210.053(b), a policy form or printed endorsement form for residential or commercial property insurance that is filed by an insurer described by Subsection (a) or adopted by the department under this subchapter for use by an insurer described by Subsection

(a) may provide for a contractual limitations period for filing suit on a first-party claim under the policy. The contractual limitations period may not end before the earlier of:

(1) two years from the date the insurer accepts or rejects the claim; or

(2) three years from the date of the loss that is the subject of the claim.

(c) A policy or endorsement described by Subsection (b) may also contain a provision requiring that a claim be filed with the insurer not later than one year after the date of the loss that is the subject of the claim. A provision under this subsection must include a provision allowing the filing of claims after the first anniversary of the date of the loss for good cause shown by the person filing the claim.

(d) A contractual provision contrary to Subsection (b) or (c) is void. If a contractual provision is voided under this subsection, the voiding of the provision does not affect the validity of other provisions of a contract that may be given effect without the voided provision to the extent those provisions are severable.

(e) The department, to encourage the authorized insurers to write windstorm and hail insurance in the catastrophe area, as defined by Section [2210.003](#), and in other areas of the state, may approve policy or contractual provisions other than those described by Subsections (b) and (c) that are consistent with sound underwriting and insurance principles, provided that the policy or contractual provisions meet the requirements of Sections [2301.007\(a\)](#) and [2301.053](#).

(f) An insurer using a policy form or endorsement form in this state that includes a provision described by Subsection (b) or (c) shall, at the time the policy or endorsement is issued or renewed, disclose in writing to an applicant or insured the contractual limitations or claims filing period, as applicable, in the policy or endorsement.

Added by Acts 2011, 82nd Leg., 1st C.S., Ch. 2 (H.B. 3), Sec. 55, eff. September 28, 2011.



SUBCHAPTER B. POLICY FORMS FOR PERSONAL AUTOMOBILE  
INSURANCE COVERAGE AND RESIDENTIAL PROPERTY INSURANCE COVERAGE

Sec. 2301.051. DEFINITIONS. In this subchapter:

(1) "Insurer" means an insurance company, reciprocal or interinsurance exchange, mutual insurance company, capital stock insurance company, county mutual insurance company, Lloyd's plan, or other legal entity authorized to write personal automobile insurance or residential property insurance in this state. The term includes an affiliate, as described by this code, that is authorized to write and is writing personal automobile insurance or residential property insurance in this state. The term does not include:

- (A) the Texas Windstorm Insurance Association;
- (B) the FAIR Plan Association; or
- (C) the Texas Automobile Insurance Plan Association.

(2) "Personal automobile insurance" means automobile insurance coverage for the ownership, maintenance, or use of a private passenger, utility, or miscellaneous type motor vehicle, including a motor home, trailer, or recreational vehicle, that is:

- (A) owned or leased by one or more individuals; and
- (B) not primarily used for the delivery of goods, materials, or services, other than for use in farm or ranch operations.

(3) "Residential property insurance" means insurance coverage against loss to tangible personal property or to residential real property at a fixed location that is provided through a homeowners insurance policy, including a tenants insurance policy, a condominium owners insurance policy, or a residential fire and allied lines insurance policy.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.052. REGULATION OF POLICY FORMS AND ENDORSEMENTS.

(a) Notwithstanding any other provision of this code and except as

provided by this section, Subchapter A applies to an insurer with respect to insurance policy forms and endorsements for personal automobile insurance and residential property insurance.

(b) An insurer may continue to use an insurance policy form or endorsement promulgated, approved, or adopted under Article 5.06 or 5.35 before June 11, 2003, on written notification to the commissioner that the insurer will continue to use the form or endorsement.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.053. REQUIREMENTS FOR FORMS; PLAIN-LANGUAGE REQUIREMENT. (a) Each form filed in accordance with this subchapter must comply with applicable state and federal law.

(b) Each form for a personal automobile insurance policy must provide the coverages mandated under Subchapters C and D, Chapter 1952, unless the coverages are rejected by the named insured in the manner provided by those subchapters.

(c) A form may not be used unless the form is written in plain language. For purposes of this section, a form is written in plain language if:

(1) the form achieves the minimum score established by the commissioner on the Flesch reading ease test or an equivalent test selected by the commissioner; or

(2) at the commissioner's option, the form conforms to the language requirements in a National Association of Insurance Commissioners model act relating to plain language.

(d) Subsection (c) does not apply to policy language that is mandated by state or federal law.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.054. CERTAIN CONTRACTS OR AGREEMENTS PROHIBITED; REVOCATION OF CERTIFICATE OF AUTHORITY. (a) A contract or agreement that is not written into an application for personal automobile insurance coverage and the personal automobile insurance policy is void and violates this code.

(b) A contract or agreement described by Subsection (a) constitutes grounds for the revocation of an insurer's certificate of authority to write personal automobile insurance in this state. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.055. RULES. The commissioner may adopt reasonable and necessary rules to implement this subchapter. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2301.056. REQUIREMENT FOR FORMS; DECLARATIONS PAGE REQUIREMENT. (a) A residential property insurance policy form must include a declarations page that:

(1) lists and identifies each type of deductible under the residential property insurance policy; and

(2) states the exact dollar amount of each deductible under the residential property insurance policy.

(b) If a residential property insurance policy or an endorsement attached to the policy contains a provision that may cause the exact dollar amount of a deductible under the policy to change, the declarations page must identify or include a written disclosure that clearly identifies the applicable policy provision or endorsement. The policy provision or endorsement must explain how any change in the applicable deductible amount is determined.

(c) A disclosure containing a list required by Subsection (a)(1), or a disclosure containing an identification of each applicable policy provision or endorsement, may be provided on a page separate from the declarations page.

Added by Acts 2013, 83rd Leg., R.S., Ch. 730 (S.B. 112), Sec. 1, eff. September 1, 2013.

Sec. 2301.057. CERTAIN DOCUMENTS NOT PART OF FORM. (a) A document providing a summary of a policy of personal automobile insurance or residential property insurance or a summary of an endorsement to such a policy or other ancillary material, including an advertisement for the policy or endorsement, is not part of the

policy or endorsement form.

(b) A summary described by Subsection (a) does not modify the provisions of the insurance policy for which the summary was provided.

(c) A summary described by Subsection (a) is not admissible as evidence of the coverage provided by the insurance policy for which the summary is provided.

Added by Acts 2019, 86th Leg., R.S., Ch. 125 (H.B. 1555), Sec. 1, eff. May 23, 2019.

Sec. 2301.058. PROVISION OF POLICY DOCUMENTS AND RELATED MATERIALS IN LANGUAGE OTHER THAN ENGLISH. (a) An insurer may provide a customer a version of a personal automobile or residential property insurance policy or endorsement, or related explanatory or advertising material, in a language other than English. The version of the document must state, in the language of the version, that the English version of the insurance policy document controls.

(b) In the case of a dispute or complaint, the English version of the insurance policy document controls.

Added by Acts 2019, 86th Leg., R.S., Ch. 183 (H.B. 1554), Sec. 1, eff. May 24, 2019.