

Tex. Ins. Code § 2251.0031

This document is current through the 2023 Regular Session; the 1st C.S.; the 2nd C.S.; the 3rd C.S. and the 4th C.S. of the 88th Legislature; and the November 7, 2023 general election results.

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Sec. 2251.0031. Exceptions for Certain Lines.

(a) Except as provided by Subsection (d), Subchapter C does 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 rate filing requirements of Subchapter C 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 require rate filings under Subchapter C 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.

History

Acts 2021, 87th Leg., ch. 42 (S.B. 1367), § 3, effective September 1, 2021.

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