# **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.

***Texas Statutes & Codes Annotated by LexisNexis®* > *Insurance Code* > *Title 10 Property and Casualty Insurance (Subts. A — I)* > *Subtitle H Ratemaking in General (Chs. 2251 — 2300)* > *Chapter 2251 Rates (Subchs. A — F)* > *Subchapter A General Provisions for Rates (§§ 2251.001 — 2251.008)***

**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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