COMMISSIONER'S BULLETIN # B-0009-17

August 26, 2017

To: **ALL INSURERS LICENSED TO WRITE LIFE AND ACCIDENT AND HEALTH INSURANCE, HEALTH MAINTENANCE ORGANIZATIONS, AGENTS, THIRD-PARTY ADMINISTRATORS, UTILIZATION REVIEW AGENTS, MEWAS LICENSED IN TEXAS; ALL INSURANCE COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, RECIPROCALS, ASSOCIATIONS, LLOYDS, OR OTHER INSURERS WRITING PROPERTY AND CASUALTY INSURANCE IN THE STATE OF TEXAS, INCLUDING WORKERS' COMPENSATION INSURANCE; AGENTS AND REPRESENTATIVES; ADJUSTERS; PREMIUM FINANCE COMPANIES; AND THE PUBLIC GENERALLY**

Re: **Hurricane Harvey – Premium Payments Grace Period**

Governor Greg Abbott issued a proclamation declaring a disaster due to the effects of Hurricane Harvey. The proclamation directs that all necessary measures, both public and private, as authorized under §418.017 of the Texas Government Code, be implemented to meet that threat.

President Donald Trump issued a major disaster declaration and ordered federal aid to supplement state and local recovery efforts in the area affected by Hurricane Harvey.

TDI encourages carriers to provide relief to those policyholders in counties covered in the governor's proclamations, including the suspension of premium payments to allow continuing insurance coverage. In conjunction with this effort and in accordance with the governor's proclamations, TDI will work with carriers to minimize the regulatory effects of a carrier's suspension of premium payments, specifically in regard to financial review requirements. The term "suspension" is not intended to mean the forgiveness of the premium. Carriers are encouraged to work with policyholders in the collection of premiums, including payment plans.

The normal premium debits from financial institutions may continue in place according to a carrier's written agreement with a policyholder, unless a problem exists with premium debits, or a policyholder's specific hardship directs a carrier otherwise. This should be weighed against the potential disruption to a carrier's business model or the inconvenience caused to the policyholder by multiple payments. It is TDI's expectation that any problems resulting from this issue will be resolved between the parties without a complaint being filed. This would include a carrier working with a policyholder to minimize the effects of any penalties or charges associated with premium debits.

Questions regarding this bulletin may be directed to the Financial Regulation Division, by calling (512) 676-6365.

For more information contact: ChiefClerk@tdi.texas.gov

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