

TDI Considers Possible Suspension of Texas Insurance Laws and Regulations for COVID-19 Response



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On Friday, March 13, 2020, Texas Governor Greg Abbott issued a [Proclamation declaring a state of disaster for the entire state of Texas](#) as a result of the growing crisis related to COVID-19.

As in past disaster declarations, the Proclamation is issued under the authority provided in Chapter 418 of the Texas Government Code. The action automatically suspends some state contracting statutes and rules and makes available emergency funding and other resources to cope with the disaster. It also provides for the possible suspension of state laws and regulations that would in any way hinder, or delay necessary action in coping with the disaster.

During a disaster, the Texas Department of Insurance (TDI) may advise the Governor's Office regarding any insurance related statutes or rules that it determines should be suspended. TDI is researching existing regulations that need to be addressed under the Proclamation and has issued some guidance for health insurers already. In our discussions with TDI staff, they have encouraged us to reach out to our clients to gather and submit to TDI a list of any statutes and rules that pose an industry-wide obstacle to coping with the COVID-19 pandemic or with which compliance is not possible under current circumstances. At this time, we have no indication that TDI is preparing a disaster plan survey similar to the New York State Department of Financial Services Circular Letter No. 5 issued March 10th, but we anticipate that TDI will expect some form of disaster planning in the future as part of the enterprise risk management process.

Prior disaster declarations have mostly been hurricane related and included a listing of multiple counties that were impacted by a singular event. This disaster is very different in that it threatens the health and safety of the entire state, is ever changing, and may last much longer than a single catastrophic event. As in the past, we may likely see some of the same statutes and rules suspended or afforded a degree of compliance flexibility. However, coping with COVID-19 and its impact on regular business operations of insurers in Texas and their ability to provide for policyholders may also reveal the need for the suspension of statutes and rules never before considered. TDI staff have assured us that they will be sensitive to the developing needs of companies as the industry faces the challenges of COVID-19 and TDI considers its continuing efforts.

Following the Governor's Proclamation on Friday, TDI announced several pending actions. TDI staff also emphasized their preference for and availability of electronic filing of applications, forms, rates and virtually anything required to be filed with TDI. Most of TDI's staff is now working remotely and more will be doing so as the need for the strict social distancing requirements persist. TDI staff has assured us that their telecommuting should be seamless to the public and industry and that they do not foresee delays in processes, especially if they receive required filings electronically.

As the COVID-19 crisis continues, TDI's top priority is assuring that Texans are able to access the health care they need. TDI's other high priority is identifying statutes and rules that require compliance which frustrates or makes impossible the industry's ability to provide service to policyholders while coping with the current disaster. Accordingly, TDI staff anticipates initiating a broader dialogue with industry toward the end of this week. As they do so, we will be providing suggestions to TDI in our efforts to assist our clients through these uncertain times.

Finally, TDI has established a [coronavirus resource page with information updates](#) and guidance to the insurance industry and consumers.

[Subscribe to our Coronavirus \(COVID-19\) blog](#) and stay up-to-date on issue specific insurance regulatory developments.