

New Mandatory Data Call for Texas-Licensed P&C Insurers



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09/08/2021

On September 7, 2021, the Texas Department of Insurance (“TDI”) [issued a mandatory data call](#) to collect information about “disallowed expenses.” Disallowed expenses are certain administrative, operating, and other expenses incurred by an insurer that cannot be factored into the insurer’s rates, and include the following:

- administrative expenses, other than acquisition, loss control, and safety engineering expenses, that exceed 110% of the industry median for those expenses
- lobbying expenses
- advertising expenses, other than for advertising: (1) directly related to the services or products provided by the insurer; or (2) designed and directed at loss prevention
- amounts paid by an insurer: (1) as damages for bad faith, fraud, or anything else other than payments under the insurance policy; or (2) as fees, fines, penalties, or exemplary damages for a civil or criminal violation of law
- contributions to: (1) social, religious, political, or fraternal organizations; or (2) organizations engaged in legislative advocacy
- except as authorized by TDI rule, fees and assessments paid to advisory organizations
- any amount TDI determines to be excess premiums charged by the insurer
- any unreasonably incurred expenses, as determined by TDI after notice and hearing

The data call applies to all licensed companies, domestic or foreign, that wrote premium in Texas in 2020 for any of the following lines:

- fire
- allied lines
- private crop
- farm owners multiple peril
- homeowners multiple peril
- commercial multiple peril
- inland marine
- medical malpractice
- other general liability
- products liability
- private passenger automobile
- commercial automobile
- fidelity
- surety

Insurers must report **countrywide** data for the above lines if written in Texas in 2020. The deadline to submit the [data reporting form and accompanying affidavit](#) is **Friday, October 15, 2021**.