

**COMMENTS SUBMITTED IN SUPPORT OF THE  
INFORMAL WORKING DRAFT FOR  
PROHIBITED TYING ARRANGEMENTS**

**DECEMBER 5, 2024**

Commissioner Brown, Deputy Commissioner Worman, and TDI Staff:

Our non-partisan, non-profit organization advocates for the rights of policyholders. We commend the Texas Department of Insurance (TDI) for proposing an [Informal Working Draft for Prohibited Tying Arrangements](#), amending Texas Administrative Code, Title 28, Chapter 21, Subchapter J, Section 21.1008, and strongly support the language included in this draft.

The draft of the proposed rule recognizes that "tying" or the forced bundling of personal automobile and homeowners insurance policies is an unfair trade practice. Such conduct is unconscionable under our laws. Consumers should never be made to purchase two lines of insurance to receive one. Allowing insurance carriers to require consumers to purchase an automobile policy if they wish to receive homeowners coverage -- or vice versa -- would be the very definition of anti-competitive and anti-consumer behavior.

Insurance consumers are particularly vulnerable in the marketplace. Carriers write the policies and present them to us on a take-it-or-leave-it basis. Mortgage lending practices and motorist laws guarantee demand for insurance policies, distorting market incentives for these financial products and depriving policyholders of their full purchasing power because they cannot choose to abstain. Consumers must pay all of their premiums and deductibles first, hoping carriers will honor their promise to pay policy benefits later, when the consumer has suffered a loss, is under stress, and often in great need.

Recent reporting from Diana Zoga and Robin Carter with *NBCDFW* illustrates how tying insurance policies together hurts consumers. We strongly recommend their piece to you and your staff. Please see *Some Consumers Learn They'd Have to Bundle*, December 4, 2024, at <https://www.nbcdfw.com/news/nbc-5-responds/some-consumers-learn-theyd-have-to-bundle-to-keep-their-insurance-policy/3712065/>.

While it is difficult for consumers to shop the insurance marketplace, we always encourage them to take the time to do so, regularly recommending good resources like [HelpInsure.com](https://www.helpinsure.com). When evaluating insurance policies, it is a question of finding the right fit for your family's specific needs. Given economic pressures, some consumers are tempted to shop on price alone, but there are times when a particular insurance company presents a better coverage option -- or has a better reputation -- making them the correct choice for that consumer when it comes to that line of insurance. If a consumer wishes to bundle their coverage, buying homeowners and personal auto policies from the same carrier to receive a discount, that is their choice. But it must be maintained as a choice, never a requirement.

Although we advocate for consumers, we should also note here that allowing carriers to require the tying of policies would disadvantage mid-sized and smaller insurance carriers. The largest carriers, which possess the greatest share of the market, would be able to

effectively corner the market by forcing consumers to double their business with them. As we described earlier, the insurance marketplace is already anti-competitive in certain inescapable respects, but state policy should not make it even more so.

Prohibiting insurance tying arrangements is fully in line with TDI's statutory duty to "protect and ensure the fair treatment of consumers." We thank you for publishing this informal working draft, ask that you advance it through the rulemaking process, and amend the Texas Administrative Code accordingly to preserve consumer choice.

Respectfully submitted,  
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