

March 24th, 2025

Office of the Chief Clerk
MC: GC-CCO
Texas Department of Insurance
P.O. Box 12030
Austin, TX 78711-2030
ChiefClerk@tdi.texas.gov

Re: Support for New Regulation 28 TAC 21.1008—Prohibiting Tying the Sale of Personal Automobile Policies and Residential Property Policies

The Consumer Federation of America (CFA) supports the proposed new regulation amending the Texas Administrative Code, Title 28, Chapter 21, Section 21.008, prohibiting individuals and insurers from tying together the sale of personal automobile policies and residential property policies. The rule will help protect consumer choice in the insurance market and require insurance companies to compete for Texans' business rather than tie the hands of customers in order to get their business.

CFA is an association of consumer organizations that works to advance consumer interests through research, advocacy, and education. Our comments are based on decades of experience analyzing insurance markets, working to make them more affordable and accessible, and combatting unfair practices.

Texas's insurance code prohibits unfair acts or practices in the insurance market and empowers the Texas Department of Insurance (TDI) to implement that overarching consumer protection standard. Tying, defined in this proposed rule as "an arrangement whereby a seller sells a product to a buyer only if the buyer purchases another product from the seller," is an unfair and anti-competitive practice that raises consumer prices by conditioning access of one product on the purchase of another. There may be value to a customer in choosing to purchase multiple insurance products from one company, but forcing consumers to do so takes away the power of shopping that helps insurance policyholders save money. CFA has long held the view that, while regulatory oversight of insurance companies' rates and practices is an essential responsibility of Departments of Insurance, shopping your insurance policy is the primary



tool customers have to get the best price, and CFA offers advice on how to save money on both [auto insurance](#) and [homeowners insurance](#).

Texas requires drivers to purchase and maintain auto insurance, creating a market where consumers cannot refuse to purchase this product because it is legally mandated. Similarly, homeowners with a loan are required to purchase homeowners insurance. CFA has found, over years of research, that the companies that offer the best priced auto insurance often do not offer the best priced homeowners insurance. Tying arrangements that force Texans to buy both from the same company will often lead to policyholders sacrificing a better rate on one coverage in order to get a good rate on the other. Texas law protects a consumer's right to seek out the best rate and best company on each coverage separately, and this rule will ensure that basic right to shop freely.

In order to function properly, insurance markets must be open and fair, with consumers maintaining the freedom to shop around for better deals and coverage that fits their needs. If consumers wish to bundle the coverage, buying auto and homeowners insurance policies from the same insurer to receive discount, that is their choice. But it must be a choice, never a requirement. The Department correctly distinguishes between bundling, which gives consumers opportunities to save money while allowing them to shop for better deals, and tying, which eliminates those opportunities.

Prohibiting insurance tying arrangements is completely within TDI's authority to "protect and ensure the fair treatment of consumers" and "ensure fair competition in the insurance industry to foster a competitive insurance market." Freedom to shop in Texas should be defended and this rule should be adopted.

Please contact us at mdelong@consumerfed.org with any questions.

Sincerely,

A handwritten signature in black ink that reads 'Michael DeLong'.

Michael DeLong
Research and Advocacy Associate
Consumer Federation of America

