



Automobile

Exempt Adoption

Disclosures by Rental Car Company Employees

- ▶ Commissioner Jose Montemayor has amended Rule 141, Rental Car Companies, of the *Texas Automobile Rules and Rating Manual* concerning mandatory disclosures to automobile renters.

Rental car company employees are no longer required to verbally inform prospective renters that they may already have insurance coverage that duplicates the auto rental liability insurance offered by the company. The amendment also repealed a requirement that prospective renters be told verbally that purchase of automobile rental liability insurance is not required as a condition for renting a car. Both disclosures must, however, still be made in writing, and an employee is required to verbally mention the written disclosures prior to any offer to sell auto rental liability insurance.

Car rental companies petitioned for the repeal of the verbal disclosure requirements. They said the verbal disclosures slowed rental transactions, had no consumer benefit and were required only by Texas. TDI's staff petition pointed out that the underlying statute had been amended since the original rules were adopted and may be subject to an interpretation that written disclosures would suffice.

Publication: 28TexReg6955
August 22, 2003

Effective date:
September 6, 2003

Reference No:
A-0603-13-I

Further information:
512 463-6327

Financial

APA Adoption

Provider-Sponsored Organizations

- ▶ Commissioner Jose Montemayor has amended 28 TAC §§ 11.2301, 11.2305, 11.2306 and 11.2315 concerning financial requirements for provider-sponsored organizations (PSOs). The rule changes require PSOs to comply with the same solvency requirements as HMOs.

The amendments were necessary because of the expiration on November 1, 2002, of a federal law that, in certain instances, allowed waiver of state solvency requirements for PSOs participating in the federal Medicare+Choice program.

Under the rule changes, a PSO that already has a certificate of authority must show that it satisfies the solvency requirements for an HMO or, alternatively, file a business plan demonstrating it will be in compliance by December 31, 2006. PSOs that apply for a certificate of authority after November 1, 2002, must comply with the solvency requirements for HMOs as a condition for obtaining licensure.

Publication: 28TexReg6276
August 8, 2003

Effective date:
June 2, 2003

Further information:
512 463-6327

Licensing

APA Proposal

New Rules for Public Insurance Adjusters

- ▶ Becoming a public insurance adjuster in Texas will soon require more than just a self-proclamation of insurance expertise and a stack of business cards. The new Article 21.07-5 of the *Texas Insurance Code* requires the licensing of public insurance adjusters. The Texas Department of Insurance recently proposed an administrative rule for implementation and clarification of the new law.

Definitions

Insurance adjusters are generally employees of an insurance company, or contract with an insurer. They evaluate the merit of claims made by policyholders. They make recommendations to the insurance company and are often the last word on what, if any kind of settlement, will be offered.

Public insurance adjusters, on the other hand, are individuals or companies that represent the person or entity making the insurance claim. Public insurance adjusters don't enter the process unless hired by the individual making the claim. Public insurance adjusters negotiate with the insurance company, and its adjusters, on behalf of their clients. The public insurance adjuster's goal is to secure the largest possible settlement and as payment for their services, they claim a percentage of the settlement.