



Texas Insurance News

REGULATORY NEWS PUBLISHED BY THE TEXAS DEPARTMENT OF INSURANCE

77th Legislature Enacts Over 80 Insurance Bills

THE REGULAR SESSION of the 77th Legislature addressed insurance issues ranging from the privacy and agent licensing mandates of Gramm-Leach-Bliley to an experiment in mileage-based auto insurance rates.

In all, the Legislature passed, and Governor Rick Perry signed, or otherwise allowed to become law, more than 80 bills amending the *Texas Insurance Code* or directly affecting insurers. These include 10 of the 14 measures recommended in TDI's report required by Article 32.022 of the code.

This article summarizes each enacted bill amending the insurance code and certain others amending other codes but affecting the insurance industry. Bill summaries are grouped under alphabetical subject headings, from AGENTS to WORKERS' COMPENSATION. Each summary begins with the bill number, the names of primary sponsors and the effective date. Bills embodying TDI recommendations are marked with an asterisk (*).

The full text of each bill, along with legislative history, bill analyses and fiscal notes, is available on the Texas Legislature On-Line Web site

www.capitol.state.tx.us

Readers without Internet access can obtain bills by contacting their local legislators or by phoning House Document Distribution

512-463-1144

for House bills or Senate Bill Distribution

512-463-0252

for Senate bills. The House and Senate bill distribution offices require payment in advance.

Agents

SB 314, by Senator David Sibley, Waco, and Representative Brian McCall, Plano, 9/1/01.

Texas Department of Banking sunset bill. Exempts from continuing education requirements agents licensed to sell only funeral prearrangement life insurance contracts. Insurers must educate appointed agents about new

products. Funeral prearrangement life insurance agents may be appointed by more than one insurance company.

SB 414* by Senator Frank Madla, San Antonio, and Representative Craig Eiland, Galveston, 9/1/01. Continuing education requirements take effect with license renewals on and after 1/1/03.

Provides reciprocity for nonresident agents, a Gramm-Leach-Bliley requirement. Repeals the requirement that officers, directors and shareholders of incorporated agencies be individually licensed as agents. Requires testing and continuing education for most license types. Reduces the number of license authorities. For details, see the June 2001 issue of **Texas InsuranceNews**.

SB 466, by Senator Frank Madla, San Antonio, and Representative Craig Eiland, Galveston, 9/1/01.

Authorizes issuance of specialty agent licenses enabling retail vendors of telecommunications equipment to sell insurance covering loss, damage or malfunction of such equipment.

Automobile

HB 45, by Representative Ruth Jones McClendon, San Antonio, and Senator Eliot Shapleigh, El Paso, applicable to policies delivered, issued for delivery or renewed on or after 1/1/02.

Authorizes insurers to offer mile-based rating plans in which the unit of exposure is miles traveled by the insured vehicle. These would be in contrast to traditional "time-based" rating plans, in which exposure is measured in units of time, such as one year. An insurer's rates for a mile-based plan would be exempt from the benchmark and flex-rating process but would require TDI's prior approval. Companies using mile-based rates must report their experience separately from other experience. The Commissioner must adopt rules, as necessary or appropriate, for mile-based rating plans, including rules regarding prepayment arrangements,

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By necessity, summaries of proposed and adopted rules cannot explain their full complexity. Readers interested in complete information about administrative rules should consult the versions published in the Texas Register.

To the best of the staff's ability, information presented in this newsletter is correct as of the publication date, but scheduled dates and proposed rules and amendments may change as the adoption process goes forward.

NewsBriefs

Prompt Pay Workshop Scheduled for Doctors

TDI HAS SCHEDULED an August 8, 2000, workshop to help physicians' and providers' office administrators and billing services better understand Texas requirements for clean claims and prompt payment to providers.

The workshop will start at 9 a.m. in Room 100 of the William P. Hobby Jr. State Office Building, 333 Guadalupe, Austin.

The agenda includes opening remarks by Commissioner Jose Montemayor, an overview of the prompt payment statutes and clean claims rules and how TDI can assist physicians and providers. Staff from the Consumer Protection, Legal and Compliance and Life, Health and Licensing programs will make presentations. All workshop materials will be available on the TDI Web site, www.tdi.state.tx.us.

A similar workshop for insurers and HMOs was held on June 25.

Both workshops are part of Montemayor's effort to improve compliance with the state law requiring HMOs and preferred provider carriers to pay clean claims within 45 days of receipt.

As part of the effort, TDI recently posted on its Web site answers to providers' frequently asked questions about the prompt payment laws and rules. The link is <http://www.tdi.state.tx.us/commish/doctors.html>. ★

July 24 Hearing Scheduled On State Farm HO Policies

COMMISSIONER JOSE MONTEMAYOR has scheduled a July 24 public hearing on State Farm's petition for adoption of residential policy insurance forms similar to those used by State Farm companies in other states.

The hearing, under Docket No. 2488, will be at 9:30 a.m. in Room 100 of the William P. Hobby Jr. State Office Building, 333 Guadalupe, Austin.

State Farm's petition includes a new homeowners policy, a renters policy, a condominium unit owners policy and 33 endorsements.

The filing was made under *Texas Insurance Code* Article 5.35(b), which authorizes the Commissioner to adopt policy forms and endorsements of national insurers in addition to the Texas standard residential property policies.

The hearing notice outlines several differences between the State Farm policies and the standard Texas HO-B policy promulgated by TDI. A detailed side-by-side comparison can be obtained from the Chief Clerk's office, 512 463-6326.

The Texas HO-B policy covers water damage, including damage resulting from repeated and continuous seepage or leakage. The unendorsed State Farm policy, however, specifies that, to be covered, an accidental discharge or overflow of water from a plumbing system, heating or air conditioning system or household appliance must be "sudden." The Texas HO-B policy covers losses resulting from backup or overflow from a sewer, drain or sump pump. The unendorsed State Farm policy excludes coverage of such losses. The Texas HO-B policy covers damage to slab foundations resulting from seepage or leakage of water from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, while the unendorsed State Farm policy excludes such losses.

State Farm plans to write all new business on the proposed forms, if they are approved, but will offer applicants endorsements that provide essentially the same water damage and slab coverage as the HO-B. The slab coverage would be subject to a limit of 15 percent of Coverage A. Customers who decline the endorsements could not add them in the future.

Existing State Farm customers who have the HO-B policy would receive the State Farm policy with water damage and slab foundation endorsements that bring coverage back to essentially what they had with the HO-B. Again, the slab coverage would be subject to a limitation of 15 percent of Coverage A. Policyholders who choose to delete the endorsements in exchange for a premium credit could not restore the endorsements in the future.

Similar offers would be made to State Farm customers with renters forms HO-BT and HO-CT and condo forms HO-CON-B and HO-CON-C.

Among other differences, compared to the HO-B, the State Farm policy provides:

- Less coverage for firearms, goldware and silverware;
- Less coverage for removal of debris from a fallen tree;
- More coverage for personal property away from home;
- More coverage for debris removal;
- More coverage for covered losses of trees and shrubs;

- More coverage for stamps, trading cards, comic books, loss of money, securities, checks, deeds, tickets, etc.; and
- More coverage for boats and trailers away from home, except for theft. ★

Fraud Unit Prosecutions

Convictions

Shirley, Kenneth James, pleaded guilty in Austin to fraudulent transfer of a motor vehicle, a state jail felony. Sentenced to 60 months' probation, 15 days in jail and a \$2,000 fine.

Manley, Jacqueline Marie, pleaded guilty in Austin to making a false statement in a written instrument, a third-degree felony. Sentenced to 36 months' probation, 80 hours of community service and a \$1,000 fine.

Fluker, Swakina Kiyotyna, pleaded guilty in Dallas to insurance fraud, a state jail felony. Sentenced to five years' deferred adjudication, a \$1,000 fine and restitution of \$1,318.74.

Tennant, Robert Ashton II, pleaded guilty in federal court in Houston to wire fraud. Sentenced to three years' probation with 15 months' imprisonment and share restitution with Charles Tennant in the amount of \$419,464.16.

Tennant, Charles J, pleaded guilty in federal court in Houston to wire fraud. Sentenced to three years' probation with 21 months' imprisonment and share restitution with Robert Tennant in the amount of \$419,464.16.

Indictments

Barbir, Lawrence, indicted in Dallas on charges of engaging in organized criminal activity, a first-degree felony.

Hickman, Joyce Lee, indicted in the U. S. District Court, Houston, charged with health care fraud.

Love, Mary, pleaded to an information in San Jacinto County alleging insurance fraud, a Class A misdemeanor.

Love, Mary Louise, indicted in San Jacinto County on charges of insurance fraud, a state jail felony.

Love, Shontay, pleaded to an information in San Jacinto County alleging insurance fraud, a Class A misdemeanor.

Perry, Elizabeth, pleaded to an information in San Jacinto County alleging insurance fraud, a Class A misdemeanor. ★

TDI update

TDI Offers On-Line Subscription Renewals

SUBSCRIBERS TO **TexasInsuranceNews** and a number of other TDI publications can now renew their subscriptions on-line with a credit card.

On-line renewal is accessible both through the Texas On-Line Web site

www.texasonline.state.tx.us
and TDI's Web site

www.tdi.state.tx.us.

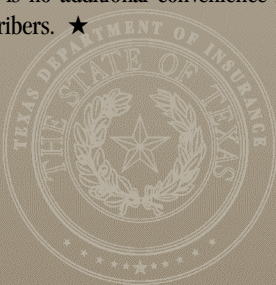
Publications whose subscriptions are renewable on-line include TIN, auto bulletins, bond bulletins, burglary insurance bulletins, general liability bulletins, workers' compensation bulletins, property bulletins, wind-resistant construction manual revisions and workers' compensation manual revisions.

To access the on-line renewal service, a subscriber must enter his or her subscription identification number. This number is listed on renewal notices and on the mailing labels of the publications listed in the previous paragraph.

A person whose subscription expired more than six months ago should contact TDI's Publications Distribution Section, 512-322-4283, for assistance.

To renew on-line, payment must be made by credit card—VISA, MasterCard, American Express or Discover. Users are directed to a secure site to enter their credit card information.

There is no additional convenience fee for subscribers. ★



Enforcement Actions

Intracorp Fined Over External Review Notices

COMMISSIONER JOSE MONTEMAYOR has fined International Rehabilitation Associates \$17,500 for failing to tell patients of their right to a binding independent review of decisions not to pay for medical treatments recommended by their doctors.

International Rehabilitation Associates, doing business as Intracorp, is a Philadelphia-based firm certified to act as a utilization review agent in Texas.

When it failed to notify patients of their independent review rights, Intracorp was under contract to perform utilization review for Connecticut General Life Insurance Co., an affiliate within the same holding company system. Connecticut General agreed to pay a \$15,000 fine for its failure to discover and prevent Intracorp's violation of the independent review law.

Intracorp agreed to the \$17,500 fine and to Montemayor's order requiring its immediate

compliance with the law requiring utilization review agents to notify patients of their right to independent review.

The consent order fining Intracorp said the company had failed to notify patients of their right to independent review in 1998, 1999 and 2000.

Several similar cases are under investigation by the Legal and Compliance Division of the Texas Department of Insurance.

Through the end of May 2001, Texas' three IROs had performed 1,349 reviews. In 50 percent of the cases, the reviewers overturned decisions of the utilization review agents. Determinations that treatments were unnecessary were upheld in 42 percent of the cases. In 8 percent of the cases, the decisions were partly upheld and partly overturned. ★

First Quarter HMO Results Show Improvement

UNAUDITED BASIC SERVICE HMO quarterly reports for the first quarter of 2001 showed an industrywide net loss after taxes of \$56 million on Texas-only business, a substantial improvement over the \$79 million loss posted a year earlier.

Of the 42 basic service HMOs, 20 reported a net profit and 19 reported a net loss. TDI was awaiting reports from three HMOs that are leaving the market.

"I'm glad to see shrinkage in the industry's net loss, and I view it as the basis for very cautious optimism that the basic service HMOs may be starting to climb slowly back up the ladder to profitability," Commissioner Jose Montemayor said.

Despite the encouraging news, Montemayor said it was far too early to declare a trend away from the deep losses that HMOs sustained over the past five years.

"Last year's \$562 million industrywide loss on Texas business was so severe that it would be unrealistic to expect a huge turnaround this soon," Montemayor said. "Moreover, first-quarter results tend to be the best of the year. At the same time, I think we may be seeing the initial results of rate increases that a number of HMO instituted on January 1, 2001, along with the beneficial effects of certain recently enacted regulatory requirements."

The Department also released newly tabulated data from HMOs' 2000 annual statements. TDI placed the tabulation on its Web site during June, along with annual statement data for three prior years and quarterly report data for the four quarters of 2000. The link to the HMO financial information is http://www.tdi.state.tx.us/company/hmo/hmo_reports.html.

The table below provides a year-to-year comparison of certain key data:

Basic Service HMOs, Texas-Only Business

	CALENDAR YEAR	2000	1999	1998	1997	1996
NET INCOME AFTER TAXES (\$ MILLION)		(\$562.2)	(388.7)	(335.7)	(234.0)	(67.3)
TOTAL ENDING ENROLLMENT		3,938,259	3,873,684	3,768,999	3,204,998	2,945,965
MEDICAL LOSS RATIO		104.7	101.4	99.2	95.5	94.4

RuleMaking

ADMINISTRATION

APA Adoption

TDI Vehicle Management

■ Commissioner Jose Montemayor has adopted new 28 TAC §§ 1.1901–1.1904, establishing procedures for the assignment and use of TDI vehicles, as required by provisions of the *Texas Government Code*. Those provisions require state agencies to adopt rules consistent with the State Vehicle Management Plan adopted by the Texas General Services Commission in October 2000.

Under the adopted rules, all TDI vehicles other than those assigned to field employees are assigned to the Department's motor pool and are available for checkout as needed for state business. Some pool vehicles may be maintained at remote or field locations because of TDI's organizational structure.

TDI may assign a vehicle to an individual administrative or executive employee on a regular or daily basis only if written documentation support the assignment as critical to the needs and mission of the Department.

TDI will cooperate with the General Services Commission to identify, request and, if appropriate, use any waiver or exemption provision in the State Vehicle Management Plan based on conditions specific to TDI in the interest of promoting fiscal efficiency and good business practices.

Projected publication date: June 29, 2001
Effective date: July 8, 2001

FINANCIAL

Notice of Proposed Amendment

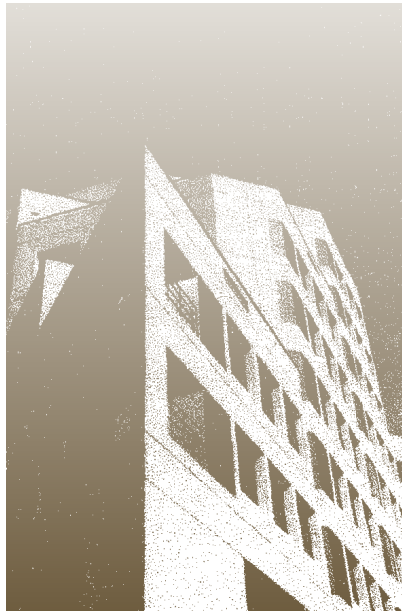
Texas Health Reinsurance System Audits

■ The board of directors of the Texas Health Reinsurance System has proposed an amendment to the system's plan of operation concerning external audits. The Department has published the proposed amendment, with a comment deadline of July 16.

The amendment would require each reinsuring company in the system to hire an independent CPA or other party approved by the board of directors to audit various items related to system reinsurance and assessments. Three to five member companies would be audited each year. They would be selected on the basis of premium volume in the Texas

small employer marketplace. Audits would include detail testing of representative samples of:

- Reinsurance claims submitted to the system. Audits would particularly emphasize the eligibility of claimants and their small employers for reinsurance by the system and the proper determination of reinsurance claim amounts by the member.
- Reinsurance premiums submitted to the system, including the eligibility of lives for whom premium is paid for reinsurance by the system and proper determination of reinsurance premium amounts paid.
- Data submitted to the system for use in the calculation of member assessments for net losses.



Provider bills and other records could be audited randomly as deemed necessary by the Audit Committee to verify the accuracy and appropriateness of reinsurance claim submissions. The board of directors also would have the right to conduct additional member audits as it deems appropriate.

Information disclosed in the course of the audit of a member company would be considered privileged information by the company, the auditing firm and the system.

The system itself would undergo an annual audit by an independent CPA, and the board of directors would file the audit report with the Commissioner for his review. This audit would cover:

- The handling and accounting of assets and money for the system.

- The system's annual fiscal report.
- The calculation of premium rates charged for reinsurance by the system.
- The calculation and collection of member assessments for net losses.
- The reinsurance premiums due to the system and the claim reimbursements made to the members.

Projected publication date: June 29, 2001

PROPERTY

APA Proposal

TWIA Plan of Operation Amendments

■ Commissioner Jose Montemayor will hold a July 17, 2001, public hearing on a proposed amendment to 28 TAC § 5.4001 concerning the plan of operation of the Texas Windstorm Insurance Association (TWIA). The hearing, under Docket Number 2486, will be at 9:30 a.m. in Room 100 of the William P. Hobby Jr. State Office Building, 333 Guadalupe, Austin.

The proposed change deletes references that authorize distributions of TWIA's assets to individual member companies. The proposed change also specifies that TWIA pays the net equity of association members each year directly into the catastrophe reserve trust fund or uses it to buy reinsurance. House Bill 2253 of the 76th Legislature in 1999 provided that all money deposited in the trust fund is state money. The proposed amendments to the plan of operation reflect that legislation.

As amended, the plan of operation would provide for the use of TWIA funds in the following sequence:

- Pay expenses and claims of the association and pay reinsurance premiums.
- Pay the net equity of the association's member companies, including premium and other revenue in excess of incurred losses and operating expenses, directly to the state Comptroller for deposit into the catastrophe reserve trust fund.

Under the proposed change, funds disbursed to the association from the trust fund but remaining unspent after paying for losses and loss adjustment expenses must be deposited back into the trust fund.

Publication: 26TexReg4016, June 8, 2001
Earliest possible adoption: July 8, 2001
Further information: 512 463-6327 ★

Insurance Bills... *from page 1*

proof of financial responsibility, policy forms and odometer auditing for the purpose of determining whether coverage is in force. Unless extended by the Legislature, mile-based rating will end on September 1, 2005.

HB 3393, by Representative Rene Oliveira, Brownsville, and Senator Leticia Van de Putte, San Antonio, 9/1/01.

Requires TDI to develop a Spanish-language informational sheet providing a general explanation of the terms most commonly used in the Texas personal automobile insurance policy.

SB 693,* by Senator Eddie Lucio Jr., Brownsville, and Representative Roberto Gutierrez, McAllen, 9/1/01.

Authorizes the Commissioner to develop and implement a program to provide short-term—24 hours to one week—private passenger auto liability insurance coverage for non-resident drivers visiting Texas. The Commissioner may negotiate an agreement with an insurer to provide the coverage. Coverage must be on standard Texas forms. Only licensed agents may sell the policies offered through this program.

Bonds

HB 409, by Representative John Shields, San Antonio, and Senator Frank Madla, San Antonio, 9/1/01.

Requires certain bonds to clearly display the name, mailing address, physical address and telephone number of the surety company to which claim notices should be sent. Alternatively, a bond may display TDI's toll-free telephone number and a notice that TDI can provide the surety company's claims address.

HB 548, by Representative James Keffer, Eastland, and Senator Mike Jackson, Pasadena, applicable to claims against construction payment bonds delivered, issued for delivery or renewed on or after 1/1/02.

Requires surety companies to acknowledge receipt of a claim against a construction payment bond, begin its review and request certain information from the claimant within 15 days after receiving the claim. A surety company must accept or reject a claim in writing within 30 days after receiving all documents or other information it may have requested. A company that cannot meet this deadline must notify the claimant and explain why. The surety company then has up to 30 days to complete its review and accept or reject the claim. An accepted claim must be paid within 15

days after the surety company notifies the claimant of its acceptance.

Captive Insurers

HB 1703, by Representative John Smithee, Amarillo, and Senator Mike Jackson, Pasadena, 9/1/01.

Clarifies that the statute defining the business of insurance does not apply to an activity by or on the sole behalf of a non-admitted captive insurer that only provides directors' and officers' liability coverage for the captive's parent and affiliated companies.

Child Support

HB 1365, by Representative Toby Goodman, Arlington, and Senator Chris Harris, Arlington, 9/1/01.

Creates a pilot program under which insurers may voluntarily agree to intercept certain liability insurance settlements or awards and make the money available to pay back child support owed by the beneficiaries of those settlements or awards. Immunizes insurers from liability for providing information or responding to child support liens or levies. Allows seizure of life insurance benefits and annuity proceeds for child support liens or levies. Clarifies that orders suspending state-issued licenses for non-payment of child support apply to each license issued by the applicable licensing authority, which cannot issue or renew any other license for the individual until the suspension order is stayed or vacated.

SB 236, by Senator Chris Harris, Arlington, and Representative Norma Chavez, El Paso, 6/5/01.

Requires parties in child support cases to make disclosures concerning their private health care coverage, including identity of the carrier, policy number and amount of the premium. When private coverage is not in effect for the child, the parents must indicate whether the child receives benefits under Medicaid or the child health plan (CHIP) or if either parent has access to private coverage at reasonable cost to that parent. "Reasonable cost" means the premium does not exceed 10 percent of the responsible parent's net monthly income. A court may require a parent to obtain coverage and to produce evidence that coverage has, in fact, been secured. If coverage is not available at reasonable cost, the court may order the custodial parent to apply for Medicaid or CHIP and order payment of additional child support to cover the cost. TDI must supervise and monitor the implementation of the Texas Healthy

Kids Corporation's dissolution plan. The Commissioner will determine the corporation's financial obligations. Any money remaining in the THKC fund will go into a dedicated fund that may be used only by the Texas Health and Human Services Commission to provide coverage under CHIP.

Collateral Protection

SB 707, by Senator John Carona, Dallas, and Representative Kip Averitt, Waco, 9/1/01.

Amends the *Texas Finance Code* by adding a new Chapter 307 on collateral protection insurance. The term of a collateral protection policy may not exceed 12 months or the remaining term of the credit transaction if that term is 24 months or less. Creditors must notify debtors in writing after charging collateral protection insurance to their accounts. A creditor must cancel collateral protection coverage if the borrower proves he or she has obtained the insurance required by the credit agreement.

Credit Insurance

HB 1684, by Representative Burt Solomons, Carrollton, and Senator John Carona, Dallas, 9/1/01.

Amends the *Texas Finance Code* to allow policy or agent fees charged in connection with credit life, credit disability or involuntary unemployment insurance to be financed under a motor vehicle installment purchase agreement.

HB 2159, by Representative Senfronia Thompson, Houston, and Senator John Carona, Dallas, 9/1/01.

Allows credit life and disability insurers to deviate by 30 percent, plus or minus, from presumptive rates on a file-and-use basis. Insurers may file deviations of greater than 30 percent on a prior approval basis, subject to disapproval if they are not actuarially justified. A filing outside the 30 percent range is deemed approved if not disapproved within 60 days after filing. The minimum reserve requirement for credit life and disability policies is 100 percent of the 1980 Commissioner's Standard Ordinary Mortality Table, with interest not to exceed 5.5 percent.

SB 1581, by Senator Royce West, Dallas, and Representative Yvonne Davis, Dallas, 9/1/01.

Requires mortgage lenders who offer credit life, disability or unemployment insurance on

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a single-premium basis to provide a written disclosure that the coverage is not required, may be canceled at any time in the future and may be financed on either a monthly premium or on a single premium basis with the premium financed at the same rate of interest as the mortgage loan. The notice must include estimates of premiums that would be paid.

Electronic Commerce

SB 393, by Senator John Carona, Dallas, and Representative Kim Brimer, Fort Worth, 1/1/02.

Creates the Uniform Electronic Transactions Act to regulate the use of transactions involving electronic records, signatures, and contracts.

Financial Services Modernization

HB 2155, by Representative Kip Averitt, Waco, and Senator David Sibley, Waco, 9/1/01.

Amends *Texas Finance Code* provisions relating to state banks and state trust companies in response to the Gramm-Leach-Bliley Act. The Finance Commission of Texas may adopt rules expanding the activities authorized for state banks, state trusts and financial holding companies to include, among other things, certain insurance functions. Commission rules cannot alter or negate the application of Texas licensing and regulatory laws administered by another functional regulatory agency, including TDI. The bill authorizes information-sharing agreements with TDI and other functional regulators. A disclosure of information does not waive or diminish an evidentiary privilege to which the information is otherwise subject. Certain administrative subpoenas that are served on financial institutions are confidential and may not be disclosed to the target of a criminal investigation, including an account holder of that institution.

SB 605,* by Senator David Sibley, Waco, and Representative John Smithee, Amarillo, 5/22/01.

Establishes a 60-day limit, the maximum allowed by Gramm-Leach-Bliley, for TDI's review of proposed acquisitions or changes of control of domestic insurers. The 60-day period may be waived by a domestic insurer or a party seeking to acquire it. A hearing prior to a denial no longer will be automatic. However, such a hearing is required if requested by either the domestic insurer or the party applying to acquire it.

Fraud

HB 1562, by Representative Senfronia Thompson, Houston, and Senator Leticia Van de Putte, San Antonio, 9/1/01.

Requires health insurers, HMOs, workers' compensation carriers and approved non-profit health corporations to adopt anti-fraud plans that include procedures for reporting possible fraudulent insurance acts to TDI's Insurance Fraud Unit. Persons who report suspected insurance fraud to insurance company special investigative units are not subject to liability for making such reports. Insurers that use claim forms must include on the forms a notice to the effect that filing false or fraudulent claims is a crime punishable by fines and imprisonment. Health care providers who file or assist in filing fraudulent claims are subject to revocation or suspension of their licenses or other disciplinary action by their state licensing authorities.

HB 2830,* by Representative John Smithee, Amarillo, and Senator David Sibley, Waco, 9/1/01.

Clarifies that the unauthorized insurance statutes apply to entities that headquarter in Texas but sell only in other states.

HB 186, by Representative Ron Burnam, Fort Worth, and Senator Eliot Shapleigh, El Paso, 9/1/01.

Requires insurers to give local law enforcement and firefighting agencies and the State Fire Marshal, upon written request, certain information relating to burglary, robbery and death benefit claims for use in criminal investigations. In the absence of fraud or malice, insurance company personnel providing such information are immune from civil liability and criminal prosecution.

Genetic Information

SB 12, by Senator Jane Nelson, Flower Mound, and Representative Brian McCall, Plano, 9/1/01.

Amends *Texas Insurance Code* Article 21.73, by adding a definition of "genetic characteristic" as a scientifically or medically identifiable genetic or chromosomal variation, composition or alteration that predisposes a person to a disease, disorder or syndrome. The bill specifies that a genetic test is "presymptomatic" and does not include blood, cholesterol, urine or other physical tests used for purposes other than determining genetic characteristics.

Guaranty Associations

HB 1495, by Representative David Farabee, Wichita Falls, and Senator Mike Jackson, Pasadena, 9/1/01.

Allows a member insurer of the Texas Life, Accident, Health and Hospital Service Insurance Guaranty Association to assign or transfer premium tax credits to another member insurer in the event of an acquisition, merger or total assumption of reinsurance or if the Commissioner issues an order approving the assignment or transfer.

SB 1793,* by Senator David Sibley, Waco, and Representative John Smithee, Amarillo, 9/1/01.

Allows the Commissioner and/or TDI staff members to meet privately with guaranty association boards of directors and their members on matters concerning insurer solvency.

Health Care

HB 471, by Representative Kip Averitt, Waco, and Senator Chris Harris, Arlington, applicable to health benefit plans delivered, issued for delivery or renewed on or after 1/1/02.

Generally prohibits small employer carriers from varying the level of agent commissions according to the size of the group or otherwise reducing access to small employer health benefit plans. However, carriers may use variable commissions based inversely on the size of the group or pay commissions calculated as a percentage of all premium paid by a small employer.

HB 606, by Representative John Smithee, Amarillo, and Senator Jane Nelson, Flower Mound, applicable to physician contracts entered into on or after 9/1/01.

Prohibits preferred provider and HMO contracts from requiring physicians to use hospitalists for hospitalized patients.

HB 803, by Representative Rob Junell, San Angelo, and Senator Robert Duncan, Lubbock, applicable to policies issued, delivered or renewed on or after 1/1/02.

Adds registered nurse first assistants (RNFA's) to the selection of practitioners statutes in the *Texas Insurance Code*. Prohibits HMOs and preferred provider carriers from refusing to contract with an RNFA to be included in a network or refuse to reimburse an RNFA for a covered service that a physician has asked the RNFA to perform.

HB 835, by Representative Ann Kitchen, Austin, and Senator Mike Moncrief, Fort Worth, 6/14/01.

Requires the Health and Human Services Commission to study the feasibility of allowing families without health benefits coverage to buy such coverage for all family members through the state's child health plan. The study must include the role of insurance agents and the possible effects of a buy-in option on the private market for health care coverage.

HB 949, by Representative Kip Averitt, Waco, and Senator Troy Fraser, Horseshoe Bay, 9/1/01.

Prohibits using the number of employees or dependents of a small employer as a criterion for establishing a separate class of business. Requires a two-step process for rating small employer health plans. The first step is development of a base premium rate for each small employer group without regard to any risk characteristic of the group. The second step is adjustment of the base premium rate by the risk load of the group to reflect the group's risk characteristic. Risk characteristics are health status related factors, duration of coverage or similar characteristics related to the health status or experience of a small employer group or any of its members.

HB 1066, by Representative Tom Uher, Bay City, and Senator Mike Jackson, Pasadena, applicable to policies, contracts or evidences of coverage delivered, issued for delivery or renewed on or after 1/1/02.

Enables persons to include grandchildren in their health care coverage regardless of whether they claim the grandchildren as dependents for federal income tax purposes.

HB 1183, by Representative Jaime Capelo, Corpus Christi, and Senator John Carona, Dallas, applicable to policies or evidences of coverage delivered, issued for delivery or renewed on or after 1/1/03.

Requires surgical assistants to be licensed by the Texas Board of Medical Examiners and adds surgical assistants to the selection of practitioners statutes contained in the *Texas Insurance Code*.

HB 1440, by Representative Kip Averitt, Waco, and Senator David Sibley, Waco, applicable to policies, plans, contracts or evidences of coverage delivered, issued for delivery or renewed on or after 1/1/02.

Requires health plans to provide coverage for unmarried dependent children up to age 25.

HB 1591, by Representative Ann Kitchen, Austin, and Senator Frank Madla, San Antonio, 9/1/01.

Requires the use of complete, accurate and reliable encounter data in the calculation of premium rates and other amounts paid to managed care organizations with state Medicaid contracts. The state Medicaid director will appoint a certifier of encounter data with demonstrated expertise in estimating managed care premium rates and access to actuarial expertise.

HB 1610, by Representative Kip Averitt, Waco, and Senator Troy Fraser, Horseshoe Bay, 9/1/01.

Requires the Commissioner to issue rules requiring certain issuers of health benefit plans to collect and report cost and utilization data for mandated benefits and mandated offers. The rules must designate the benefits and offers for which data must be collected and prescribe the detail and format in which the data must be reported. The Commissioner may not require reporting of data when an HMO does not directly process a claim or does not receive complete and accurate encounter data.

HB 1676, by Representative Lon Burnam, Fort Worth, and Senator Leticia Van de Putte, San Antonio, applicable to health benefit plans delivered, issued for delivery or renewed on or after 1/1/02.

Prohibits health benefit plans from excluding coverage for cognitive rehabilitation therapy, cognitive communication therapy, neurocognitive therapy and rehabilitation, neurobehavioral, neurophysiological, neuropsychological and psychophysiological testing or treatment, neurofeedback therapy, remediation, post-acute transition services or community reintegration services necessary because of an acquired brain injury. Issuers of health benefit plans must adequately train personnel responsible for preauthorization or utilization review to prevent denial of coverage under this law.

HB 2127, by Representative Tom Craddick, Midland, and Senator Teel Bivins, Amarillo, 9/1/01.

Prohibits insurers and HMOs from refusing to enroll a person in a health benefit plan solely because the person is enrolled in another health benefit when he or she applies for coverage. Violation constitutes unfair discrimination under *Texas Insurance Code* Article 21.21-8.

HB 2146, by Representative Warren Chisum, Pampa, and Senator Teel Bivins, Amarillo, applicable to group health benefit plans delivered, issued for delivery or renewed on or after 1/1/02.

Requires health insurers and HMOs to furnish to employers, upon request, the claim cost information for employees covered by the plan during the preceding calendar year. Data may be furnished on an aggregate or detailed basis and may not identify specific individuals.

HB 2191,* by Representative Kip Averitt, Waco, and Senator Troy Fraser, Horseshoe Bay, 9/1/01.

Clarifies that persons covered by other states' health risk pools or other alternative mechanisms are eligible for the Texas Health Insurance Risk Pool after moving to this state. Such persons must have lost coverage by virtue of moving out of the state whose pool had insured them. They must apply to the Texas pool within 63 days after termination of their prior coverage. Texas residents who are not United States citizens but have been permanent residents of the U. S. for at least three continuous years were made eligible for the pool. The Commissioner may abate or defer an insurer's pool assessment if the assessment would endanger the insurer's claim-paying ability. Persons who decline employer-sponsored health coverage are ineligible for the pool. It is a violation of *Texas Insurance Code* Article 21.21 to help such persons apply for pool coverage to separate them from an employer group.

HB 2382, by Representative Senfronia Thompson, Houston, and Senator Jeff Wentworth, San Antonio, applicable to health benefit plans delivered, issued for delivery or renewed on or after 1/1/02.

Prohibits health benefit plans that cover prescription drugs or devices from excluding or limiting benefits for prescription contraceptive drugs or devices approved by the U. S. Food and Drug Administration or for outpatient

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contraceptive services. The new statute specifically does not require coverage of abortifacients or other drugs or devices that terminate pregnancies.

HB 2498, by Representative Patrick Haggerty, El Paso, and Senator Eddie Lucio, Brownsville, 9/1/01.

Establishes an interim committee, including the Commissioner of Insurance, to hold hearings on the health care needs of Texas border areas and determine the need for binational health benefit plan coverage.

HB 2828, by Representative John Smithee, Amarillo, and Senator Chris Harris, Arlington, 9/1/01.

Provides TDI with greater oversight over entities to which an HMO delegates functions regulated by TDI. A contract between an HMO and a delegated entity must include a monitoring plan, contain a written description of all delegated functions and allow TDI to examine a delegated entity with respect to its solvency or its ability to carry out a delegated function. Sets solvency standards for delegated entities. Allows TDI to take any action necessary to assure compliance with the *Texas Insurance Code*, including a requirement that the HMO resume functions, including claims payments, previously delegated to the entity.

HB 2831, by Representative John Smithee, Amarillo, and Senator David Sibley, Waco, 9/1/01.

Requires managed care entities, upon request from an out-of-network health care provider, to describe in writing the factors considered in determining the provider's reimbursement for goods and services provided to enrollees or insured persons. However, a managed care entity is not required to disclose proprietary information.

HB 3038, by Representative Carl Isett, Lubbock, and Senator Jane Nelson, Flower Mound, 8/31/01.

Requires group health benefit plans, upon notification by the Texas Department of Health, to enroll children who participate in the Medicaid or child health plan (CHIP) premium reimbursement programs without respect to any enrollment period restrictions.

HB 3343, by Representative Paul Sadler, Henderson, and Senator Teel Bivins, Amarillo, 9/1/01.

Establishes a statewide health care benefits system, administered by the Teacher Retirement

System of Texas, for certain school district employees and their dependents.

HB 3630, by Representative Senfronia Thompson, Houston, and Senator Eddie Lucio Jr., Brownsville, 9/1/01.

Exempts multiple employer welfare arrangements (MEWAs) from assessments by the Texas Health Insurance Risk Pool.

SB 8, by Senator David Cain, Dallas, and Representative David Farabee, Wichita Falls, 9/1/01.

Requires health benefit plan reimbursements for women's reproductive health and oncology services to be not less than the annual average compensation per hour or unit that would be paid for providing health services exclusively to men or to the general population. TDI is required to make determinations and impose appropriate sanctions within 120 days after receiving a complaint alleging a violation. Persons affected by a Commissioner's order regarding a violation of the act may appeal to a district court.

SB 333, by Senator Mike Moncrief, Fort Worth, and Representative Jaime Capelo, Corpus Christi, 9/1/01.

Provides that CHIP, or a carrier providing benefits under CHIP, is the secondary plan when coordinating benefits with private health care coverage for a child. CHIP will pay only after private coverage benefits have been exhausted. Allows for extending coverage under CHIP to adult family members, consistent with federal waiver authority.

SB 496, by Senator Eliot Shapleigh, El Paso, and Representative Mike Wise, Weslaco, 6/17/01.

Directs TDI and the Texas Department of Health to conduct a study identifying impediments to binational health benefit plan coverage and making recommendations to facilitate the provision of such coverage. The departments may appoint an advisory committee to help with the study and must submit their report by November 1, 2002.

SB 544, by Senator J. E. "Buster" Brown, Lake Jackson, and Representative John Smithee, Amarillo, 9/1/01, with coverage changes applicable to evidences of coverage delivered, issued for delivery or renewed on or after 1/1/02.

Requires basic service HMOs to cover a health risk assessment at least once every three years for all adult enrollees and well-woman examinations each year for all adult

female enrollees. Provides that TDI must require HMOs to verify that physicians' licenses and any other required certificates are valid upon initial credentialing and on the date of each recredentialing. HMOs' site visits for initial credentialing must include evaluation of a site's accessibility, appearance, space, record-keeping practices, availability of appointments and confidentiality procedures. TDI may not require HMOs to recredential physicians or providers more often than every three years or require site visits for recredentialing. TDI must promulgate a standard form for verifying a physician's credentials.

SB 789, by Senator Mike Moncrief, Fort Worth, and Representative Glen Maxey, Austin, 9/1/01.

Encourages the expansion of telemedicine and telehealth services. Amends *Texas Insurance Code* Article 21.53F by adding "telehealth services" to its scope. Clarifies that health benefit plans may not exclude a telemedicine medical service or a telehealth service from coverage only because the service is not provided through a face-to-face consultation.

SB 990,* by Senator David Sibley, Waco, and Representative John Smithee, Amarillo, applicable to health benefit plans delivered, issued for delivery or renewed on or after 1/1/02.

Revises certain *Texas Insurance Code* provisions to conform to the federal Health Insurance Portability and Accountability Act (HIPAA) and states that a child is not a late enrollee if the child has lost CHIP or Medicaid coverage.

SB 1181, by Senator Eliot Shapleigh, El Paso, and Representative Craig Eiland, Galveston, 9/1/01.

Requires issuers of health benefit plans, upon request from an insured or enrollee, to provide the name or employee identifier, address and job title, of the issuer's employee who is available to respond to the individual's inquiries about coverage and benefits.

SB 1394, by Senator Troy Fraser, Horseshoe Bay, and Representative Judy Hawley, Portland, 9/1/01.

Amends *Texas Insurance Code* Article 20C, which established the statewide rural health care system. Authorizes the system to sponsor, provide or arrange for the provision of health care services for enrollees. If the system provides services in exchange for a predetermined payment per enrollee on a pre-paid basis, the system must comply with all

requirements of the *Texas Insurance Code* imposed on health plans, including HMOs. Enables the Commissioner to waive certain mileage, distance, network adequacy and coverage scope requirements that the Commissioner may determine are not applicable to the system. The Commissioner may add requirements necessary to ensure enrollee access to health care providers and services.

SB 1467, by Senator Mike Moncrief, Fort Worth, and Representative Irma Rangel, Kingsville, applicable to health benefit plans delivered, issued for delivery or renewed on or after 1/1/02.

Requires health benefit plans that cover screening medical procedures to pay for colorectal examinations for enrollees who are 50 or older and at normal risk for developing cancer of the colon. Minimum benefits are

- 1) an annual fecal occult blood test and a flexible sigmoidoscopy every five years or
- 2) a colonoscopy every 10 years.

Health benefit plans must notify enrollees of this coverage.

Holocaust Claims

HB 845, by Representative Joe Nixon, Houston, and Senator Florence Shapiro, Addison, 5/28/01.

Suspends any applicable statutes of limitations on claims brought by Holocaust victims against insurers operating in Texas if the claims are brought by December 31, 2012. Authorizes enforcement action against any company that asserts a statute of limitations defense or attempts to deny a Holocaust claim on grounds it was not timely filed.

Life Insurance and Annuities

HB 2415, by Representative Helen Giddings, DeSoto, and Senator Rodney Ellis, Houston, 9/1/01.

Requires the Commissioner to study, with the help of an advisory committee, the marketplace for small face amount life insurance policies. The study must include the reasonableness of premiums related to death benefits and report on whether any statutory changes are needed or desirable.

SB 273, by Senator Kenneth Armbrister, Victoria, and Representative Dale Tillery, Dallas, 9/1/01.

Establishes requirements for companies selling annuities to public school and charter school teachers when contributions and payments are made through payroll deductions ("salary reduction agreements"). The Teach-

er Retirement System (TRS) of Texas will maintain a list of companies certified to sell these products to teachers, and companies must notify the TRS if they no longer meet the requirements. Eligibility requirements include clean actuarial opinions for the preceding five years and no TDI administrative or regulatory action under *Texas Insurance Code* Articles 1.32 or 21.28-A or Section 83.051 in the preceding five years. Also required are risk-based capital averaging at least 400 percent of the authorized control level over the preceding five years. The bill includes certain other consumer protections for teachers, including provisions prohibiting schools and school districts from requiring or coercing attendance at meetings where investment products are marketed.

Long-Term Care

HB 2482, by Representative Ann Kitchen, Austin, and Senator Judith Zaffirini, Laredo, 9/1/01.

Requires the Commissioner to adopt rules to stabilize long-term care insurance rates by ensuring that initial rates for long-term care policy forms are adequate and that subsequent increases are justified, adequate and reasonable in relation to benefits. Such rules must be consistent with nationally recognized models in existence on January 1, 2001, and amended after that date.

Loss Control

SB 994*, by Senator David Sibley, Waco, and Representative John Smithee, Amarillo, 9/1/01.

Requires P&C insurers to file loss control information with TDI only when they intend to write lines, such as general liability, medical and professional liability and commercial auto, for which loss control services are required. This replaces the former requirement that insurers file this information as a prerequisite for licensure to write these lines.

Municipalities

HB1466, by Representative Glen Maxey, Austin, and Senator David Cain, Dallas, 9/1/01.

Allows a municipality to waive the requirement of *Texas Insurance Code* Article 21.49-16 that an insurer's bid on stop-loss coverage must be firm and cannot provide for a contract to be changed to limit the terms of coverage.

Nursing Homes

SB 415*, by Senator John Carona, Dallas, and Representative Elliott Naishtat, Austin, applicable to policies delivered, issued for delivery or renewed on or after 1/1/02.

Makes for-profit nursing homes eligible for coverage through the Texas Medical Liability Insurance Underwriting Association, or "Joint Underwriting Association" (JUA). The bill requires the Commissioner, in consultation with the Texas Department of Human Services, to adopt minimum rating standards that a for-profit nursing home must meet as a condition for receiving coverage through the JUA. The standards must promote a "the highest practical level of care" for nursing home residents. The JUA may not provide coverage for punitive damages.

SB 1839, by Senator Mike Moncrief, Fort Worth, and Representative Craig Eiland, Galveston, 6/15/01. The provision requiring nursing homes to have professional liability coverage takes effect 9/1/03.

Enacts the Long-Term Care Facility Improvement Act. Amends statutes governing evidence in civil actions against nursing homes. Requires courts to notify the Texas Department of Human Services when exemplary damages are awarded against nursing homes or their officers, employees or agents. Requires insurers to furnish TDI with information, upon request and on a confidential basis, for the purpose of determining whether insurers are passing through savings that result from the act. Requires the Commissioner to adopt best practices for risk management and loss control that may be used by nursing homes. Makes for-profit nursing homes eligible for JUA coverage. Provides that the JUA is not liable for exemplary damages under policies covering nursing homes and excluding coverage for exemplary damages awarded in relation to a covered claim. For-profit and not-for-profit nursing homes may be eligible for professional liability coverage through the JUA if they can document they were unable to obtain substantially equivalent coverage and rates in the admitted market or from eligible surplus lines carriers. JUA rates for not-for-profit nursing homes must reflect a discount of 30 percent from the rates charged to for-profit nursing homes. The bill establishes a separate JUA stabilization reserve fund for nursing homes, with initial funding from a state revenue bond issue of up to \$75 million. To hold

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a Texas license, nursing homes must maintain professional liability insurance coverage in amounts of at least \$1 million per occurrence and \$3 million aggregate. The Department of Human Services must establish an early warning system to detect conditions that could be detrimental to the health, safety and welfare of residents.

Privacy

SB 11, by Senator Jane Nelson, Flower Mound, and Representative Patricia Gray, Galveston, 1/1/02.

Adds Chapter 28B, "Privacy of Health Information," to the *Texas Insurance Code*. Authorizes the Commissioner of Insurance to adopt rules concerning the privacy of health information held by entities regulated by TDI. Defines personal health information as health information that identifies an individual who is the subject of the information or with respect to which there is a reasonable basis to believe the information could be used to identify the individual. An insurance company, agent or HMO must obtain an individual's written authorization before disclosing non-public health information about that person. A request for authorization must describe the information and disclose who will receive it and how it will be used. The request also must state that the individual may revoke the authorization at any time and explain the revocation procedure. Authorizations are valid for no more than 24 months. No authorization is needed for disclosures necessary for the performance of insurance functions on behalf of the insurance entity possessing the nonpublic information or to comply with state or federal law. An entity that complies with HIPAA's privacy requirements is considered to be in compliance with this chapter.

SB 712, by Senator David Sibley, Waco, and Representative Kip Averitt, Waco, 6/14/01.

Requires insurers to comply with the privacy requirements of the Gramm-Leach-Bliley Act. Authorizes the Commissioner of Insurance to adopt rules concerning the privacy of personal financial information held by insurers and other entities regulated by TDI. Allows TDI to adopt stricter rules concerning health information than are required by Gramm Leach Bliley. Makes TDI responsible for enforcing the privacy requirements of Gramm-Leach-Bliley insofar as they apply to insurers operating in Texas. Authorizes the Texas Attorney

General, after conferring with the Commissioner, to seek injunctive relief and civil penalties for violations.

Property Insurance

HB 1891, by Representative Glenn Lewis, Fort Worth, and Senator Leticia Van de Putte, San Antonio, applicable to endorsements used on or after 1/1/02.

Requires insurers to give written explanations when attaching endorsements that reduce the amount of coverage provided by a residential property policy, unless the policyholder requested the endorsement.

Property and Casualty Rates

HB 2102*, by Representative Craig Eiland, Galveston and Senator David Sibley, Waco, applicable to policies delivered, issued for delivery or renewed on or after 1/1/02.

Converts benchmark rate proceedings from contested cases before administrative law judges of the State Office of Administrative Hearings to rulemaking proceedings before the Commissioner. Eliminates the requirement of a SOAH hearing on rates of the Texas Automobile Insurance Plan Association (TAIPA). TAIPA will file rates annually, subject to the Commissioner's prior approval after a public hearing. If rates are disapproved, TAIPA may submit an amended filing that addresses the Commissioner's objections.

Recodification

HB 2811, by Representative Steve Wolens, Dallas, and Senator David Cain, Dallas, 6/1/03.

Nonsubstantive revision and rearrangement of *Texas Insurance Code* subdivisions dealing with organization of insurers, life insurance and annuities, and health insurance and other health coverages.

State Employee Benefits

SB 292, by Senator Kenneth Armbrister, Victoria, and Representative Barry Telford, DeKalb, 9/1/01.

Amends statutes concerning state employee retirement and benefits, including *Texas Insurance Code* Article 3.50-2. Changes provisions dealing with health plan coverage of mental illness. Authorizes the Employees Retirement System (ERS) of Texas to impose sanctions for such things as defrauding or attempting to defraud HMOs or insurance or benefit plans. Authorizes ERS, insurers, HMOs and others involved in the administration of state employee benefit plans to share medical

records and other information as necessary to detect or impose sanctions for criminal acts, misrepresentations or nondisclosures related to attempts to obtain coverage, payments, reimbursements or benefits. Authorizes ERS to adopt rules for the use of debit cards or similar technology for claims administration.

State Fire Marshal

HB 1450, by Representative Dale Tillery, Dallas, and Senator Florence Shapiro, Addison, 9/1/01.

Requiring the State Fire Marshal to investigate each death of a firefighter in the line of duty and determine the factors that caused the death. The fire marshal must issue a detailed annual report containing the findings of each investigation. The State Fire Marshal also is required to coordinate the investigative efforts of local government officials.

SB 327, by Senator Mike Jackson, Pasadena, and Representative Senfronia Thompson, Houston, 5/22/01.

Requires TDI to issue rules allowing the servicing of a portable fire extinguisher, fixed fire extinguisher system or extinguisher equipment even though it lacks the label of approval or listing of a TDI-approved testing laboratory.

Taxes

SB 601, by Senator John Carona, Dallas, and Representative Jim Solis, Harlingen, 9/1/01.

Provides premium tax credits for insurers that invest in "certified capital companies." These are state-regulated but privately owned venture capital firms that invest funds in early-stage companies operating in Texas.

SB1689, by Senator Rodney Ellis, Houston, and Representative Yvonne Davis, Dallas, 9/1/01.

Exempts title companies, title agents and insurance organizations performing management or accounting activities for nonadmitted captive insurance companies from the state franchise tax.

SB1690, by Senator Rodney Ellis, Houston, and Representative Yvonne Davis, Dallas, 9/1/01.

Provides that title companies, title agents and admitted insurance companies subject to premium taxation may not be required to pay any additional state, city or county taxes in proportion to their gross premium receipts. However, this exemption may not be construed to prohibit taxation of the real and personal property of these entities or the levy and col-

lection of taxes imposed by other laws of this state unless those laws provide specific exemptions.

TDI Administration

SB 817, by Senator Kenneth Armbrister, Victoria, and Representative Tony Goolsby, Dallas, 9/1/01.

Exempts surveillance vehicles used by certain state agencies, including TDI, from the general requirement that state agency vehicles bear the agency's name in letters not less than two inches high.

Texas Windstorm Insurance Association

HB 1162, by Representative Craig Eiland, Galveston and Senator Mike Jackson, Pasadena, 9/1/01.

Repeals the *Texas Insurance Code* section tying TWIA residential property insurance rates by formula to benchmark rates for extended coverage in the coastal counties. TWIA will file proposed rates for all types of risks by August 15 each year. TWIA rates are subject to prior approval by the Commissioner following a public hearing. Rate changes may not exceed 10 percent on average or 15 percent for an individual rating class.

SB 365, by Senator Ken Armbrister, Victoria, and Representative Allan Ritter, Nederland, 1/1/02.

Adopts the *International Residential Code* as a municipal residential building code in Texas. Authorizes the Commissioner of Insurance to supplement the *Building Code for Wind-Resistant Construction* with the structural provisions of the *International Residential Code*. Requires submission of inspection applications to TDI before construction begins. Adds persons certified by the International Code Council, the Building Officials and Code Administrators International Inc., the International Conference of Building Officials or the Southern Building Code Congress International Inc. to the list of qualified inspector categories, as authorized by the Commissioner.

Title Insurance

SB 1707, by Senator Leticia Van de Putte, San Antonio, and Representative Senfronia Thompson, Houston, 6/13/01.

Authorizes TDI to issue rules allowing a title insurance company to accept an existing survey and not require a new survey when providing area and boundary coverage. Prohibits title insurers from discriminating in providing area and boundary coverage for residential real property solely because the property is

platted or unplatted or because a municipality did not accept a subdivision plat in relation to the property before September 1, 1975. The bill also prohibits a title insurance company from requiring an indemnity from a seller, buyer, borrower or lender to provide area and boundary coverage.

Trade Practices

HB 362, by Representative Kip Averitt, Waco, and Senator David Sibley, Waco, 9/1/01.

Provides that it is neither a rebate nor unfair discrimination to waive surrender charges under a life annuity contract when

- 1) the contract holder exchanges the contract for another annuity contract with the same insurer and
- 2) the waiver and exchange are fully, fairly and accurately explained in a manner that is not deceptive or misleading.

HB 3254, by Representative Helen Giddings, De Soto, and Senator Rodney Ellis, Houston, 9/1/01.

Exempts from the time limitations of *Texas Insurance Code Article 81.001* disciplinary actions for violations of Articles 21.21-6 and 21.21 Section 4(7) (a) insofar as these provisions relate to discrimination based on race or color.

SB 1637, by Senator David Bernsen, Beaumont, and Representative Mark Homer, Paris, 9/1/01.

Adds to the *Texas Business and Commerce Code* definition of "false, misleading or deceptive acts or practices" the marketing of phony discount cards that purport to be prescription drug identification cards under *Texas Insurance Code Article 21.07-6*.

Unearned Premium

HB 1408, by Representative Rob Junell, San Angelo, and Senator Robert Duncan, Lubbock, 9/1/01.

Requires the refund of unearned premium upon cancellation or termination of policies for which an insurer is required to maintain unearned premium reserves. The life/health and property/casualty guaranty associations must promptly refund any unearned premium as defined in their governing statutes.

Vehicle Protection Products

SB 714, by Senator David Sibley, Waco, and Representative Kip Averitt, Waco, applicable to vehicle protection products purchased on or after 1/1/02.

Provides for regulation of warranties of "vehicle protection products," such as auto alarms and steering wheel locking devices, by the Texas Department of Licensing and Regulation. Entities issuing such warranties must back them with an insurance policy or some other form of financial security approved by the department. The bill includes provisions on the insurer's obligations, including required notice prior to policy cancellation.

Volunteer Fire Departments

HB 2604, by Representative Jim McReynolds, Lufkin, and Senator Robert Duncan, Lubbock, 9/1/01.

Establishes a Rural Volunteer Fire Department Assistance Program, administered by the Texas Forest Service and funded by a \$15 million-a-year assessment of insurers that write homeowners, fire, farm and ranch owners, commercial multiple peril and auto physical damage policies. The Comptroller of Public Accounts will assess companies based on market share. Insurers may pass assessments through to policyholders or expense them in their rate filings.

HB 3667, by Representative Robert L. Cook, Eagle Lake, and Senator Eddie Lucio Jr., Brownsville, 10/1/01.

Establishes a Rural Volunteer Fire Department Insurance Program, administered by the Texas Forest Service and funded by a 2 percent sales tax on fireworks. The money will be used to help volunteer fire departments buy workers' compensation and accidental death and disability insurance.

Workers' Compensation

HB 1203, by Representative Kim Brimer, Fort Worth, and Senator Troy Fraser, Horseshoe Bay, applicable to policies, contracts or agreements delivered, issued for delivery or renewed on or after 1/1/02.

Revises statutes governing workers' compensation for state agencies. Adds new *Texas Insurance Code Article 21.49-15A* requiring insurers to report intended sales of property and casualty insurance to state agencies to the State Office of Risk Management at least 30 days before the policies take effect. Declares

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the Legislature's intent that state agencies self-insure rather than buy surety bonds from insurance companies.

HB 2600, by Representative Kim Brimer, Fort Worth, and Senator Robert Duncan, Lubbock, 6/17/01.

Amends the *Texas Labor Code* to expand regulation, training and monitoring of doctors and insurance carriers in the workers' compensation system. Prohibits employees from waiving certain rights and causes of action against employers that do not have workers' compensation insurance. Addresses utilization review and expands utilization review to include concurrent review. Authorizes the creation of health care delivery networks in the workers' compensation system, expands notification requirements about return-to-work issues, changes the medical regulation and medical dispute resolution processes, provides new benefits for injured workers and alters current law relating to the payment of attorney's fees in disputes. The bill provides lifetime income benefits for certain workers with serious burns.

HB 3458, by Representative Kim Brimer, Fort Worth, and Senator Robert Duncan, Lubbock, 9/1/01.

Converts the Texas Workers' Compensation Insurance Fund to a domestic mutual insurance company to be known as Texas Mutual Insurance Co. The company will continue to serve as the state's workers' compensation insurer of last resort. The Governor will appoint five members of its board of directors with the advice and consent of the Senate; the other four will be elected by the company's policyholders. All directors must be citizens of Texas. All assets and other funds of the company belong solely to the company and will be governed by Texas laws applicable to domestic mutual companies. ★



Agents' Corner

By **Matt Ray**, Deputy Commissioner, Licensing Division

MANY TELEPHONE and e-mail inquiries to the Agent Licensing Division concern address changes, clearance letters and certifications to other states that an agent is licensed and in good standing. This column provides information on the requirements for each action.

How to Change an Address

Agents are required by law to notify TDI promptly of any address change. This cannot be done by telephone or e-mail, but it can be done by fax. An agent must submit a signed and dated letter notifying TDI of the change. The letter must contain the following information:

- Agent/agency full name as it appears on the license.
- Social Security number or federal employer identification number (FEIN).
- License number or individual identification number located on the agent's license certificate.
- The new address the agent wants shown on TDI records.
- Signature and date. For an agent, the letter must be signed by the agent and dated. For an entity such as an incorporated agency, the letter must be signed by an officer, partner, director or manager (if the entity is a limited liability corporation) and dated.

The address change may be faxed to Agent Licensing at 512 322-3553 or mailed to:

Texas Department of Insurance
Agent Licensing Division (MC107-1A)
 P.O. Box 149104
 Austin, TX 78714-9104

How to Request a Clearance Letter

Submit a letter signed and dated by the agent requesting a clearance letter with the following information:

- Agent's full name as it appears on the license. Include the Social Security number.
- Name of the state or country to which the agent is relocating.
- The agent's TDI license or individual identification number. If the license was canceled before 1992, give license type, date held and the 11 digit file number, if available.

Enclose the original license(s). Photocopies are not acceptable. If the original license(s) cannot be located, the agent's signature on the letter must be notarized and dated with a statement indicating that the license(s) cannot be returned.

There is no charge for a letter of clearance.

The agent's letter and original license(s) should be mailed to:

Texas Department of Insurance
Agent Licensing Division (MC 107-1A)
 PO Box 149104
 Austin, TX 78714-9104

How to Request a Letter of Certification

An agent should send TDI a signed and dated letter requesting a license certification letter with the following information:

- Agent or agency's full name as it appears on the license.
- Social Security number or FEIN.
- License number or individual identification number located on the license certificate.
- Contact name, telephone number and return address. The return address can be a home or office, but TDI cannot file documents with another state insurance department.
- Enclose the required \$11 fee for each certification letter requested. Checks must be made payable to the Texas Department of Insurance.

The letter and fee should be mailed to:

Texas Department of Insurance
Agent Licensing Division (MC107-1A)
 P.O. Box 12069
 Austin, TX 78711-2069

Requests sent by overnight delivery should be addressed to:

Texas Department of Insurance
 through
 Texas Comptroller of Public Accounts
 Item Processing, 1st Floor
 Lockbox Dept.
 200 East 10th Street
 Austin, TX 78711-2069 ★

The Public Information Process at TDI

By Ann Bright, Section Chief, Agency Counsel Section, Legal and Compliance Division.

IN FISCAL YEAR 2000, TDI responded to more than 4,000 requests under the Texas Public Information Act, formerly known as the Open Records Act. The purpose of this article is to summarize how TDI deals with these requests.

The Public Information Act

The Public Information Act (the Act) entitles each person to complete information about the affairs of government and the official acts of public officials and employees unless otherwise expressly provided by law.

"Public information" means information that is collected, assembled, or maintained under a law or ordinance or in connection with the transaction of official business: **1**) by a governmental body; or **2**) for a governmental body and the governmental body owns the information or has a right of access to it. TEX. GOV'T CODE §522.002(a).

TDI Public Information Act Request Procedures

TDI is committed to providing customer friendly service. All agency information is public unless it is confidential by law or falls within an exception to the Act.

Information requests are processed by the division that has the documents. For example, TDI's Financial Monitoring Division provides annual statement pages, while Licensing responds to requests for agents' license applications. TDI's philosophy is that the division most familiar with the documents is the one most able to process requests efficiently and quickly. If you request information located in several divisions, you might receive a response from each division.

If you know the division that maintains the information you are seeking, it is best to send your request to that division. Each division has at least one open records liaison responsible for handling public information requests. Your request should be in writing and may be hand-delivered, mailed, faxed or sent by e-mail. TEX. GOV'T CODE §552.301(c). If you do not know the proper division, you may send your request to the Agency Counsel Section of the Legal and Compliance Division.

When the information you have requested is open to the public, TDI will provide it within a reasonable time after receiving the request. If TDI cannot provide the information within 10 business days,

TDI will state in writing a date and hour within a reasonable time when the information will be available for inspection or copying. TEX. GOV'T CODE §552.221(d). TDI also will notify you if there are no records responsive to the request. If you need the information by a specific date, you may wish to contact the appropriate division at TDI to determine the length of time necessary for completing your request.

TDI employees are encouraged to call or write the requestor to establish proper identification of documents or to clarify the request if it is unclear. If the documents you are seeking are voluminous, a TDI employee may talk to you about narrowing the scope of the request. TDI will not ask about the purpose for which the information will be used.

What Your Request Should Include

Including the following information will help expedite your request: **1**) your name and mailing address (so we can send you a response); **2**) your phone number (so we can contact you if we have questions); and **3**) a list or description of the specific information you want, including time periods. If you seek information that TDI maintains electronically, please note in your request if you want the information on a diskette or other storage medium or sent by e-mail. If you would like to view the requested information, rather than receive copies, please say so in your request and call the proper TDI division for an appointment. Calling before you arrive will help ensure that the information has been located and prepared for inspection.

If you want certified copies of documents, please make this clear in your request. The charge for certified copies is \$11 plus the cost of copies. Likewise, please specify if you need a negative certification in the event TDI does not have the information you are requesting. The charge for a negative certification is also \$11.

Confidential or Exempt Information

Although most of the information maintained by TDI is available to the public, some information may be protected from required disclosure by the Public Information Act, the *Texas Insurance Code* or other statutes. For example, examination reports, private medical information and medical records are confidential by law. TDI is prohibited from releasing such information. In addition, TDI is permitted, but not required, to withhold other

specific types of information such as pending investigation or litigation files; certain intra-agency memoranda containing advice, opinion or recommendations; and bids or proposals submitted to TDI before a contract is awarded.

In most cases, if TDI believes that information responsive to your request is exempt from disclosure, TDI must request an open records opinion from the Attorney General. TEX. GOV'T CODE §552.301. In Fiscal Year 2000, TDI sought Attorney General opinions with respect to 52 public information requests, or 1.3 percent of the total.

To withhold information from public disclosure, TDI must notify the Attorney General of the exceptions to disclosure that apply to the information by the 10th business day after receiving the request. TEX. GOV'T CODE §552.301(d). By the 15th business day, TDI must submit samples of the requested information along with arguments supporting exemption from disclosure. TEX. GOV'T CODE §522.301(e). If TDI seeks to withhold any of the information you requested, you will receive a copy of TDI's letter to the Attorney General. In addition, TDI will usually attempt to contact you before seeking an Attorney General's opinion to explain why TDI believes that some of the requested information is exempt from disclosure and to verify that you are seeking that information.

The Attorney General is required to issue an opinion within 45 working days (about 9 weeks) after receiving a request. The Attorney General may extend this deadline by 10 working days (about 2 weeks) by notifying you and TDI. TEX. GOV'T CODE §552.306. The Attorney General's decision will be sent to you and to TDI.

If you do not wish to receive information that is considered confidential or otherwise exempt from public disclosure, please state this in your request letter. Alternatively, you may sign a form indicating that you do not wish to receive information that TDI considers confidential or exempt from disclosure. The form is available from TDI's Web site, a TDI open records liaison or the Agency Counsel Section. If you indicate that you are not seeking information that is considered exempt from disclosure, TDI will remove all confidential information and may remove information protected by other exceptions in the Public Information Act.

LegalNotes (continued)

Companies sometimes submit information to TDI that they claim is confidential. Such information should be carefully labeled. If TDI receives a request for information that a company claims to be confidential, we normally will request an Attorney General's opinion. However, we usually do not submit arguments in support of keeping such documents confidential. TEX. GOV'T CODE §552.305. We do, however, notify the company that TDI has requested an Attorney General's opinion so that the company has an opportunity to submit its own arguments for confidentiality. If the company does not submit arguments or submits inadequate arguments, the Attorney General likely will decide that TDI must release the information. The company will receive a copy of the Attorney General's opinion. After receiving the Attorney General's opinion, TDI normally will notify the company and the requestor before releasing the information.

Some individuals or entities have a special right of access to information that is otherwise confidential. For example, a member, committee or agency of the Texas Legislature may obtain otherwise confidential information for legislative purposes. TEX. GOV'T CODE §§552.008, 552.264. If TDI maintains private information about an individual, the individual will normally have a special right of access to that information. TEX. GOV'T CODE §552.023. Also, confidential information can usually be shared between state governmen-

tal bodies. Op. Tex. Att'y Gen. Nos. H-917 (1976), H-242 (1974).

Charges for Information

The charge for obtaining public information is set by the Texas General Services Commission. TEX. GOV'T CODE §552.262. The charge for standard-size paper copies is 10 cents per page. The charge for copies made by a vendor is the actual amount the vendor bills TDI. The charge for providing information also may include personnel, programming and computer time. If the total cost is less than \$10, there usually will be no charge. TEX. GOV'T CODE §552.267(b). If the estimated charge is more than \$100, TDI usually requires a prepaid deposit or bond before providing the information. TEX. GOV'T CODE §552.263. Also, if you have an unpaid balance of more than \$100 for previous requests, a prepaid deposit or bond will be required. You will not be asked to pay in advance for open records requests (unless a deposit is required). TEX. GOV'T CODE §552.263(c).

If TDI estimates the charge for the information you requested to be more than \$40, the Department will send you an itemized estimate of the charges. The estimate will include information about less costly alternatives and will specify when the requested information will be available. TEX. GOV'T CODE §552.2615(a), 1 Tex. Admin. Code §111.67. The estimate will include a form you can return to TDI to indicate that you either agree

to the estimated charges, that you wish to modify your request, or that you wish to withdraw your request. The estimate also will include a date by which TDI will provide the requested information if you approve the estimate. You will be asked to respond to the estimate within 10 business days. If you do not respond to the estimate within 10 business days, TDI will assume that you wish to withdraw your request. TEX. GOV'T CODE §552.2615(b).

After you approve the estimate, the appropriate TDI division(s) will send you the requested information by the date stated in the estimate. The final bill for the information will be sent separately. If the actual charge exceeds the estimate by 20 percent or more, you will be sent a new estimate. Tex. Gov't Code §552.2615(c). By promptly responding to the estimate, you will help reduce any delay in providing the requested information.

Additional Information

Open Records Page on TDI's Web site: www.tdi.state.tx.us/commish/lcoprc1i.html.

Attorney General's Open Records Handbook: www.oag.state.tx.us/newspubs/publications.html.

Questions about public information requests to TDI may be directed to the Agency Counsel Section of the Legal and Compliance Division at 512 475-1757. ★

Data Call Reminders

Quarterly Closed Claim Reports

Reports of claims closed during the second quarter of 2001 are due by July 10, 2001. TDI contact is Vicky Knox, 512 475-1879. E-mail address: vicky.knox@tdi.state.tx.us

Call for Quarterly Experience

The Call for First Quarter 2001 Experience was mailed March 30, 2001, as Commissioner's Bulletin B-0012-01 and was due May 15, 2001. The bulletin and forms may be downloaded from TDI's web site located at http://www.tdi.state.tx.us/company/indexcmp.html#datacalls_ind. TDI contact is Julie Jones, 512 475-3030. E-mail address: julie.jones@tdi.state.tx.us

Call for Quarterly Experience, Workers' Compensation Deductible Plans

The Call for First Quarter 2001 Experience was mailed March 30, 2001, as Commissioner's

Bulletin B-0012-01 and was due May 15, 2001. The bulletin and forms may be downloaded from TDI's web site located at http://www.tdi.state.tx.us/company/indexcmp.html#datacalls_ind. TDI contact is Julie Jones, 512 475-3030. E-mail address: julie.jones@tdi.state.tx.us

2001 Texas Disallowed Expense Call for Calendar Year 2000

The Texas Disallowed Expense Call for calendar year 2000 was mailed February 12, 2001, as Commissioner's Bulletin B-0005-01 and was due April 2, 2001. The bulletin and forms are available for download from TDI's web site located at http://www.tdi.state.tx.us/company/indexcmp.html#datacalls_ind. TDI contact is Julie Jones, 512 475-3030. E-mail address: julie.jones@tdi.state.tx.us

2001 Texas Title Insurance Agents Statistical Report for the Year Ended December 31, 2000, was mailed April 27, 2001, and was due June 11, 2001. The bulletin and forms may be downloaded from TDI's web site located at: <http://www.tdi.state.tx.us/commish/b-0017-1.html>. TDI contact is Michael Davis, 512 322-5029. E-mail address: michael.davis@tdi.state.tx.us

2001 Texas Title Insurance Company Call For Experience For The Calendar Year Ended December 31, 2000, was mailed June 7, 2001, and is due July 30, 2001. The bulletin and forms may be downloaded from TDI's web site located at: <http://www.tdi.state.tx.us/commish/b-0026-1.html>. TDI contact is Julie Jones, 512 475-3030. E-mail address: julie.jones@tdi.state.tx.us ★

Disciplinary Actions

Editor's Note: Copies of individual orders may be obtained by calling TDI's Public Information Office, 512 463-6425.

AGENTS & AGENCIES	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	Alcocer, Jesus	El Paso	Restitution of \$1,161	Fraudulent or Dishonest Practices	01-0391	5/1/01
	Apex Texas Title Agency Inc.	Plano	\$25,000 Fine; Voluntary Surrender of Title Agent's License	Escrow Accounting Violations; Failure to Disclose Premium Splits; Failure to Submit Annual Audit of Trust Fund Accounts	01-0426	5/9/01
	Carter, Coy Lee	Arlington	County Mutual Agent's License Revoked	Selling Unapproved Insurance Products	01-0378	4/26/01
	Casson, Carolyn	Richardson	Escrow Officer's License Revoked	Misappropriation or Conversion	01-0392	5/1/01
	Castillo, Manuel Joseph	San Antonio	Adjuster's Licenses Denied	Felony Conviction Causes for Previous Revocation Still Exist	01-0327	4/16/01
	Cavaluzzi, Anthony E.	Windsor, CT	Life, Accident, Health and HMO Agent's Revoked License	Misappropriation or Conversion	01-0372	4/26/01
	Eichstadt, Mark A., Sr.	Port Aransas	Qualified Inspector's Appointment Canceled	Consent Order; Failure to Comply with Commissioner's Order	01-0473	5/24/01
	Morataya, Theresa	Corpus Christi	Solicitor's License Application Denied	Material Misstatements on License Application	01-0364	4/24/01
	Olivares, Monica Marquez dba San Antonio Commercial Insurance Agency	San Antonio	\$1,200 Restitution	Failure to Remit Premium to an Insurance Company. Resulting in an Uninsured Third-Party Loss	01-0472	5/24/01
	Stone, Samuel Claude	Roma	Life, Accident, Health and HMO Agent's License and Local Recording Agent's License Revoked	Misappropriation or Conversion	01-0380	4/26/01
	Tesseyman, John	Tyler	\$10,000 Fine; 18-Month Probated Suspension Of All Licenses	Consent Order: Alleged Sale of Property and Casualty Insurance Before Issuance of the Required License.	01-0398	5/2/01
	Williams, Cynthia Lou	Houston	Property and Casualty Agent's License Revoked; Restitution	Fraudulent or Dishonest Acts; Misappropriation or Conversion	01-0421	5/7/01
COMPANIES	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	Connecticut General Life Insurance Co.	Hartford, CT	\$15,000 Fine	Failure to Supervise Utilization Review Agent	01-0471	5/24/01
	Conseco Medical Insurance Co.	Rockford, IL	\$5,000 Fine	Consent Order; Alleged Failure to Offer Serious Mental Illness Rider; Alleged Premium Rate Was not Actuarially Sound	01-0487	5/30/01
	Continental Casualty Co.	Chicago	\$10,000 Fine and Reimbursement of Excess Premium	Consent Order; Alleged Refusal to Allow 20 Members of an Association Health Plan to Join a Lower Cost New Plan	01-0463	5/21/01
	Economy Preferred Insurance Co.	Freeport, IL	\$2,500 Fine	Failure to Respond to TDI Information Request	01-0481	5/29/01
	Union Fidelity Life Insurance Co.	Fort Washington, PA	\$1,500 Fine	Consent Order; Alleged Credit Disability Insurance Violation	01-0465	5/21/01
	United Wisconsin Life Insurance Co.	Green Bay, WI	\$30,000 and Restitution	Violation of Small Employer Health Insurance Rating Laws; Failure to Properly Oversee Audit of Physician Bills	01-0486	5/30/01
HMOS	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	Valley Baptist Health Plan	Harlingen	\$500 Fine	Violation of Rule Requiring that an HMO's Medical Director Live in its Service Area	01-0464	5/21/01
URAS	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	International Rehabilitation Associates, dba Intracorp	Philadelphia, PA	\$17,500 Fine	Failure to Provide Patients with Notice of Right to Independent Review	01-0483	5/30/01

Company Licensing

Applications Pending

For name change in Texas

FROM	TO	LINE	LOCATION
Minnesota Fire & Casualty Co. Heritage Mutual Insurance Co.	Harleysville Insurance Co. Acuity, A Mutual Insurance Company	Fire & Casualty Fire & Casualty	Minneapolis, MN Sheboygan, WI

Applications Approved

For admission to do business in Texas

COMPANY NAME	LINE	HOME OFFICE
GAB Robins North America Inc.	TPA	Wilmington, DE
Lifewell Ltd., dba Lifewell Health Plans	TPA	Marietta, GA
Lincoln General Insurance Co.	Fire & Casualty	York, PA
McCamish Sytems, LLC	TPA	Atlanta, GA
R.V.I. America Insurance Co.	Fire & Casualty	Stamford, CT
Simplyhealth.com Inc.	TPA	Wilmington, DE
Southern Title Insurance Corp.	Title	Richmond , VA

For incorporation

COMPANY NAME	LINE	HOME OFFICE
AS&G Claims Administration Inc.	TPA	Houston, TX
Lifere Administrators Inc.	TPA	San Antonio, TX
Superior Risk Administrators Inc.	TPA	Dallas, TX
Tescripts, L.P.	TPA	Fort Worth, TX
Unified Life Insurance Company of Texas	Life	Austin, TX
USAA Texas Lloyds Co.	Fire & Casualty	San Antonio, TX

For name change in Texas

FROM	TO	LINE	LOCATION
Allegiance Insurance Co.	Horace Mann Property & Casualty Insurance Co.	Fire & Casualty	Ontario, CA
Anthem Life Insurance Company of Indiana	Anthem Life Insurance Co.	Life	Indianapolis, IN
Baltica-Skandinavia Reinsurance Company of America Inc.	ICM Insurance Co.	Fire & Casualty	New York, NY
Capitol Bankers Life Insurance Co.	Annuity & Life Reassurance America Inc.	Life	Hartford, CT
Cova Financial Services Life Insurance Co.	Metlife Investors Insurance Co.	Life	St. Louis, MO
Guaranty National Insurance Company of California	Guaranty National Insurance Company of Connecticut	Fire & Casualty	Farmington, CT
Linda Hicks, dba Flex Benefit Administrators	Linda J. Hosford, dba Flex Benefit Administrators	TPA	Houston, TX
The London Assurance of America Inc.	XL Capital Assurance Inc.	Casualty	New York, NY
Mutual Insurance Corporation of America	American Physicians Assurance Corp.,	Fire & Casualty	East Lansing, MI
PMA Reinsurance Corp.	PMA Capital Insurance Co.	Fire & Casualty	Philadelphia, PA
Security First Life Insurance Co.	Metlife Investors USA Insurance Co.	Life	Wilmington, DE
Titleamerica Insurance Corp.	North American Title Insurance Corp.	Title	Miami, FL
Underwriters Lloyds of Texas	AXA Corporate Solutions Lloyds Insurance Company of Texas	Fire & Casualty	Houston, TX
Unified Life Insurance Co.	Americom Life & Annuity Insurance Co.	Life	Houston, TX
USF Re Insurance Co.	AXA Re America Insurance Co.	Fire & Casualty	Wilmington, DE
Waterford Insurance Co.	Nationwide Affinity Insurance Company of America	Fire & Casualty	Topeka, KS
Workup, LLC	DCG Resource Options, LLC	TPA	Portland, ME



Texas Department of Insurance
 P.O. Box 149104
 Austin, Texas 78714-9104

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