



Texas Insurance News

REGULATORY NEWS PUBLISHED BY THE TEXAS DEPARTMENT OF INSURANCE

Montemayor Outlines Texas Med Mal Availability and Affordability Problem

COMMISSIONER JOSE MONTEMAYOR has reported to legislators that the number of active medical malpractice writers in Texas dwindled from 17 in 1999 to four—plus the residual market—in 2002.

The recent departure of eight carriers from the market is affecting at least 6,101 physicians, more than one-sixth of the state's total number of doctors, Montemayor told the House Insurance Committee at a hearing in May.

The committee's interim charges for work between the 2001 and 2003 legislative sessions include a review of "the status of the medical liability insurance market and all aspects of the market that affect the cost of coverage." In addition, Governor Rick Perry has recommended that the 2003 Legislature take action, including a \$250,000 cap on non-economic losses, to bring skyrocketing malpractice premiums under control.

Montemayor said the first of the eight departing medical malpractice carriers began non-renewing policies in March 2001, and all the withdrawals should be complete by the middle of 2003. The companies and estimated number of physicians affected are shown below.

| COMPANY | ESTIMATED NUMBER OF PHYSICIANS AFFECTED |
|---|---|
| American Healthcare Indemnity/Southern California Physicians Insurance Exchange | 192 |
| Chicago/Interstate Group (Fireman's Fund) | 1,800 |
| Clarendon | not available |
| Frontier | 1,000 |
| Lawrenceville/MIIX | 2,176 |
| Reciprocal Alliance Risk Retention Group | 25 |
| PHICO | 308 |
| St. Paul | 600 |
| Total | 6,101 |

Carriers still active are American Physicians Insurance Exchange, The Doctors' Company, the Medical Protective Company and Texas Medical Liability Trust (TMLT), Montemayor said.

The TMLT, a self-insurance trust formed by the Texas Medical Association for its members, is the dominant carrier, covering some 10,000 doctors, almost a third of the total. It files rates and forms with TDI for information only. It also submits annual financial statements to TDI for review but

does not participate in the Texas Property and Casualty Insurance Guaranty Association.

Other entities providing medical malpractice insurance include surplus lines carriers, risk retention groups, risk purchasing groups and the Texas Medical Liability Insurance Underwriting Association, the residual market also known as the Joint Underwriting Association or JUA.

As the market hardened, the number of physicians covered by the JUA grew from 168 in 2001 to 592 as of April 30, 2002, Montemayor reported.

The Commissioner provided information from an August 15, 2001, data call of the top 15 writers concerning loss development, claims and related information. He said TDI's analysis of the data indicated:

- The average annual loss change as a percent of premiums (i.e., the average claim cost per insured physician) was approximately +15 percent over the five-year period 1996 through 2000. In some parts of the state, claim frequency caused the increase. In other regions, the problem was severity.

- Nearly the entire increase in claim frequency is occurring in the Lower Rio Grande Valley, where the number of claims filed is growing at a rate of 60 percent per year. This increase in frequency is primarily due to Hidalgo County.

- Due to a large increase in small claims in Hidalgo County, the corresponding claim severity is down sharply in the Lower Rio Grande Valley (-25 percent). However, in other parts of the state, such as San Antonio and Dallas, claim severity is driving the increase in costs.

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Texas Insurance News

is published each month. For a one-year subscription (12 issues), contact TDI's Publications Division at:

Texas Department of Insurance
Texas Insurance News/MC-9999
 P.O.Box 149104
 Austin, TX 78714-9104

Enclose a check for \$30 made out to the Texas Department of Insurance.

If you have questions about subscribing, call Publications at **(512) 322-4283**.

Direct questions or suggestions about content to **(512) 463-6425** or write:

Texas Insurance News, MC-113-1A,
 P.O.Box 149104
 Austin, TX 78714-9104

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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

Montemayor Cuts Surplus Lines Stamping Fee

COMMISSIONER JOSE MONTEMAYOR has reduced the surplus lines stamping fee from 0.25 percent to 0.15 percent of gross premium resulting from surplus lines contracts.

The new rate will apply to all new and renewal contracts effective on and after July 1, 2002. Contracts effective on or before June 30, 2002, including the endorsements, cancellations, installments or monthly reports, will be charged at the 0.25 percent rate through to the expiration date.

The fee is collected from each surplus lines agent to cover the operating costs of the Surplus Lines Stamping Office of Texas.

The board of directors of the stamping office petitioned Montemayor to decrease the fee. The board predicated its request for the cut upon an anticipated 35 percent increase in surplus lines insurance premium during the pertinent time period. In its petition, the board said it wanted to stabilize the stamping office fund balance at one year's budgeted expenses. ★

CHIP Is Secondary To Student Coverage

TDI HAS ADVISED insurers that coverage under the Children's Health Insurance Program (CHIP) is secondary to student accident insurance coverage.

In a bulletin (B-0024-02) issued April 26, 2002, Senior Associate Commissioner Kimberly Stokes of the Life, Health and Licensing Program said some carriers may be misinterpreting legislation dealing with CHIP. The legislation is SB 333 of the 77th Legislature.

Stokes noted that when both a student accident policy and CHIP cover a single incident, coordination of benefits is inevitable even though neither type of coverage falls within TDI rules (28 TAC § 3.3501 *et seq.*) that were adopted prior to the enactment of SB 333.

"In such situations the Legislature has mandated that CHIP coverage shall be secondary to any other type of health coverage or insurance," Stokes said. "Accordingly, in covering such incidents, the student accident-type insurance policy would pay benefits to the extent of its policy limits, and CHIP coverage would then pay benefits for any amounts that remain unpaid to the extent of its policy limits."

She said companies writing student accident insurance should review their claim procedures to ensure they are in compliance. ★

HO Rate Guide Updated Early

TDI HAS UPDATED its homeowners rate guide four months early to help consumers through the present market upheaval.

The new rate guide, which compares rates charged within each county of Texas, is available on TDI's Web site, www.tdi.state.tx.us.

The rate guide compares prices for a policy providing coverage of \$100,000 on the house and \$40,000 on its contents, with a 1 percent (\$1,000) deductible. For each company, the policy listed is the policy the company says it is most likely to sell to new customers,

Missing from the rate guide is the state's largest homeowners insurance carrier, State Farm. The company did not provide rate information because it has indefinitely suspended the sale of new homeowners policies. State Farm said it will continue serving existing customers.

"The market has changed so rapidly and so radically in the past several months that we felt consumers should have updated information long before the usual September revision of the rate guide," said Commissioner Jose Montemayor. "This new on-line edition will give consumers a realistic picture of the changing market and empower them to make informed decisions about their homeowners policies."

One major change is that the Texas standard HO-B policy is no longer the policy offered by nearly every company to nearly every customer. Many companies offer only the less comprehensive HO-A policy, in some cases with endorsements to enhance the coverages it provides. Montemayor also is allowing some companies to sell their national homeowners policies in Texas after making sure the policies will save consumers money.

The other major change consists of large rate increases—in certain cases, 100 percent or more—imposed by some companies whose rates are unregulated. About 95 percent of the homeowners insurance market is written by Lloyds carriers and reciprocal exchanges at unregulated rates. ★

Fraud Unit Prosecutions

Indictments

Lewis, LaRenthia Baxter, indicted in Dallas on charges of insurance fraud, a state jail felony.

Mullen, Terri Deneen, indicted in Dallas on charges of insurance fraud, a third-degree felony.

Porter, Sharon E., indicted in Dallas on charges of insurance fraud, a third-degree felony.

Velasquez, Reynaldo Chua, indicted in Corpus Christi on charges of theft, a state jail felony.

Case Dispositions

Williams, Justin, found guilty of violating Article 81 (Conspiracy) and Article 134 (General) of the Uniform Code of Military Justice. Received a reduction in Grade to E-3 and 90 days hard labor.

Data Call Reminders

(Failure to comply with TDI's reporting requirements may result in disciplinary action.)

Quarterly Closed Claim Reports

Reports (Long/Short Forms) for claims closed during the second quarter of 2002 are due July 10, 2002. The forms may be downloaded from TDI's Web site located at <http://www.tdi.state.tx.us/company/indexpc.html>. TDI contact is Vicky Knox, **512 475-1879**. E-mail address: vicky.knox@tdi.state.tx.us

Texas Title Insurance Agent Statistical Report

The call was issued April 16, 2002, and was due May 27, 2002, for hard copy reports and June 10, 2002, for electronic submissions. The bulletin and forms may be downloaded from TDI's Web site located at <http://www.tdi.state.tx.us/company/indexpc.html>. TDI contact is Data Services, **512 475-1878**. E-mail address: TitleCall@tdi.state.tx.us

Texas Title Insurance Company Statistical Report

The call will be issued in mid June and due 45 days after the issue date. The bulletin and forms may be downloaded from TDI's Web site located at <http://www.tdi.state.tx.us/company/indexpc.html>. TDI contact is Clare Pramuk, **512 475-3015**. E-mail address: clare.pramuk@tdi.state.tx.us ★



Race-Based Pricing Probe Leads to 17 MC Examinations

TDI's INVESTIGATION OF alleged race-based pricing of life insurance, performed in cooperation with the NAIC, has resulted so far in 17 market conduct examinations and three consent orders worth \$11.9 million in relief for 348,000 Texas consumers.

The three consent orders included fines totaling \$532,005 paid to the State of Texas. On a national level, the three cases involved 56 companies in the American General, Unitrin and ING groups.

Investigators have cleared 15 companies that sold small face value life policies, the type where race-based pricing is most likely to have occurred.

Special Litigation Counsel William O. Goodman, who is coordinating TDI's investigation, provided these and other statistics in a progress report to Commissioner Jose Montemayor in May. Montemayor chairs the NAIC's Race-Based Premium Working Group.

Of the market conduct examinations, two have been completed, 12 are in progress and three are scheduled or contemplated, Goodman said.

The most recent consent order, with Unitrin, enables as many as 86,800 Texans to participate in a \$33 million class action settlement and a nationwide regulatory settlement of another \$1 million. The Texas share is approximately \$4.9 million. Beneficiaries of the order include both African-Americans and Hispanics. In addition, the state will receive \$225,025 of a \$1.25 million nationwide "sanction amount" (fine) to which Unitrin agreed. ★

EnforcementActions

Unlicensed Health Plans Ordered Shut Down

COMMISSIONER JOSE MONTEMAYOR has issued an emergency cease-and-desist order directing two unlicensed health plans that catered to independent medical professionals to stop doing business in Texas.

One of the plans, National Guild of Medical Professionals Health and Welfare Benefit Trust Plan (NGMP), allegedly owed more than \$4 million in unpaid claims at the time of the order. The other plan, Solidarity Health Plan, was created and operated by some of the same parties and accepted some of the previous plan's enrollees.

Montemayor's May 9, 2002, order names several individuals and entities that allegedly sold or administered the plans. They are Don Canada, Austin; Professional Benefit Managers Inc. (PBM), Austin; the Office and Professional Employees International Union (OPEIU), New York City; Michael Goodwin, New York City; the National Guild of Medical Professionals Health and Welfare Benefit Trust Plan, Annapolis, Maryland; the Solidarity Health and Welfare Benefit Trust, Annapolis; Paul Evans, Annapolis;

Don Carden, Palm City, Florida; the National Guild of Medical Professionals Local 45, Camp Hill, Pennsylvania; Michael Davis, Camp Hill; the Clinical Social Workers Guild Local 49, Selinsgrove, Pennsylvania; Rene Cardone, Selinsgrove; Vicare Administrative Services, L.L.C., Suffolk, Virginia; and Corporate Benefit Services of America Inc., Minnetonka, Minnesota.

Canada, a licensed insurance agent, is executive director of the Texas Podiatric Medical Association (TPMA) and president of PBM. PBM, which was operated out of the offices of TPMA, sponsored both of the health care plans that Montemayor ordered shut down.

According to the application filed by TDI staff, NGMP's 700 policyholders nationwide paid approximately \$5.5 million in premiums from February 2000 through February 2002. The NGMP was discontinued but Solidarity Health Plan was sponsored by the same parties and operated out of the same location. The Solidarity Health Plan has about 500 members. ★

Twelve Carriers Agree to Restitution and Fines

TWELVE MORE insurers have agreed to pay restitution to physicians and providers, plus fines totaling \$1.7 million, for alleged violations of Texas' prompt payment law.

Texas law requires HMOs and insurance companies with preferred provider plans to pay their network physicians' and providers' clean claims no later than 45 days after receipt.

Since TDI began its effort in April 2001 to improve compliance with the prompt payment law,

47 HMOs and preferred provider carriers have paid more than \$36 million in restitution and \$14.9 million in fines.

The 12 carriers, which did not admit to any violations, paid \$2.6 million in restitution in anticipation of the consent orders signed by Commissioner Jose Montemayor on April 29, 2002. Additional restitution is expected.

The companies, restitution paid in advance of the consent orders and amounts fined are as follows:

| HEALTH INSURANCE CARRIER | RESTITUTION PAID AS OF APRIL 2002 | FINE |
|--|-----------------------------------|--------------------|
| American Heritage Life Insurance Company | \$64,765.14 | \$200,000 |
| Avemco Insurance Company | \$49,729.33 | \$220,000 |
| Continental Assurance Company | 0.00 | \$75,000 |
| Fortis Benefits Insurance Company | \$154,322.20 | \$450,000 |
| John Alden Life Insurance Company | (included above) | |
| Fortis Insurance Company | (included above) | |
| Golden Rule Insurance Company | \$13,000.00 | \$60,000 |
| Methodist Health Insurance Company | \$140,370.99 | \$200,000 |
| Methodist Care, Inc. | \$2,378,845.83 | |
| Combined Insurance Company of America | (included above) | |
| Oxford Life Insurance Company | \$12,124.37 | \$125,000 |
| World Insurance Company | 0.00 | \$400,000 |
| Total | \$2,617,575.96 | \$1,730,000 |

RuleMaking

ADMINISTRATION

APA Adoption Forms Privacy Notice

■ Commissioner Jose Montemayor has adopted new 28 TAC §§ 1.2801–1.2803 concerning notification of individuals of their rights with respect to information TDI has collected about them. The rule implements House Bill 1922 of the 77th Texas Legislature, codified in *Texas Government Code* Chapter 559.

The new law requires state agencies that use forms to collect information about individuals to prominently disclose on those forms the right of those individuals to obtain the information and to seek correction of inaccuracies.

TDI will notify its customers of this right by incorporating the following notice into all forms adopted by rule that are used to obtain information about individuals:

Notice About Certain Information Laws and Practices

With few exceptions, you are entitled to be informed about the information that the Texas Department of Insurance (TDI) collects about you. Under sections 552.021 and 552.023 of the Texas Government Code, you have a right to review or receive copies of information about yourself, including private information. However, TDI may withhold information for reasons other than to protect your right to privacy. Under section 559.004 of the Texas Government Code, you are entitled to request that TDI correct information that TDI has about you that is incorrect. For more information about the procedure and costs for obtaining information from TDI or about the procedure for correcting information kept by TDI, please contact the Agency Counsel Section of TDI's Legal & Compliance Division at (512) 475-1757 or visit the Corrections Procedure section of TDI's web page at www.tdi.state.tx.us.

Projected publication date: May 31, 2002
Effective date: June 5, 2002
Further information: 512 463-6327

AUTOMOBILE

Exempt Proposal Underinsured Vehicle Definition

■ TDI staff have proposed changes in the *Texas Automobile Rules and Rating Manual* regarding the definitions of an underinsured vehicle in Endorsements 578, Named Non-Owner Coverage, and 579, Named Operator-Government Employees.

The purpose of the changes is to conform the definition of an underinsured motor vehicle to the definition used in the Texas Personal Auto Policy. The inconsistency between the definitions recently was brought to staff's attention.

As proposed, the definition would read in all applicable automobile insurance forms:

An underinsured motor vehicle is one to which a liability bond or policy applies but its limit of liability:

- a. is not enough to pay the full amount the covered person is legally entitled to recover as damages; or
- b. has been reduced by the payment of claims to an amount which is not enough to pay the full amount the covered person is legally entitled to receive as damages.

The proposed rule change would redesignate the endorsements as 578A and 579A.

Publication: 27TexReg 3587, April 26, 2002
Reference No. A-0402-13-1
Further information: 512 463-6327

AUTOMOBILE AND PROPERTY

Exempt Adoption Consumer Bills of Rights

■ Commissioner Jose Montemayor has approved updated versions of the state's *Consumer Bill of Rights for Personal Automobile Insurance* and *Consumer Bill of Rights for Homeowners, Dwelling and Renters Insurance*.

The bills of rights summarize rights provided by statutes and rules. *Texas Insurance Code* Article 1.35A and TDI manual rules require insurers to distribute the bills of rights with each new policy and with renewal notices, as specified, to current policyholders.

The state's Office of Public Insurance Counsel (OPIC) submitted proposed changes to the bills of rights. TDI staff worked with OPIC on

the revisions and recommended them in a petition to the Commissioner.

The changes reflect legislation and TDI actions since the bills of rights were originally adopted by the old State Board of Insurance on August 31, 1993. Some changes also simplify language and clarify various provisions.

The changes in the updated versions include but are not limited to:

Both Auto and Residential Property

- Addition of language about the residential property and private passenger automobile Market Assistance Programs operated by the Department.
- Clarification of language on prompt payment of claims to track *Texas Insurance Code* Article 21.55 more accurately.
- Expansion of the sections concerning the consumer's right to be told, upon request, the reasons for denial of coverage.
- The addition of e-mail addresses to TDI's consumer contact information.

Automobile

- Addition of language summarizing the rule prohibiting insurers and agents from requiring customers to buy auto liability insurance in amounts greater than the basic limits or to buy other types of coverage as a condition for obtaining the insurance the customers want.
- A new notation that loans from premium finance companies may be more costly than the installment plans offered directly by insurance companies.
- Updated language on auto insurance discounts, including the increase of the two-car discount to 20 percent, the addition of the anti-theft device discount and the adoption of the alcohol and drug awareness training discount.
- New language reflecting rules prohibiting refusal to renew an auto policy based solely on the age of any person covered by the policy.

Residential Property

- New language summarizing the Voluntary Inspection Program for residential property insurance purposes.
- A summary of property insurance discounts for home security, electronic burglar alarms, sprinkler systems and impact-resistant roofs.

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- Description of a mortgage lender's duties when a residential property insurance claim check is made payable to both the policyholder and the lender.
- Addition of language summarizing TDI rules against refusal to insure a property based solely on the age or value of a house.

Projected publication date: May 24, 2002
Effective date: August 22, 2002
Further information: 512 463-6327

APA Adoption Underserved Areas

- Commissioner Jose Montemayor has adopted amendments to 28 TAC §§ 5.206 and 5.3700, concerning underserved area designations for automobile and residential property insurance, respectively. The changes delete Subsection (h) of 5.206 and Subsection (g) of 5.3700.

The subsections in question required TDI, upon request, to:

- Publish a listing of the average number of vehicles on policies in force by company and by ZIP code and
- Provide a quarterly listing of the number of residential property insurance policies in force or written by type of policy, by company, by ZIP code.

Deletion was necessary because state district courts in Austin have issued final orders determining the subsections to be invalid. The *Texas Government Code* requires state agencies to repeal their rules that have been declared invalid by final court judgements.

Projected publication date: May 31, 2002
Effective date: June 5, 2002
Further information: 512 463-6327

HEALTH CARE

APA Proposals Telemedicine and Credentialing

- The Department has proposed amendments to 28 TAC §§ 11.2, 11.1607 and 11.1901–11.1902, concerning HMOs.

The proposed changes are summarized below.

11.2—Definitions of individual provider, institutional provider, rec credentialing, telehealth service and telemedicine medical services are added. The definitions would clarify that credentialing is the process of collecting, assessing and validating qualifications and

other relevant information about a physician or provider to determine eligibility to deliver health care services.

11.1607—The amendments would clarify that the present requirements and criteria that apply to an HMO's provision of telemedicine also apply to telehealth services. Evidence of coverage may provide enrollees the option of accessing covered health care services through a telehealth service or a telemedicine medical service.

11.1901—An HMO's quality improvement committee would be responsible for developing and evaluating the overall effectiveness of the HMO's quality improvement program. The committee would be able to delegate activities to other committees that could, if applicable, include practicing physicians, individual providers and enrollees from throughout the HMO's service area.

11.1902—An HMO would be required to continuously update and monitor its quality improvement program. The HMO's annual quality improvement work plan would be required to include a schedule of activities designed to reflect the population served by the HMO in terms of age groups, disease categories and special risk status.

The amendments would establish standards for credentialing and rec credentialing of physicians and providers that are consistent with those of the National Committee for Quality Assurance. An HMO would be required to verify a physician's or provider's professional liability claims history within 180 days before the credentialing decision by obtaining the information from the applicable professional liability carrier or the National Practitioner Data Bank. Rec credentialing would occur every three years instead of every two years.

Publication: 27TexReg3440, April 26, 2002
Earliest possible adoption: May 26, 2002
Further information: 512 463-6327

Credentialing of Physicians

- The Department has proposed new 28 TAC § 21.3201, concerning a standardized credentialing application for physicians. The new section would implement Senate Bill 544 of the 77th Legislature, codified as *Texas Insurance Code* Article 21.58D. This article requires TDI to adopt a standardized form that hospitals, HMOs, preferred provider benefit plans and preferred provider organizations must use for verifying credentials.

TDI proposes a form developed by the Coalition for Affordable Quality Health Care and modified by TDI for use in Texas. The coalition includes 26 of the largest health plans and insurers in the United States and three health plan associations. The form would be available on TDI's Web site, www.tdi.state.tx.us and could be submitted electronically. The proposed effective date is for initial credentialing or rec credentialing that occurs on or after July 1, 2002.

The Texas Standardized Credentialing Application would consist of three sections:

- personal, professional and education information.
- disclosure questions on sanctions, professional liability insurance, malpractice claims history, criminal/civil history and the ability to perform one's job.
- an authorization, acknowledgement, attestation and release form.

Publication: 27TexReg 3448, April 26, 2002
Earliest possible adoption: May 26, 2002
Further information: 512 463-6327

Coverage for Acquired Brain Injury

- The Department has proposed new 28 TAC §§ 21.3101–21.3105, concerning coverage for acquired brain injury. The proposed rules would implement provisions of House Bill 1676 of the 77th Legislature, codified as *Texas Insurance Code* Article 21.53Q. The proposed rules would apply to all health benefit plans delivered, issued for delivery or renewed on or after January 1, 2002.

Commissioner Jose Montemayor will hold a public hearing on the proposed rules under Docket Number 2521 at 9:30 a.m., June 18, 2002, in Room 100 of the William P. Hobby Jr. State Office Building, 333 Guadalupe, Austin.

The proposed rules would prohibit health plans from excluding coverage for certain services that are medically necessary as a result of and related to acquired brain injury. These services are 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 and community reintegration services.

Under the proposed rules, treatment goals for these services could include the maintenance

Continued on page 6

RuleMaking

of functioning or the prevention of or slowing of further deterioration.

Health plan issuers would be required to develop written preauthorization and utilization review policies and procedures to identify covered services. These policies and procedures would include:

- Identification of Common Procedural Terminology (CPT) codes associated with services for acquired brain injury and
- A means to identify an enrollee initially diagnosed with an acquired brain injury.

Each health plan issuer would be required to assure that all staff or other individuals performing preauthorization or utilization review receive training to prevent wrongful denial of coverage and to avoid confusion of medical/surgical benefits with mental/behavioral health benefits. This training would be required, at minimum, to consist of:

- Identification of services likely to be requested in treating an enrollee with an acquired brain injury.
- Identification of specific therapies currently used in treating an enrollee with an acquired brain injury.
- Instruction relating to correctly evaluating requests for services to differentiate between covered medical/surgical benefits versus covered benefits for mental/behavioral health.
- Instruction relating to the requirements of *Texas Insurance Code* Article 21.53Q and these rules.

At minimum, training would be accomplished by attendance at an initial orientation, in-service or continuing education program. Health plan issuers would maintain documentation and verification of this training for each person required to take it. Documentation and verification would have to be provided to TDI upon request.

The training requirements would apply to contracted entities to the extent they are responsible for preauthorization or utilization review.

Health plan issuers subject to *Texas Insurance Code* Article 21.53Q would be required to submit to TDI, upon request, the list of CPT codes identified by the issuer as applicable to acquired brain injury cases.

APA Adoption Compensation for Women's Health Care

■ Commissioner Jose Montemayor has adopted new 28 TAC §§ 21.3301–21.3305 concerning discrimination in compensation to physicians and providers of women's health services. The rules implement Senate Bill 8 of the 77th Legislature, codified as *Texas Insurance Code* Article 21.53N.

The rules clarify that health plans must pay for women's covered reproductive health and reproductive oncology services at an amount not less than the annual average compensation per hour or unit that the plans would pay for the same or similar services provided exclusively to men or to the general population. Relative value units (RVUs) published by the Centers for Medicare and Medicaid Services and other methodologies for comparing reimbursements for the same or comparable covered services offered exclusively to men or to the general population must be considered when determining appropriate reimbursements. The statute provides an administrative penalty of up to \$25,000 for violating the equal reimbursement requirement.

The rules specify the information that complaints of alleged violations of Article 21.53N must include. In addition to such basics as names and addresses and a description of the alleged violation, a complaint must include documentation from the physician or provider that:

- Identifies the amount reimbursed by the health plan issuer for a covered reproductive health or reproductive oncology service provided to a woman.
- Identifies the amount of time and resources spent in providing the covered reproductive health or reproductive oncology service.
- Using objective criteria, identifies the same or comparable service that is offered by the health plan and provided exclusively to men or to the general population.
- Identifies the difference, if any, in the amount of time and resources spent in providing the covered reproductive health or reproductive oncology service and the same or comparable covered service using objective criteria.
- Identifies the level of expertise needed to provide the covered reproductive health or reproductive oncology service and the same or comparable covered service pro-

vided by the health plan exclusively to men or the general population.

- Compares the difference in reimbursements for the covered reproductive health or reproductive oncology service and the same or comparable service provided by the health plan to men and the general population within the same geographic service area.

If any required information is missing, TDI will return the complaint with a letter explaining the deficiencies. TDI has 120 days from the date that a complete complaint is filed in which to investigate and resolve the complaint.

Publication: 27TexReg4359, May 17, 2002

Effective date: May 26, 2002

Further information: 512 463-6327

PROPERTY

APA Adoption Building Code Amendments

■ Commissioner Jose Montemayor has adopted amendments to 28 TAC §5.4008, concerning the *Building Code for Windstorm Resistant Construction*. The changes were recommended by the Building Code Advisory Committee on Specifications and Maintenance.

The amendments include:

- Clarification that the foundation requirements are minimum requirements for the wind resistance of the structure. The new paragraph specifies that other design conditions such as soil conditions and surface drainage are not within the scope of the code and are not addressed by the code requirements.
- Provision of a prescriptive method of construction of an offset at gable endwalls.
- Addition of an option in the Ceiling Framing and Roof Framing sections to permit the construction of rafter braces supported by ceiling joists.
- New language providing guidance for the attachment of a wood nailer to a masonry door opening or a masonry window opening that would provide options for the attachment of door and window products to masonry construction, including options on types of anchors.
- Clarification that overhangs at the ends of supported roof overhangs and porches may not exceed two feet.

Publication: 27TexReg3912, May 10, 2002

Earliest possible adoption: June 9, 2002

Further information: 512 463-6327

Publication: 27TexReg4574, May 24, 2002

Earliest possible adoption: May 30, 2002

Further information: 512 463-6327 ★

LegalNotes

Appeals Court Rules on Statute of Limitations for Hail Damage Claims

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

TEXAS LAW includes a number of statutes specifying deadlines for filing various types of lawsuits. These statutes are often referred to as "statutes of limitations." The period within which a lawsuit may be filed normally begins on the date of the event that led to the lawsuit. The date that begins this period is the date on which the "cause of action accrues."

Texas law allows the deadline for filing a lawsuit for breach of contract to be modified by agreement, so long as the agreed period for filing a lawsuit is not shorter than two years. TEX. CIV. PRAC. & REM. CODE §16.070. Insurance policies often contain a deadline for the insured to file a lawsuit involving a claim under the policy. For example, the Texas Homeowners Policy-Form B provides that a suit against the insurance company must be filed "within two years and one day after the cause of action accrues."

The Dallas Court of Appeals recently ruled on whether a lawsuit under a homeowners' policy was filed within the required time period. The court discussed when the cause of action for hail damage accrued. For more information about this case, please consult the opinion of the court.

David and Terri Mangine v. State Farm Lloyds

In 1992, David and Terri Mangine (the Mangines) purchased a homeowners' insurance policy from State Farm Lloyds (State Farm). In December 1993, the Mangines filed a claim for hail damage to their roof. A State Farm employee inspected the roof and determined that there was

no damage to the roof. The Mangines asked State Farm to inspect the roof again. In January 1994, a claims adjuster for State Farm inspected the roof. The claims adjuster provided the Mangines with a written "Building Estimate" stating that there was no hail damage to the roof.

In April 1995, the Mangines filed another claim for hail damage to their roof. In April 1995, after inspecting the roof, a State Farm claims adjuster determined that there was no damage to the roof except for "normal wear and tear." The claims adjuster informed the Mangines that their homeowners' policy did not cover normal wear and tear.

On June 27, 1996, the Mangines filed suit against State Farm alleging, among other things, breach of the insurance contract and breach of the duty of good faith and fair dealing. State Farm argued that the portion of the Mangines' lawsuit based on the December 1993 claim was not filed within the two year limitations period. The trial court agreed with State Farm and entered a judgment against the Mangines. The Mangines appealed to the Dallas Court of Appeals.

The Dallas Court of Appeals (the court) stated, "The limitations period on a first-party insurance claim begins to run at the time the insurer denies the claim under the policy." The Mangines argued that the Building Estimate they received in 1994 was not a denial of their claim. The court looked to article 21.55 of the *Texas Insurance Code* and noted,

When an insurer rejects a claim, it must notify the insured in writing and state the reasons for the rejection. . . . Although the rejection must be in writing, there are no magic words that must be used to deny a claim.

The court determined that the January 1994 Building Estimate clearly stated State Farm's position that there was no hail damage to the roof. Therefore, the court found that the Building Estimate was sufficient to be considered a denial of the 1993 claim.

The Mangines then argued that the 1995 claim was a continuation of the 1993 claim. As a result, they argued, the limitations period began again when the 1995 claim was denied. The court disagreed. The court noted that State Farm had treated the 1995 claim as separate from the 1993 claim. The court also noted that State Farm had not indicated that its decision on the 1995 claim was a reconsideration of the 1993 claim. The court also pointed out that the Mangines acknowledged the possibility that the 1995 claim was based on hail damage that occurred after the 1993 claim. Therefore, the 1995 claim was a separate claim.

The court therefore concluded that the Mangines' lawsuit involving the 1993 claim was not filed within the period specified in the policy for filing a lawsuit. The court ruled in favor of State Farm. For more information about this case, please consult the opinion of the Court. **David and Terri Mangine v. State Farm Lloyds**, 2002 WL 467187 (Tex. App.—Dallas 2002). ★

MedMal Problem... from Page 1

"What all this means is that the cost to an insurance company to insure a doctor in Texas has been increasing significantly in recent years," Montemayor said.

He told the committee that TDI plans to issue another data call by late June to obtain updated information, including loss experience for 2001.

Montemayor presented data on rate changes over the past four years, led by the TMLT's 119.6 percent increase from 1999 to 2002.

He also presented statistics from the NAIC's most recent 10-year profitability study.

In Texas, the industry showed an underwriting loss on medical malpractice insurance in each year from 1991 through 2000, with an average loss of 56.5 percent. For the same period, insurers showed a minus-2.0 percent average return on net worth in Texas but achieved positive results in all 15 of the other large states with which Texas was compared.

"For all measures of profitability, including underwriting profit and return on net worth, Texas ranks last over the 10-year period of 1991 through 2000," Montemayor said. "Under these market conditions, it will be very difficult for Texas to retain or attract medical malpractice insurers." ★

Estimated 1999–2002 Physician and Surgeon Medical Malpractice Rate Changes

| COMPANY/GROUP | TOTAL |
|-----------------------------------|--------|
| The Texas Medical Liability Trust | 119.6% |
| The Medical Protective | 42.6% |
| Lawrenceville/MIX | 88.9% |
| The Doctors' Company | 53.8% |
| PHICO | 71.7% |
| Continental Casualty/CNA | 61.2% |
| The St. Paul | 22.5% |
| Texas JUA | -6.5% |

Agents' Corner

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

THE LICENSING DIVISION has completed the conversion of its COSMOS database to reflect the "roll up" of the 44 former agent license authorities into the present 23. The reduction in the number of license types was accomplished by Senate Bill 414, the omnibus agent licensing bill that took effect on September 1, 2001.

The accompanying conversion table summarizes the roll-up of the old license types into the new authorities as now reflected in the COSMOS system.

Agent licensing information from COSMOS may be accessed through TDI's Web site at http://www.tdi.state.tx.us/agent/indexag.html#gen_info or directly through the Texas On-Line, www.texasonline.com.

www.tdi.state.tx.us/agent/indexag.html#gen_info or directly through the Texas On-Line, www.texasonline.com.

| OLD CODE | NEW LICENSE TYPE | NEW QUALIFICATION |
|----------|---|--|
| 01-01 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 01-01 | Temporary General Lines—Life, Accident, Health and HMO Agent | Temporary Life, Accident, Health and HMO |
| 01-02 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 01-02 | Temporary General Lines—Life, Accident, Health and HMO Agent | Temporary Life, Accident, Health and HMO |
| 01-03 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 01-03 | Temporary General Lines—Life, Accident, Health and HMO Agent | Temporary Life, Accident, Health and HMO |
| 01-04 | Pre-Need Agent/Agency | Pre-Need |
| 02-00 | Limited Lines Agent/Agency | Limited Lines |
| 02-02 | Life | Life |
| 02-03 | Life | Life |
| 02-04 | Life | Life |
| 02-05 | Limited Lines Agent/Agency | Limited Lines |
| 02-06 | County Mutual Agent/Agency | County Mutual |
| 02-07 | Limited Lines Agent/Agency | Limited Lines |
| 02-08 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 02-08 | Temporary General Lines—Life, Accident, Health and HMO Agent | Temporary Life, Accident, Health and HMO |
| 02-09 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 02-10 | Limited Lines Agent/Agency | Limited Lines |
| 02-91 | Life | Life |
| 02-92 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 02-92 | Temporary General Lines—Life, Accident, Health and HMO Agent | Temporary Life, Accident, Health and HMO |
| 02-93 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 02-93 | Temporary General Lines—Life, Accident, Health and HMO Agent | Temporary Life, Accident, Health and HMO |
| 02-94 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 02-94 | Temporary General Lines—Life, Accident, Health and HMO Agent | Temporary Life, Accident, Health and HMO |
| 02-95 | Specialty Insurance Agent/Agency | Credit |
| 02-96 | Specialty Insurance Agent/Agency | Travel |
| 02-97 | Specialty Insurance Agent/Agency | Rental Car Company |
| 02-98 | Specialty Insurance Agent/Agency | Self-Service Storage Facility |
| 03-00 | Limited Lines Agent/Agency | Limited Lines |
| 04-00 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 04-01 | General Lines Agent/Agency | Life, Accident, Health and HMO |
| 05-01 | General Lines Agent/Agency | Property and Casualty |
| 05-02 | Limited Lines Agent/Agency | Limited Lines |
| 05-10 | General Lines Agent/Agency | Property and Casualty |
| 05-10 | Temporary General Lines—Emergency Property and Casualty Agent | Emergency Property and Casualty |
| 06-00 | General Lines Agent/Agency | Property and Casualty |
| 06-01 | Insurance Service Representative | Insurance Service Representative |
| 08-00 | Emergency Managing General Agent | MGA—Property and Casualty |
| 08-00 | Managing General Agent/Agency | Managing General Agent |
| 09-00 | Surplus Lines Agent/Agency | (none) |
| 10-00 | General Lines Agent/Agency | Property and Casualty |
| 11-00 | Life and Health Insurance Counselor | (none) |
| 15-00 | Limited Lines Agent/Agency | Limited Lines |
| 17-00 | Trainee | Adjuster Trainee |
| 17-01 | Adjuster | Adjuster—All Lines |
| 17-02 | Adjuster | Adjuster—Property and Casualty |
| 17-03 | Adjuster | Adjuster—Workers' Compensation |
| 17-04 | Adjuster | Adjuster—Property and Casualty |
| 17-05 | Adjuster | Adjuster—Property and Casualty |

Continued...

Agents' Corner

| OLD CODE | NEW LICENSE TYPE | NEW QUALIFICATION |
|----------|---|---------------------------------|
| 17-06 | Adjuster | Adjuster-Property and Casualty |
| 17-07 | Adjuster | Adjuster-Property and Casualty |
| 17-08 | Adjuster | Adjuster-All Lines |
| 17-09 | Temporary General Lines-Emergency Adjuster | Emergency Adjuster |
| 18-00 | Risk Manager | (none) |
| 20-00 | Reinsurance Intermediary Broker | (none) |
| 20-01 | Reinsurance Intermediary Manager | (none) |
| (none) | Specialty | Telecommunication |
| (none) | Temporary County Mutual Agent | Temporary County Mutual |
| (none) | Temporary General Lines-Property and Casualty | Temporary Property and Casualty |
| (none) | Temporary Life Agent | Temporary Life |
| (none) | Temporary Limited Lines Agent | Temporary Limited Lines |
| (none) | Temporary Pre-Need Agent | Temporary Pre-Need |

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 |
|-------------------|--------------------------------------|------------------|--|---|---------|---------|
| | Everhart, Stagg Hampton | Richardson | General Life, Accident, Health and HMO License and General Property and Casualty License Revoked | Fraudulent or Dishonest Acts; Misappropriation or Conversion | 02-0330 | 4/4/02 |
| | Garner, Debra A. | Waco | General Life, Accident, Health and HMO License Revoked | Misappropriation or Conversion; Fraudulent or Dishonest Acts or Practices | 02-0398 | 4/17/02 |
| | Haynie, Mitchell | Slaton | Prepaid Legal Services and General Life, Accident, Health and HMO Licenses Revoked | Fraudulent or Dishonest Acts; Misappropriation or Conversion | 02-0333 | 4/4/02 |
| | Herring, William Michael | Fort Worth | General Property Casualty Agent's License Revoked, Plus Restitution | Misappropriation or Conversion | 02-0259 | 3/20/02 |
| | Lund, Ennis Elvin | Sioux Falls, SD | Non-Resident General Life, Accident, Health and HMO License Revoked | Felony Conviction | 02-0311 | 4/1/02 |
| | Mora, Calixto Jr. | Falfurrias | General Property and Casualty License Revoked | Fraudulent or Dishonest Acts; Misappropriation or Conversion | 02-0332 | 4/4/02 |
| | Neal, Robert David | South Lake | Prepaid Legal Services and General Life, Health, Accident and HMO Licenses Revoked | Fraudulent and Dishonest Acts | 02-0393 | 4/16/02 |
| | Tatum, Jeffrey Scott | McKinney | General Life, Accident, Health and HMO License Revoked | Felony Conviction | 02-0377 | 4/15/02 |
| HAMOS | | | | | | |
| | Parkland Community Health Plan Inc. | Dallas | \$12,000 Fine | Late Filing of Required Financial Reports | 02-0387 | 4/15/02 |
| COMPANIES | | | | | | |
| | Amil International Insurance Co. | Austin | \$150,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0309 | 4/1/02 |
| | American Heritage Life Insurance Co. | Jacksonville, FL | \$200,000 Fine | Consent Order; Alleged Violations of Prompt Payment Law | 02-0442 | 4/29/02 |
| | Avemco Insurance Co. | Frederick, MD | \$220,000 Fine | Consent Order; Alleged Violations of Prompt Payment Law | 02-0441 | 4/29/02 |

Continued on page 10

Disciplinary Actions

| COMPANIES | NAME | CITY | ACTION TAKEN | VIOLATION | ORDER | DATE |
|--|------|---|--|--|---------|---------|
| Central Reserve Life Insurance Co. Continental General Insurance Co. Provident American Life & Health Insurance Co. Provident Indemnity Life Insurance Co. | | Strongsville, OH Omaha, NE Strongsville, OH Norristown, PA | \$550,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0302 | 4/1/02 |
| The Connecticut Surety Co. | | Hartford, CT | Certificate of Authority Suspended | Order of Rehabilitation in State of Domicile | 02-0386 | 4/15/02 |
| Conseco Health Insurance Co. | | Carmel, IN | \$7,500 Fine | Advertising Violations | 02-0449 | 4/29/02 |
| Conseco Medical Insurance Co. | | Carmel, IN | \$250,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0301 | 4/1/02 |
| Conseco Senior Health Insurance Co. | | Bensalem, PA | \$7,500 Fine | Advertising Violations | 02-0448 | 4/29/02 |
| Continental Assurance Co. | | Chicago, IL | \$75,000 Fine | Consent Order; Alleged Violations of Prompt Payment Law | 02-0443 | 4/29/02 |
| Employers Insurance of Wausau A Mutual Company | | Wausau, WI | \$4,500 Fine | Failure to Provide Commercial Auto Experience Rating Information | 02-0401 | 4/18/02 |
| Fortis Benefits Insurance Co., Fortis Insurance Co., and John Alden Life Insurance Co. | | Milwaukee, WI | \$450,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0438 | 4/29/02 |
| Golden Rule Insurance Co. | | Lawrenceville, IL | \$60,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0440 | 4/29/02 |
| The Guardian Life Insurance Company of America | | New York, NY | \$325,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0303 | 4/1/02 |
| Hanover Insurance Co. | | Worcester, MA | \$2,600 Fine | Failure to File Reports on Workers' Compensation Maintenance Tax Surcharge Refunds | 02-0422 | 4/23/02 |
| Hanover Lloyds Insurance Co. | | Worcester, MA | \$1,500 Fine | Failure to File Reports on Workers' Compensation Maintenance Tax Surcharge Refunds | 02-0423 | 4/23/02 |
| Massachusetts Bay Insurance Co. | | Worcester, MA | \$1,500 Fine | Failure to File Reports on Workers' Compensation Maintenance Tax Surcharge Refunds | 02-0424 | 4/23/02 |
| Methodist Health Insurance Co. and Methodist Care Inc. | | Houston | \$200,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0439 | 4/29/02 |
| Mid-Century Insurance Company of Texas Texas Farmers Insurance Co. Farmers Texas County Mutual Insurance Co. | | Austin | \$100,000 Fine and Restitution of \$15 Million | Consent Order; Alleged Application of Private Passenger Auto Surcharges Longer than the Required Three Years | 02-0376 | 4/15/02 |
| New England Life Insurance Co. Metropolitan Life Insurance Co. | | Boston, MA New York, NY | \$575,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0306 | 4/1/02 |
| Oxford Life Insurance Co. | | Phoenix, AZ | \$125,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0437 | 4/29/02 |
| Pacific Life & Annuity Co. | | Newport Beach, CA | \$250,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0308 | 4/1/02 |
| Principal Life Insurance Co. | | Des Moines, IA | \$250,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0305 | 4/1/02 |
| Protective Life Insurance Co. | | Birmingham, AL | \$125,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0307 | 4/1/02 |
| Trustmark Insurance Co. | | Lake Forest, IL | \$300,000 Fine Plus Restitution | Consent Order; Alleged Violations of Prompt Payment Law | 02-0304 | 4/1/02 |

Disciplinary Actions

| COMPANIES | NAME | CITY | ACTION TAKEN | VIOLATION | ORDER | DATE |
|-----------|-------------------------------|----------------|----------------|---|---------|---------|
| | World Insurance Co. | Omaha, NE | \$400,000 Fine | Consent Order; Alleged Violations of Prompt Payment Law | 02-0444 | 4/29/02 |
| | Zurich American Insurance Co. | Schaumburg, IL | \$3,000 Fine | Failure to File Commercial Auto Experience Rating Data | 02-0361 | 4/9/02 |

UNAUTHORIZED INSURER

| | | | | | | |
|--|---|------------------|---|--|---------|---------|
| | AJAX Health Benefit Plan, AJAX Enterprises Inc. and Sciarra, Justin Michael | Audubon, NJ | \$3 Million Fine and Cease-and-Desist Order | Unauthorized Insurance | 02-0279 | 3/26/02 |
| | Geddes, Paul E., and Lenard Group Inc. | Grand Rapids, MI | \$15,000 Fine and Cease-and-Desist Order | Unauthorized Insurance | 02-0364 | 4/10/02 |
| | International Marine Safety Foundation, aka International Water Marine Safety Foundation; Beaudoin, Gerard; Quail, Gregory; and Evans, Andrew | London, UK | \$1 Million Fine and Cease-and-Desist Order | Unauthorized Insurance; Violation of Previous Cease-and-Desist Order | 02-0282 | 3/26/02 |

URA

| | | | | | | |
|--|--------------|----------------|--------------|--|---------|--------|
| | Natlsco Inc. | Plantation, FL | \$4,500 Fine | Consent Order; Alleged Performance of Utilization Review with Expired Registration | 02-0362 | 4/9/02 |
|--|--------------|----------------|--------------|--|---------|--------|

Company Licensing

Applications Pending

For admission to do business in Texas

| COMPANY NAME | LINE | HOME OFFICE |
|---|----------------------|-----------------|
| American Summit Insurance Co. | Fire and/or Casualty | Scottsdale, AZ |
| CBIZ Benefits & Insurance Services Inc. | TPA | Kansas City, MO |
| Clarion Benefits Administration, L.L.C. | TPA | Kansas City, MO |
| Comprehensive Ensurers Market Insurance Co. | Fire and/or Casualty | Wheeling, IL |
| Computer Health Network Inc. | TPA | Schaumburg, IL |
| LBA Healthplans Inc. | TPA | Timonium, MD |
| Payflex Systems, USA | TPA | Omaha, NE |
| Platinum Underwriters Reinsurance Inc. | Fire and/or Casualty | Baltimore, MD |
| Starmount Financial Corp. Inc. | TPA | Baton Rouge, LA |
| Valence Health Inc. | TPA | Wilmington, DE |

For incorporation

| COMPANY NAME | LINE | HOME OFFICE |
|--|-------------------|-------------|
| Benetrust Corp. (doing business under the assumed name of Benetrust Administrative Services | TPA | Plano, TX |
| Cypress Texas Lloyds | Fire and Casualty | Austin, TX |
| Melvin K. Banks, (doing business under the assumed name of Risk Management Solutions Specialists | TPA | Houston, TX |

For name change in Texas

| FROM | TO | LINE | LOCATION |
|---|--|------------------------------|--------------|
| Pioneer Mutual Life Insurance Co. | Pioneer Mutual Life Insurance Co. a stock subsidiary of American United Mutual Insurance Holding Co. | Life, Accident and or Health | Fargo, ND |
| The Travelers Indemnity Company of Missouri | Travelers Commercial Casualty Co. | Fire and/or Casualty | Hartford, CT |

Continued on back page.

Company Licensing

Applications Approved

For admission to do business in Texas

| COMPANY NAME | LINE | HOME OFFICE |
|---|-------------------|-------------------|
| Continuous Care, L.L.C. | TPA | Dearborn, MI |
| Educators Mutual Life Insurance Co. | Life | Lancaster, PA |
| International Corporate Marketing Group, L.L.C. | TPA | Wilmington, DE |
| Netherlands Insurance Co., The | Fire and Casualty | Keene, NH |
| RXWest Inc. | TPA | Dover, DE |
| Senior Life Insurance Co. | Life | Thomasville, GA |
| United Benefits Inc. | TPA | Daytona Beach, FL |

For incorporation

| COMPANY NAME | LINE | HOME OFFICE |
|---|------|-------------|
| Freeman Administrative Solutions Inc. | TPA | Addison, TX |
| Integrated Mental Health Management, L.L.C. | TPA | Austin, TX |
| Integrated Mental Health Services | TPA | Austin, TX |
| MDRX Inc. | TPA | Austin, TX |
| Pinnacle Independent Physician Association <i>dba</i> Pinnacle IPA | TPA | Houston, TX |

For name change in Texas

| FROM | TO | LINE | LOCATION |
|--|---------------------------------------|-----------------|-------------------|
| Aetna Life Insurance and Annuity Co. | ING Life Insurance and Annuity Co. | Life | Hartford, CT |
| American Insurance Administration Group Inc. | CHCS Services Inc. | TPA | Clearwater, FL |
| Employers Health Insurance Co. | Humana Insurance Co. | Life | Depere, WI |
| Employers Insurance of Wausau | Employers Insurance Company of Wausau | Fire & Casualty | Wausau, WI |
| Hawkeye-Security Insurance Co. | Homeland Central Insurance Co. | Fire & Casualty | Des Moines, IA |
| PaineWebber Life Insurance Co. | UBS PaineWebber Life Insurance Co. | Life | San Francisco, CA |
| Western Family Insurance Co. | Anchor General Insurance Co. | Fire & Casualty | San Diego, CA |



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