

SUBCHAPTER M. FILING REQUIREMENTS

DIVISION 4. FILINGS MADE EASY - TRANSMITTAL INFORMATION AND GENERAL FILING REQUIREMENTS FOR PROPERTY AND CASUALTY FORM, RATE, UNDERWRITING GUIDELINE, AND CREDIT SCORING MODEL FILINGS
28 TAC §§5.9310, 5.9312, and 5.9313

DIVISION 5. FILINGS MADE EASY - REQUIREMENTS FOR PROPERTY AND CASUALTY POLICY FORM AND ENDORSEMENT FILINGS
28 TAC §§5.9321, 5.9323, and 5.9327

DIVISION 6. FILINGS MADE EASY - REQUIREMENTS FOR RATE AND RULE FILINGS
28 TAC §§5.9332 and 5.9334

DIVISION 7. FILINGS MADE EASY - REQUIREMENTS FOR UNDERWRITING GUIDELINE FILINGS
28 TAC §5.9342

DIVISION 9. FILINGS MADE EASY - REDUCED FILING REQUIREMENTS FOR CERTAIN RESIDENTIAL PROPERTY INSURERS
28 TAC §§5.9355 and 5.9357

DIVISION 10. FILINGS MADE EASY - ADDITIONAL FILING REQUIREMENTS FOR CERTAIN COUNTY MUTUAL INSURANCE COMPANIES
28 TAC §5.9361

DIVISION 11. FILINGS MADE EASY - CERTIFICATES OF PROPERTY AND CASUALTY INSURANCE
28 TAC §§5.9372 and 5.9373

INTRODUCTION. The Texas Department of Insurance (TDI) proposes to amend 28 TAC §§5.9310, 5.9312, 5.9321, 5.9323, 5.9327, 5.9332, 5.9334, 5.9342, 5.9355, 5.9357, 5.9361, 5.9372, and 5.9373, and new §5.9313, concerning filing requirements for property and casualty insurance. Among other changes, this rule proposal reflects the enactment of Senate Bills 965 and 1367, 87th Legislature, 2021.

EXPLANATION. SB 965 repealed the law authorizing the commissioner to establish different filing requirements for certain personal automobile insurers with low market shares. SB 1367 eliminated rate, rule, and form filing requirements for numerous commercial lines of insurance. The proposed amendments conform Subchapter M with the statutory changes.

In addition, the proposal makes other amendments throughout Subchapter M. The proposed amendments require that provisions in mandatory endorsements be incorporated into personal automobile and residential property policy forms (for policy forms filed on or after January 1, 2025); prohibit inapplicable provisions in personal automobile and residential property endorsements (for endorsements filed on or after January 1, 2025); require that insurers file application forms along with personal automobile policy forms; prohibit scanned documents and scanned text in filed property and casualty policy forms, endorsements, and form usage tables; prohibit password-protected or otherwise encrypted documents in filings; clarify the information used to establish an insurer exemption under Insurance Code §2251.252(a); distinguish the filing requirements applicable to advisory organizations; require submission of new categories of supporting information on third-party data and models in rate, rule, and underwriting guideline filings; change underwriting guideline filing requirements to require a complete set of underwriting guidelines with each filing; and replace TDI mailing addresses with TDI's website, where appropriate.

The following summary describes the proposed changes to specific sections of the Filings Made Easy rules (FME Rules) found in 28 TAC Chapter 5, Subchapter M, Divisions 4, 5, 6, 7, 9, 10, and 11. TDI posted an informal working draft of the revised FME Rules on the TDI website on April 14, 2022. TDI received 10 comment letters on the informal draft. TDI considered those comments when drafting this proposal. The detailed section-by-section summary is organized by division.

Amendments throughout the entire proposal make minor grammatical, punctuation, and format changes to reflect current TDI drafting style and plain-language preferences.

Division 4. Filings Made Easy - Transmittal Information and General Filing Requirements for Property and Casualty Form, Rate, Underwriting Guideline, and Credit Scoring Model Filings.

Section 5.9310. Property and Casualty Transmittal Information and General Filing Requirements. The proposed amendments to §5.9310 add text specifying that a filing submitted for one line of insurance (a monoline filing) may also be used in multi-peril insurance. Accordingly, amendments to this section delete references to dual filings, including transmittal information requirements for dual filings. Neither the new multi-peril text nor the deletion of dual filings text will require a separate multi-peril filing. When a filer makes a monoline filing under Insurance Code Chapters 2251 or 2301, the filing may be used for multi-peril insurance without making an additional, separate multi-peril filing.

Amendments implement SB 1367 by changing the definition of multi-peril insurance to exclude a combination of coverages as described in Insurance Code §2251.0031 and §2301.0031, which were added by the bill. These sections list insurance lines that are exempted from certain filing and approval requirements in Insurance Code Chapters 2251 and 2301.

Amendments also add the option to use the National Association of Insurance Commissioners System for Electronic Rate and Form Filing (SERFF) tracking number as an alternative to the TDI file number for certain required transmittal information.

Amendments also renumber subsections, paragraphs, and subparagraphs as appropriate to reflect the other amendments in the section, and they insert the titles of

cited Insurance Code and Administrative Code provisions for consistency with current TDI rule drafting style.

Section 5.9312. Personally Identifiable Information. Proposed amendments make two nonsubstantive clarifying changes to descriptions of personally identifiable information, changing "phone" to "phone number" and "email" to "email address."

Section 5.9313. Filing Format Requirements. Proposed new §5.9313 specifies filing format requirements. The section prohibits encrypted or password-protected documents in filings. No changes are made to a filer's ability to mark documents as confidential or protect documents from public view in SERFF.

The rule text also specifies that property and casualty policy forms, endorsements, and form usage tables must not be scanned documents; may not include any scanned text or images with text that will be part of the insurance contract; must be in a format that is selectable and searchable; and must be in portrait, rather than landscape, orientation.

These new requirements streamline the filing process by ensuring that policy forms, endorsements, and form usage tables are more readily accessible to TDI staff and compatible with text search tools in SERFF and TDI's form review technology that relies on word recognition software.

Division 5. Filings Made Easy - Requirements for Property and Casualty Policy Form and Endorsement Filings.

Section 5.9321. General Filing Requirements. Proposed amendments specify that unless requested by TDI, filings made by advisory organizations do not need to include proposed effective dates or form usage tables. Proposed amendments allow filers to use a SERFF tracking number instead of a TDI file number to identify previously

approved filings. Amendments also make several nonsubstantive wording changes to text and reorganize existing requirements on conditional mandatory addendums within the section for clarity.

Proposed amendments also delete plain-language requirements for personal automobile and residential property insurance as addressed within this section. These requirements are deleted here and added to proposed §5.9327 to clarify that the plain-language requirements only apply to personal automobile and residential property forms.

Section 5.9323. Requirements for Reference Filings. The proposed amendment allows the SERFF tracking number to be used as an alternative identifier to the TDI file number for reference filings.

Section 5.9327. Additional Requirements for Personal Automobile and Residential Property Forms. The section heading is amended to address the proposed provisions included in the section.

Proposed amendments add new subsection (a), which specifies requirements for personal automobile and residential property insurance forms. The amendments include new requirements applicable to filings submitted to TDI on or after January 1, 2025. One of the amendments requires that when an insurer files new or revised policy forms on or after January 1, 2025, the insurer must incorporate the provisions of all associated mandatory endorsements that it uses or plans to use at the time of the filing. Policy forms filed on or after January 1, 2025, should not have any mandatory endorsement forms at the time the policy form is approved. This amendment does not prohibit companies from including new mandatory endorsements in subsequent filings that do not include the related policy form.

The proposed text also requires that when filing an endorsement with provisions that do not apply to every policy to which the endorsement will be attached, the provisions must be enclosed with brackets to reflect that the provisions are variable text.

Proposed text requires filings to indicate that when the endorsement is attached to a policyholder's specific policy, the endorsement will not include any provisions that are inapplicable to that specific policy. The proposed text provides an example of how this requirement will operate. The requirement is effective for endorsements filed on or after January 1, 2025.

These changes are intended to increase consumers' understanding of their insurance policies by reducing or eliminating inapplicable provisions and by decreasing the need for consumers to cross-reference endorsements because applicable provisions will be integrated into the policy. The delayed implementation date for these requirements is intended to allow insurers lead time to incorporate these requirements into their business practices.

The amendments also add new subsection (c), which requires that when making a new automobile insurance policy form filing, insurers must file for informational purposes automobile insurance applications that are not part of the insurance policy. The new subsection also clarifies that insurers must file personal automobile insurance applications for approval if they are part of the insurance policy.

Current TDI practice is to ask insurers to file all personal automobile insurance applications when the associated policy is initially filed for review. For applications that are part of the policy, filing for approval is required by Insurance Code §2301.006, which prohibits insurer use of any form subject to Insurance Code Chapter 2301 until it is filed with and approved by the commissioner. For applications that are not part of the policy, TDI currently asks insurers to file them for informational purposes, which enables TDI to verify that the application does not contain policy terms or conditions and that the application and policy do not conflict.

Plain-language requirements for personal automobile and residential property insurance are deleted in proposed §5.9321 but added back in proposed §5.9327 to clarify

that the plain-language requirements apply only to personal automobile and residential property forms. In addition, amendments redesignate and renumber subsequent provisions as appropriate to reflect the new text.

Division 6. Filings Made Easy - Requirements for Rate and Rule Filings.

Section 5.9332. Categories of Supporting Information. Proposed amendments add new categories of supporting information for third-party data and model information. These amendments are intended to modernize the FME Rules to address insurers' increasing use of third-party data and models. The amendments specify that the following information be filed for third-party data: the name of the data vendor or source; a description of the data; a description of how the data is used; and a list of the rating variables that reflect the use of the data. Similarly, amendments require that the following information be filed for third-party models: the name of the model vendor or source; the model name and version number; a description of the model; a description of the model input; a description of how the model output is used; and a list of the rating variables that depend on the model's output.

Amendments also allow filers the option of using the SERFF tracking number instead of the TDI file number when providing loss cost information for reference filings.

In addition, amendments renumber a paragraph to reflect addition of the new categories of supporting information, and they insert the titles of cited Insurance Code provisions and make nonsubstantive language changes for consistency with current TDI rule drafting style.

Section 5.9334. Requirements for Rate and Rule Filing Submissions. Proposed amendments distinguish which filing requirements apply to advisory organization rate and rule filings. The proposed text specifies that advisory organization filings do not need to include proposed effective dates; written premium and policyholder information;

policyholder impact information; historical premium and loss information; expense information; or profit provision information.

Amendments also add third-party data and model information to the list of required elements of rate and rule filing submissions.

In addition, amendments redesignate existing subsections as appropriate to reflect addition of the new provisions, and they insert the titles of cited Insurance Code provisions and make nonsubstantive language changes for consistency with current TDI rule drafting style.

Division 7. Filings Made Easy - Requirements for Underwriting Guideline Filings.

Section 5.9342. Filing Requirements. Proposed amendments revise underwriting guideline filing requirements. Proposed amendments remove the requirement to file a comprehensive set of underwriting guidelines every three years. Instead, the proposed amendments require, not later than 10 days after use, a comprehensive set of underwriting guidelines with each underwriting guideline filing. The proposed amendments also require that each underwriting guideline filing include a mark-up or redline version of the guideline, clearly indicating any changes. These proposed amendments reduce the number of underwriting guideline filings and streamline TDI's review of these filings.

The amendments also require that for each third-party data set used in underwriting, the following information be filed: the name of the data vendor or source; a description of the data; a description of how the data is used; and a list of the underwriting guidelines that reflect the use of the data. Similarly, amendments specify that the following information be filed for third-party models: the name of the model vendor or source; the model name and version number; a description of the model; a

description of the model input; a description of how the model output is used; and a list of the underwriting guidelines that depend on the model's output.

The proposed text specifies that filings must clearly indicate any changes in the underwriting guidelines resulting from a change in third-party data and modeling information, and that no filing is necessary for a change in third-party data and modeling information that does not result in a change to underwriting guidelines. Adding the filing requirement for third-party data and model information modernizes the FME Rules to include information that insurers are increasingly using in their underwriting guideline filings.

In addition, amendments redesignate existing subsections and update references to subsections within the section as appropriate to reflect the new provisions, and they insert the titles of cited Insurance Code provisions for consistency with current TDI rule drafting style.

Division 9. Filings Made Easy - Reduced Filing Requirements for Certain Residential Property Insurers.

A proposed amendment to the title of Division 9 clarifies that the division now only applies to residential property insurers for consistency with SB 965, which repealed Insurance Code §2251.1025, concerning Filing Requirements for Certain Personal Automobile Insurers with Less Than 3.5 Percent of Market.

Section 5.9355. Purpose. A proposed amendment implements SB 965 by eliminating a reference to Chapter 2251, Subchapter C, which previously contained §2251.1025. In addition, an amendment inserts the title of Insurance Code Chapter 2251, Subchapter F for consistency with current TDI rule drafting style.

Section 5.9357. Filing Requirements. Proposed amendments implement SB 965 by eliminating references to personal automobile insurers and making conforming

changes throughout the section. To increase clarity, proposed amendments revise the rule text related to certain insurers exempted from filing and approval requirements. The proposed amendments also include third-party data and model information in the list of supporting information that insurers subject to §5.9357 are not required to file.

Division 10. Filings Made Easy - Additional Filing Requirements for Certain County Mutual Insurance Companies.

Section 5.9361. Additional Requirements. Proposed amendments add the option to use a SERFF tracking number as an alternative to the TDI file number for certain required filing information, and they also insert the title of Insurance Code Chapter 2301 for consistency with current TDI rule drafting style.

Division 11. Filings Made Easy - Certificates of Property and Casualty Insurance.

Section 5.9372. Preparation and Submission of Certificate of Insurance Form Filings. Proposed amendments restructure rule text addressing how TDI will accept filings. The amendments improve clarity; eliminate obsolete physical and mailing addresses; remove an email address; and specify that mailing addresses and other contact information are available on the Property and Casualty Certificates of Insurance web page on TDI's website. An amendment also inserts the title of Insurance Code Chapter 1811 for consistency with current TDI rule drafting style.

Section 5.9373. Certificate of Insurance Form Filing Transmittal Information. Proposed amendments remove request by mail as an option for filers to obtain the Certificate of Insurance Form Filing Transmittal Form. The request by mail option is removed because TDI no longer receives such requests by mail and the form remains available on TDI's website.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. J'ne Byckovski, chief actuary and director of the Property and Casualty Actuarial Office of the Property and Casualty Division, has determined that during each year of the first five years the amendments and new sections are in effect, there will be no fiscal impact on state or local government because of enforcing or administering the sections. The proposal will have no measurable effect on local employment or the local economy.

PUBLIC BENEFIT AND COST NOTE. For each of the first five years the proposed amendments and new sections are in effect, Ms. Byckovski expects that the proposed amendments and new sections will have the public benefits of ensuring that TDI's rules properly implement SB 965 and SB 1367, increasing consumer understanding of insurance policies, reducing certain costs imposed on filing entities, conserving agency resources, and increasing government efficiency.

Ms. Byckovski expects that several of the proposed amendments will impose a cost on regulated entities, but that these costs will be offset by savings for regulated entities.

Costs

TDI anticipates that requiring the incorporation of mandatory endorsement form provisions into policies as described in §5.9327(a)(2) will result in costs for some insurers as they revise their forms. While it is not feasible to determine the actual time required or the cost of employees needed to comply with the requirements, TDI estimates that the incorporation of such an endorsement into a policy form would take a range of one to two hours to complete for each amended form and would likely require both software programming and clerical staff. According to the May 2021 Bureau of Labor Statistics Occupational and Employment Wage Statistics at www.bls.gov/oes/current/oes_nat.htm, the national mean hourly wage for software and web developers, programmers, and

testers in the "Management of Companies and Enterprises" classification is \$54.68, and the national mean hourly wage for the "Secretaries and Administrative Assistants, Except Legal, Medical, and Executive" classification is \$19.75.

TDI also anticipates that the bracketing of variable text in endorsement forms as described in §5.9327(a)(3) will result in costs for some insurers. While actual costs for each insurer will depend on the language that must be bracketed and the underlying form, TDI estimates that bracketing variable text and preparing the forms to remove any inapplicable text when the endorsements are issued will take a range of one to five hours to complete for each amended form and would likely require both software programming and clerical staff. The national mean hourly wages discussed above in the mandatory endorsement cost analysis are also applicable for these costs.

TDI believes these potential costs are significantly mitigated by the delayed implementation of these requirements until January 1, 2025. Even more significantly, the rule proposal does not prohibit the use of separate mandatory endorsements or unbracketed variable text on January 1, 2025, but rather specifies that filings an insurer chooses to make after that date must conform to the new standards. Insurers can choose when to file policy forms and endorsements that will be subject to the requirements in §5.9327(a)(2) and §5.9327(a)(3). As a result, insurers will have the opportunity to integrate any necessary software programming and administrative activities into related activities the insurer will already be undertaking to develop and begin using the filed policy forms or endorsements. Insurers that do not use policy forms that have mandatory endorsements as described in §5.9327(a)(2), or that do not use endorsements forms with inapplicable text as described in §5.9327(a)(3), will have no costs resulting from these amendments.

Insurers may also experience minor costs relating to the requirement in §5.9327(c)(2) that automobile insurance applications that are not part of the insurance

policy must be filed for informational purposes when the insurer files a new personal automobile policy form. According to May 2021 National Occupational and Wage Statistics as published by the Bureau of Labor Statistics at www.bls.gov/oes/current/oes_nat.htm, the national mean hourly wage for the "Secretaries and Administrative Assistants, Except Legal, Medical, and Executive" classification is \$19.75. TDI estimates that filing an automobile insurance application will take less than one hour given that the insurer will already be filing a policy form. TDI regularly requests a copy of automobile insurance applications when a new policy is filed because it is needed for TDI's review of the policy. Therefore, compliance with the requirement will not result in a cost that is not already present.

Proposed new §5.9313 specifies filing format requirements. Although most insurers currently comply with the proposed requirements, the amendments may result in minor costs for a very small number of insurers. The requirements ensure that filings are compatible with text search tools in SERFF and TDI's form review technology that relies on word recognition software. TDI believes that insurers ordinarily draft or otherwise develop policy forms, endorsements, and form usage tables in a format that is selectable and searchable and can easily be converted to portrait orientation if needed. The existing requirement in §5.9310 that filings be made in SERFF sometimes results in TDI requesting that filers submit in a compatible format. Therefore, compliance with these formatting requirements will not result in costs that are not already present under existing requirements.

Proposed amendments in §§5.9332, 5.9334, and 5.9342 on third-party data and model information may result in time and filing costs for some insurers. These amendments are intended to address insurers' increasing use of modeling and data provided by third parties. The third-party information required by the proposed amendments consists of basic identifying and descriptive information and is not expected

to impose a significant cost. Insurers that do not use third-party data or models will not have any costs resulting from these amendments.

Because of the number of factors impacting potential insurer costs, it is not feasible for TDI to estimate the range of all potential costs of the proposed amendments. Any potential insurer costs resulting from the proposal will be specific to each filing entity and their unique circumstances.

Savings

TDI believes that the costs previously discussed will be offset by time, effort, and cost savings for filing entities, and that as a result of these offsetting savings the proposal will result in an overall net savings for impacted entities. TDI expects that filing entities will have savings resulting from streamlining the filing process by formalizing current practices, clarifying filing requirements for advisory organizations, allowing monoline filings to be used in multi-peril insurance, and allowing the use of a SERFF tracking number instead of a TDI filing number. TDI also believes that the requirements for incorporating mandatory endorsements into policies and bracketing variable text will significantly reduce misunderstanding and increase transparency for consumers, which will result in less insurer time and expense responding to customer complaints and TDI inquiries.

The following proposed amendments streamline the filing and review process by formalizing current TDI practice and clarifying filing requirements: specifying current filing format requirements in §5.9313; clarifying advisory organization filing requirements in §5.9321 and §5.9334; formalizing the current practice of requesting that automobile insurance applications accompany the underlying policy when filed in §5.9327; and providing specificity in §§5.9332, 5.9334, and 5.9342 on third-party data and model information in rate, rule, and underwriting guideline filings. In addition, proposed

amendments in §§5.9310, 5.9321, 5.9323, 5.9332, and 5.9361 allow filers to use a SERFF tracking number in lieu of a TDI file number.

TDI anticipates that streamlining the filing process by formalizing these practices will result in time, effort, and cost savings for filing entities because it will decrease the necessity of follow-up by TDI staff during the review process. Currently, when TDI receives a filing that needs additional supporting information, or that must be resubmitted without password-protected or scanned documents, TDI staff must pause review of the filing and initiate correspondence with the filing entity. Ongoing dialogue regarding a filing is inefficient and delays the review process. Clearly specifying requirements in the FME Rules increases the likelihood of an efficient and timely review process. Submitting form filings in accordance with the requirements in proposed §5.9313 will also enable TDI to use its form review technology that relies on word recognition software. Using the technology helps TDI review filings more quickly and efficiently.

Filers may also save time and expense when preparing a filing because they can use a SERFF tracking number instead of a TDI file number. For some filers, the SERFF tracking number may be easier to find or maintain than the TDI file number.

TDI expects that proposed amendments in §5.9310 that permit a filing submitted for one line of insurance to also be used in multi-peril insurance will result in savings. Insurers that file for one line of insurance will not have to file again if they later decide to use the form in a multi-peril insurance product.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed amendments will not have an adverse economic impact on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. TDI has determined that this proposal results in a net savings for regulated entities. No additional rule amendments are required under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. Ms. Byckovski has determined that for each year of the first five years that the proposed amendments and new sections are in effect, the proposed rule:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will create a new regulation;
- will expand and limit existing regulations;
- will decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TDI has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on

August 7, 2023. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

To request a public hearing on the proposal, submit a request before the end of the comment period to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030. The request for public hearing must be separate from any comments and received by the department no later than 5:00 p.m., central time, on August 7, 2023. If TDI holds a public hearing, TDI will consider comments both written and those presented at the hearing.

SUBCHAPTER M. FILING REQUIREMENTS.

DIVISION 4. FILINGS MADE EASY - TRANSMITTAL INFORMATION AND GENERAL FILING REQUIREMENTS FOR PROPERTY AND CASUALTY FORM, RATE, UNDERWRITING GUIDELINE, AND CREDIT SCORING MODEL FILINGS. 28 TAC §§5.9310, 5.9312, AND 5.9313

STATUTORY AUTHORITY. The amendments to §5.9310 and §5.9312 and new §5.9313 are proposed under Insurance Code §§36.002(1)(C), 36.002(1)(F), 36.002(2)(E), 2251.101, 2301.055, 559.004, and 36.001.

Insurance Code §36.002(1)(C) authorizes the commissioner to adopt reasonable rules that are necessary to effect the purposes of a provision of Insurance Code Chapter 2301, Subchapter A. Insurance Code §2301.001 states that the purpose of Insurance Code Chapter 2301, Subchapter A, includes regulating insurance forms to ensure that they are not unjust, unfair, inequitable, misleading, or deceptive, and to provide regulatory procedures for the maintenance of appropriate information reporting systems.

Insurance Code §36.002(1)(F) authorizes the commissioner to adopt reasonable rules necessary to effect the purposes of a provision of Insurance Code Chapter 2251.

Insurance Code §36.002(2)(E) authorizes the commissioner to adopt reasonable rules appropriate to accomplish the purposes of a provision of Subtitles B, C, D, E, F, H, or I of Title 10 of the Insurance Code.

Insurance Code §2251.101 provides that each insurer must file its rates, rating manuals, supplementary rating information, and additional information with TDI as required by the commissioner. It also provides that the commissioner adopt rules on the information to be included in rate filings and prescribe the process by which TDI may request supplementary rating information and supporting information.

Insurance Code §2301.055 provides that the commissioner may adopt reasonable and necessary rules to implement Insurance Code Chapter 2301, Subchapter B.

Insurance Code §559.004 authorizes the commissioner to adopt rules necessary to implement Insurance Code Chapter 559.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §5.9310 and §5.9312 and new §5.9313 implement Insurance Code §§38.002, 38.003, 559.151, 2052.002, 2053.003, 2053.034, 2171.003, 2251.101, 2301.001, 2301.006, 3502.101, and 3502.104.

TEXT.

§5.9310. Property and Casualty Transmittal Information and General Filing Requirements.

(a) Purpose. The purpose of this division is to specify the transmittal information and general filing requirements for property and casualty form, rate, ~~and~~ rule, underwriting guideline, and credit scoring model filings.

(b) Definitions. Terms not defined in this division may be defined in Insurance Code Chapters 2053, concerning Rates for Workers' Compensation Insurance; 2251, concerning Rates; and 2301, concerning Policy Forms and have the same meaning when used in this division. The following terms when used in this division have the following meanings unless the context indicates otherwise:

~~[(1) Dual filing--A filing submitted for one line of insurance that may also be used in multi-peril insurance.]~~

(1) ~~[(2)]~~ Interline filing--A filing that may be used for more than one line of insurance submitted for:

(A) a policy jacket, declarations page, signature page, notice of cancellation, disclosure, schedule, general change form, company name change, or policyholder notice filed under Division 5 of this subchapter, relating to Filings Made Easy - Requirements for Property and Casualty Policy Form and Endorsement Filings; or

(B) policy fees, service fees, and other fees that are charged or collected by the insurer under Insurance Code §550.001, concerning Solicitation or Collection of Certain Payments, or §4005.003, concerning Fees, filed under Division 6 of this subchapter (relating to Filings Made Easy - Requirements for Rate and Rule Filings).

(2) ~~[(3)]~~ Multi-peril insurance--Policies and rates for two or more lines of insurance that are subject to regulation under Insurance Code Chapters 2251 and 2301. This definition does not include a combination of coverages described in:

(A) Insurance Code §2251.002, concerning Definitions, and §2301.002, concerning Definitions, and filed as commercial property insurance; or [-]

(B) Insurance Code §2251.0031, concerning Exceptions for Certain Lines, and §2301.0031, concerning Exceptions for Certain Lines.

(3) ~~[(4)]~~ NAIC--The National Association of Insurance Commissioners.

(4) ~~[(5)]~~ Reference filing--A filing that references the use of policy forms, endorsements, rules, loss costs, rating manuals, other supplementary rating information, or credit scoring models that TDI has adopted, approved, or accepted.

(5) ~~[(6)]~~ SERFF--The NAIC System for Electronic Rate and Form Filing.

(6) ~~[(7)]~~ TDI--Texas Department of Insurance.

(7) ~~[(8)]~~ TDI file number--The number TDI assigns to a filing.

(c) Transmittal information. Each filing must contain the following transmittal information:

(1) company name as used for financial reporting to the NAIC and company number assigned by the NAIC;

(2) company group name and group NAIC number;

(3) whether the filing is new, or revises or replaces an existing filing;

(4) TDI file number or SERFF tracking number of the revised or replaced filing;

(5) TDI file number or SERFF tracking number for the previously approved policy that the proposed form will be attached to;

(6) TDI file number or SERFF tracking number of associated or companion filings of other filing types;

(7) line of insurance:

(A) all filings must specify the line of insurance; and

(B) interline filings must specify all lines of insurance to which the filing applies. ~~[-and]~~

~~[(C) dual filings must indicate the line of insurance to which the filing applies and the TDI file numbers for the applicable monoline and multi-peril filings;]~~

(8) type of filing;

(9) proposed effective date; and

(10) contact person, including name, telephone number, and mailing address.

(d) Multi-peril use. A filing submitted for a line of insurance that is subject to regulation under Insurance Code Chapters 2251 and 2301 may also be used in multi-peril insurance.

(e) [~~(d)~~] Filings Made Easy Guide. TDI maintains the Filings Made Easy Guide to help insurers submit filings and comply with statutory requirements. Insurers may obtain this guide from TDI's website at www.tdi.texas.gov.

(f) [~~(e)~~] Letter of authorization. A third-party representing an insurer on a filing must provide a letter of authorization signed by the insurer on the insurer's letterhead. A letter of authorization applies only to the filing with which it is submitted.

(g) [~~(f)~~] Submission of filing. Filings under Divisions 5, 6, 7, 8, and 9 of this subchapter (relating to Filings Made Easy - Requirements for Property and Casualty Policy Form and Endorsement Filings; Filings Made Easy - Requirements for Rate and Rule Filings; Filings Made Easy - Requirements for Underwriting Guideline Filings; Filings Made Easy - Requirements for Credit Scoring Model Filings for Personal Insurance; and Filings Made Easy - Reduced Filing Requirements for Certain Insurers) must be submitted through SERFF.

(h) [~~(g)~~] Public disclosure of contact information. To the extent that a filing includes company contact information, by submitting a filing the company affirmatively consents to the release and disclosure of its company contact information, including any email addresses. The filer also certifies that each person associated with an email address that appears in the filing has affirmatively consented to the release and disclosure of that email address.

§5.9312. Personally Identifiable Information.

Filings must not include any policyholders' personally identifiable information. Filings that include this type of information may be rejected. As used in this subchapter, personally identifiable information means information that can be used either alone or in combination to distinguish an individual's identity. Examples of personally identifiable information include:

- (1) any individual policyholder identification, including name, address, phone number, or email address;
- (2) social security numbers;
- (3) insurance policy numbers;
- (4) drivers' license, identification card, vehicle identification, and license plate numbers;
- (5) debit card, credit card, bank account, and routing numbers; and
- (6) health information about a specific individual.

§5.9313. Filing Format Requirements.

(a) Documents included in filings may not be encrypted or password protected. TDI staff must be able to fully process and review the documents without a password or other decryption process.

(b) The policy forms, endorsements, and form usage tables submitted in a filing under Division 5 of this subchapter (relating to Filings Made Easy - Requirements for Property and Casualty Policy Form and Endorsement Filings) must:

- (1) not be scanned documents;
- (2) not include any scanned text, or scanned images with text, that will be part of the insurance contract;
- (3) be in a format that is selectable and searchable; and
- (4) be in portrait, not landscape, orientation.

**DIVISION 5. FILINGS MADE EASY - REQUIREMENTS FOR PROPERTY AND CASUALTY POLICY FORM AND ENDORSEMENT FILINGS.
28 TAC §§5.9321, 5.9323, AND 5.9327**

STATUTORY AUTHORITY. The amendments to §§5.9321, 5.9323, and 5.9327 are proposed under Insurance Code §§36.002(1)(C), 36.002(2)(E), 541.401, 2301.053, 2301.055, Article 5.35(f), 2051.201, and 36.001.

Insurance Code §36.002(1)(C) authorizes the commissioner to adopt reasonable rules that are necessary to effect the purposes of a provision of Insurance Code Chapter 2301, Subchapter A. Insurance Code §2301.001 states that the purpose of Insurance Code Chapter 2301, Subchapter A, includes regulating insurance forms to ensure that they are not unjust, unfair, inequitable, misleading, or deceptive, and to provide regulatory procedures for the maintenance of appropriate information reporting systems.

Insurance Code §36.002(2)(E) authorizes the commissioner to adopt reasonable rules appropriate to accomplish the purposes of a provision of Subtitles B, C, D, E, F, H, or I of Title 10 of the Insurance Code.

Insurance Code §541.401 specifies that the commissioner may adopt and enforce reasonable rules the commissioner determines necessary to accomplish the purposes of Insurance Code Chapter 541. Insurance Code §541.001 states that the purpose of Insurance Code Chapter 541 is to regulate insurance trade practices by defining or providing for the determination of trade practices that are unfair methods of competition or unfair or deceptive acts or practices and prohibiting those trade practices.

Insurance Code §2301.053 provides that a form may not be used unless it is written in plain language.

Insurance Code §2301.055 provides that the commissioner may adopt reasonable and necessary rules to implement Insurance Code Chapter 2301, Subchapter B.

Insurance Code Article 5.35(f) specifies timelines for commissioner form and endorsement approval, and states that for good cause shown the commissioner may withdraw approval of a form or endorsement at any time.

Insurance Code §2051.201 authorizes the commissioner to adopt and enforce all reasonable rules necessary to carry out the provisions of a law referenced in Insurance Code §2051.002(1), (2), or (3).

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §§5.9321, 5.9323, and 5.9327 implement Insurance Code §§541.001, 2052.002, 2171.003, 2301.001, 2301.006, 2301.053, 2301.056, and 3502.104.

TEXT.

§5.9321. General Filing Requirements.

(a) Filings must be submitted for [~~only~~] one line of insurance only, except for multi-peril and interline filings.

(b) Filings submitted under this division may not be combined with any other filing types submitted under this subchapter.

(c) Filings must contain the following:

(1) the transmittal information required in §5.9310 of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements);

(2) a copy of the proposed policy forms or endorsements;

(3) a form number for each proposed form;

(4) an edition date for each proposed form, if applicable;

(5) the TDI file number or SERFF tracking number for the previously approved policy to which the proposed form will be attached, if applicable;

(6) a form usage table that includes:

(A) the form name and form number for each proposed form;

(B) information indicating whether each proposed form is optional, mandatory, or conditional mandatory; and ~~[- For conditional mandatory forms, the filer must submit an addendum that describes the conditions that make each form mandatory. For filings other than personal automobile, residential property, or personal multi-peril, the filer may describe the conditions elsewhere in the filing; and]~~

(C) for conditional mandatory forms, an addendum to the form usage table describes the conditions that make each form mandatory. For filings other than personal automobile, residential property, or personal multi-peril, the filer may describe the conditions elsewhere in the filing;

(7) a memorandum that ~~[contains]~~:

(A) explains in detail ~~[a detailed explanation of]~~ the reasons for the filing;

(B) describes each ~~[a description of the]~~ proposed policy form ~~[forms]~~ or endorsement ~~[endorsements]~~; and

(C) details ~~[an explanation of]~~ each policy form or ~~[and]~~ endorsement's use, including ~~[which may include for example,]~~ the type of risk or risks for which the forms or endorsements will be used.

(d) Filings must also meet the following requirements.

(1) Filings must include all ~~[(8) All]~~ provisions required by statute, administrative rule, or Commissioner's order. Filers may add the required provisions to a policy form by including a Texas amendatory endorsement. The filing must include the

amendatory endorsement, or the filing may reference an approved amendatory endorsement that applies to the policy forms in the filing.

(2) ~~[(9)]~~ For amended policy forms or endorsements, copies of the previously approved or adopted policy forms or endorsements indicating the differences between the approved or adopted policy forms or endorsements and the filed policy forms or endorsements must be included. New text must be underlined, and deleted text must be in brackets with a strikethrough. Alternatively, the changes can be indicated by other clearly identified or highlighted editorial notations referencing new and replaced text. The marked changes must be in a separate single document for each filed form.

(e) Unless requested by TDI, filings made by advisory organizations do not need to include:

(1) the proposed effective date specified in §5.9310(c)(9) of this title; or

(2) the form usage table specified in subsection (c)(6) of this section.

~~[(10) For personal automobile and residential property insurance, a filing must meet the statutory requirements for plain language in policies required by Commissioner's Order No. 92-0573, or any superseding Commissioner's order. The filing must also include the Flesch Reading Ease Test readability score for the filed forms or endorsements.]~~

§5.9323. Requirements for Reference Filings.

(a) Reference filings for policy forms and endorsements should not include a copy of the referenced material.

(b) In addition to the transmittal information, a reference filing must include:

(1) the name of the insurance company or advisory organization whose filing is being referenced; and

(2) the TDI file number or SERFF tracking number of the filing being referenced.

(c) For personal automobile, residential property, and personal multi-peril insurance, the filing must also include:

(1) a list of each form and endorsement that the insurer will use from each referenced filing; and

(2) a form usage table, as described in §5.9321(c)(6) of this title (relating to General Filing Requirements), that includes each form and endorsement that the insurer will use from each referenced filing.

(d) If a filer wants to change a form or endorsement approved for another insurer or an advisory organization, the filer may not submit the form as a reference filing. The filer must submit the amended form for approval with the information required by §5.9321 and §5.9322 of this title (relating to Additional Information).

§5.9327. Additional Requirements for Personal Automobile and Residential Property [Declarations Page] Forms.

(a) Personal automobile and residential property insurance forms are subject to this subsection.

(1) Filed forms must meet the plain-language requirements described in Insurance Code §2301.053, concerning Requirements for Forms; Plain-Language Requirement, and Commissioner's Order No. 92-0573. Filings must also include the Flesch Reading Ease Test readability score for the forms.

(2) For policy forms filed on or after January 1, 2025:

(A) Amended policy forms must incorporate the provisions of all mandatory endorsement forms the insurer uses with the policy form at the time of filing.

Amended policy forms must not have any mandatory endorsement forms at the time the policy form is approved.

(B) New policy forms must not have any mandatory endorsement forms at the time the policy form is filed and approved.

(C) Subject to subparagraphs (A) and (B) of this paragraph, an insurer may file mandatory endorsement forms in a filing that does not include the related policy form.

(3) When filing an endorsement form with provisions that do not apply to every policy to which the endorsement will be attached, the provisions must be enclosed with brackets to reflect that the provisions are variable text. The filing must also indicate that when the endorsement is attached to a policyholder's specific policy, the endorsement will not include any provisions that are inapplicable to that specific policy. For example, an insurer may file an endorsement with provisions that amend an HO-3 policy and an HO-5 policy. If certain provisions apply only to the HO-5, those must be bracketed in the filed form, and must not be visible to the policyholder when the form is used to endorse the HO-3. This paragraph applies to new or amended endorsements filed on or after January 1, 2025.

(b) [(a)] Insurers must file residential property [insurance] policy declarations page forms for approval [under this division].

(1) Declarations pages include renewal declarations pages, renewal certificates, amended declarations pages, and separate disclosure pages allowed under §5.9700 of this title (relating to Residential Property Declarations Pages and Deductible Disclosures).

(2) [(b)] Filed declarations page forms must be completed with sample--not actual--policyholder information sufficient to demonstrate how the insurer will comply

with this rule and Insurance Code §2301.056, concerning Requirement for Forms; Declarations Page Requirement.

(c) Insurers must file personal automobile insurance application forms as follows:

(1) new or amended application forms that are part of the insurance policy must be filed for approval; and

(2) application forms that are not part of the insurance policy must be filed for informational purposes when an insurer files a new personal automobile policy form.

DIVISION 6. FILINGS MADE EASY - REQUIREMENTS FOR RATE AND RULE FILINGS. 28 TAC §5.9332 AND §5.9334

STATUTORY AUTHORITY. The amendments to §5.9332 and §5.9334 are proposed under Insurance Code §§36.002(1)(F), 36.002(2)(E), 912.056, 2251.101, and 36.001.

Insurance Code §36.002(1)(F) authorizes the commissioner to adopt reasonable rules necessary to effect the purposes of a provision of Insurance Code Chapter 2251.

Insurance Code §36.002(2)(E) authorizes the commissioner to adopt reasonable rules appropriate to accomplish the purposes of a provision of Subtitles B, C, D, E, F, H, or I of Title 10 of the Insurance Code.

Insurance Code §912.056 provides that certain county mutual insurance companies that have appointed managing general agents, created districts, or organized local chapters to manage a portion of their business must, for each managing general agent, district, or local chapter program, file the rating information that the commissioner requires by rule.

Insurance Code §2251.101 provides that each insurer must file its rates, rating manuals, supplementary rating information, and additional information with TDI as required by the commissioner. It also provides that the commissioner adopt rules on the

information to be included in rate filings and prescribe the process by which TDI may request supplementary rating information and supporting information.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §5.9332 and §5.9334 implement Insurance Code §§912.056, 2053.003, 2053.034, 2251.101, 3502.101, and 3502.104.

TEXT.

§5.9332. Categories of Supporting Information.

The categories of supporting information addressed in this section describe the different items that may be required or requested in a rate and rule filing. Section 5.9334 of this title (relating to Requirements for Rate and Rule Filing Submissions) lists the categories of supporting information that different rate and rule filings require. Categories of supporting information include:

(1) Rate filing checklists. These are found in the Filings Made Easy Guide and show the information filers need to include with the filing.

(2) Actuarial memorandum. This memorandum describes the methodologies for determining each component used in developing the actuarial support, and a qualitative discussion on the selections for each component. It includes an explanation for any changes in methodologies or any changes to the component selections from the previous analysis.

(3) Actuarial support. This type of support consists of sufficient documentation and analysis to allow a qualified actuary to understand and evaluate the

rates, each component used in developing the rates, and the appropriateness of each material assumption. Actuarial support is divided into the following subcategories:

(A) Rate indications consist of the analyses the insurer relies on to support its filed rates, each component used to develop the rate indications, and support for each of these components, including the data and methodologies used by the insurer. Rate indications may be on an overall basis or by coverage, class, form, or peril when appropriate. Rate indications must include each of the following with documentation in support of each, to the extent applicable:

- (i) premiums, on-level factors, and premiums at current rate level;
- (ii) incurred and paid losses;
- (iii) loss and claim development factors;
- (iv) premium and loss trend factors;
- (v) hurricane and nonhurricane catastrophe factors or loss provisions, including the definition of a catastrophe and how the definition has changed over the experience period used to calculate the provisions;
- (vi) off-balance factors if there are changes in relativities, for example: discounts, surcharges, or territorial definitions;
- (vii) the measure of credibility, the complement of credibility, the criteria for full credibility, and the method for determining partial credibility;
- (viii) expenses, including: general expenses; other acquisition expenses; commissions and brokerage expenses; taxes, licenses, and fees; loss adjustment expenses; and expense offsets from fee income;
- (ix) the net cost of reinsurance;
- (x) for rates filed under Insurance Code Chapter 2251, concerning Rates, profit provisions, including risk loads;

(xi) for rates filed under Insurance Code Chapters 2053_z, concerning Rates for Workers' Compensation Insurance, and 3502, concerning Mortgage Guaranty Insurance, profit and contingency provisions, including risk loads;

(xii) the effect on premiums of individual risk variations based on loss or expense considerations; and

(xiii) any other component used in developing a rate indication.

(B) Relativity analysis consists of both the analysis and support for the selected rating factors, including the loss experience and methodologies used by the insurer to derive the indicated rating factors. Supporting information must include:

(i) the current relativity;

(ii) the indicated relativity;

(iii) support for the indicated relativities, including the loss experience and methodologies used by the insurer to derive the indications;

(iv) the selected relativity;

(v) support for the selected relativities if they differ from the indicated relativities; and

(vi) the percent change from current to selected relativity.

(C) Other actuarial support consists of both the analysis and support for the selected rates, including the loss experience and methodologies used by the insurer to derive them. The support must clearly demonstrate why the proposed rates are not excessive, inadequate, or unfairly discriminatory. A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer. These costs include claims, claim settlement expenses, operational and administrative expenses, and the cost of capital.

(4) SERFF rate data. This data consists of all information necessary to complete the company rate information fields in SERFF.

(5) Policyholder impact information. Policyholder impact information must reflect the changes for all policyholders. This information consists of the following provided separately by form or coverage:

(A) a histogram that graphically depicts the impact of the filed changes to policyholders in 5 percentage point intervals;

(B) the policy counts in each interval displayed in either the histogram or a separate table;

(C) the minimum and maximum policyholder impact; and

(D) a description of the changes that contributed to the minimum and maximum policyholder impact.

(6) Average rate change by county. This is the average impact of all changes included in a filing by county, provided separately by form or coverage.

(7) Rate change information. Rate change information must reflect the changes for all policyholders.

(A) For loss cost reference filings, rate change information consists of:

(i) the proposed percentage change in the underlying loss costs;

(ii) the change in the insurer's loss cost multiplier;

(iii) the combined change in the loss costs and the loss cost multipliers;

(iv) a six-year rate change history; and

(v) the effect that changes in fee income have on the total average rate change for all coverages and forms combined.

(B) For all other filings, rate change information consists of:

(i) the average proposed rate change for each applicable coverage or form;

(ii) the total average rate change for all applicable coverages and forms combined;

(iii) a six-year rate change history; and

(iv) the effect that changes in fee income have on the total average rate change for all applicable coverages and forms combined.

(8) Historical premium and loss information. This information consists of an insurer's most recent five-year experience, for both Texas and countrywide, of direct premiums written, direct premiums earned, direct losses and defense and cost containment expenses paid, direct losses and defense and cost containment expenses incurred, and the ratio of the direct losses and defense and cost containment expenses incurred to direct earned premiums. The Texas experience is the amounts, or a subset of the amounts, pertinent to the line of business reported on the Exhibit of Premiums and Losses (Statutory Page 14 Data) in the insurer's Annual Statement. The countrywide experience is the amounts, or a subset of the amounts, pertinent to the line reported on the insurer's Insurance Expense Exhibit (IEE), Part III in the insurer's Annual Statement.

(9) Expense information. This information consists of Texas experience and, if applicable, countrywide experience. The loss adjustment expenses must be shown as a dollar amount and as a ratio to incurred losses. All other expenses must be shown as a dollar amount and as a ratio to premium. All expense items must be on a direct basis.

(A) Three years of historical Texas experience must be included for commissions and brokerage expenses incurred; taxes, licenses, and fees incurred; losses incurred; and defense and cost containment expenses incurred. These must be the

amounts, or a subset of the amounts, reported on the Exhibit of Premiums and Losses (Statutory Page 14 Data) in the insurer's Annual Statement.

(B) Three years of historical countrywide experience must be included for commissions and brokerage expenses incurred, other acquisition expenses incurred, general expenses incurred, losses incurred, defense and cost containment expenses incurred, and adjusting and other loss adjustment expenses incurred. These must be the amounts, or a subset of the amounts, reported in the insurer's IEE, Part III in the insurer's Annual Statement.

(C) Three years of historical countrywide experience must be included for each category of disallowed expenses. These must be the amounts reported in the insurer's response to the annual TDI Disallowed Expense Call. Other acquisition and general expenses, each adjusted to remove disallowed expenses, must be listed separately. The total adjusted general expense percentage must reflect any necessary adjustment due to the capping of general expenses at 110% [~~110 percent~~] of the industry median for the line of insurance.

(D) To the extent that the expense provisions differ from the historical expenses, the filing must provide additional support for the expense provisions underlying the rates. Provisions for commissions and brokerage expenses; other acquisition expenses; general expenses; taxes, licenses, and fees; and profit and contingencies must be displayed and a sum computed. For filings submitted under Insurance Code Chapter 2251, the expense provisions must exclude disallowed expenses.

(E) When additional expense provisions are included, such as the net cost of reinsurance or an expense offset from fee income, the filing must include expected or historical experience. Support for provisions for the net cost of reinsurance may include reinsurance premiums, expected reinsurance recoverables, and a description of reinsurance coverage including attachment points and limits.

(10) Loss cost information for reference filings. This information consists of the following:

(A) the TDI file number or SERFF tracking number of the loss costs being referenced;

(B) the derivation of the proposed loss cost multiplier including any loss cost modification factor and the following expense and profit provisions:

(i) commissions and brokerage expenses;

(ii) other acquisition expenses, adjusted to remove disallowed expenses;

(iii) general expenses, adjusted to remove disallowed expenses;

(iv) taxes, licenses, and fees; and

(v) underwriting profit and contingencies;

(C) supporting documentation for loss cost modification factors other than 1.00;

(D) the loss cost multiplier to be used as of the effective date of the filing;

(E) the loss cost multiplier used immediately before the effective date of the filing; and

(F) the effective rate-level change due to any change in the loss cost multiplier.

(11) Profit provision information. This information consists of a description of the methodology, assumptions, and support for the assumptions used to arrive at the profit provisions underlying the proposed rates.

(12) A side-by-side comparison. This comparison must show any differences between the previously filed and the proposed rates, rating manual, rules, or other supplementary rating information.

(13) A mark-up ~~mark-up~~. This is a copy of the previously filed rates, rating manuals, rules, or other supplementary rating information indicating the differences between it and the revised version, with any new language or factors underlined and the deleted language or factors in brackets with a strikethrough, or other clearly identified or highlighted editorial notations referencing the new and replaced language or factors.

(14) Sample premium impacts by selected ZIP codes. These are sample premiums and premium changes based on all changes included in a filing for certain specified policy types and ZIP codes.

(15) Rate filing templates. These are found in the Filings Made Easy Guide and provide insurers with an optional means of providing certain supporting information and supplementary rating information.

(16) Third-party data information. For each third-party data set, this information consists of the following:

(A) the name of the data vendor or source;

(B) a description of the data, such as a data dictionary, that includes the name for each data element and the corresponding definition;

(C) a description of how the data is used in ratemaking or otherwise used to determine rates or premiums; and

(D) a list of the rating variables that reflect use of the data.

(17) Third-party model information. For each third-party model, this information consists of the following:

(A) the name of the model vendor or source;

(B) the model name and version number;

(C) a description of the model;

(D) a description of the model input;

(E) a description of how the model output is used in ratemaking or otherwise used to determine rates or premiums ; and

(F) a list of the rating variables that depend on the output of the model.

(18) ~~[(16)]~~ Other information. This includes any other information required by the Commissioner necessary to determine that the rates meet the rate standards.

§5.9334. Requirements for Rate and Rule Filing Submissions.

(a) Insurers must file any new rates or revisions to previously filed rates governed by Insurance Code Chapter 2053, concerning Rates for Workers' Compensation Insurance, at least 30 days before they become effective. The insurer must file any supplementary rating information not prescribed under Insurance Code Article 5.96, concerning Promulgated Lines.

(b) For rates governed by Insurance Code Chapter 2251, concerning Rates, insurers must file any new rates, rating manuals, rules, all other supplementary rating information, and fees, or revisions to these items and all other information required by this section. An insurer may use the information filed under this division on and after the date of the filing, unless the insurer is subject to prior approval under Insurance Code Chapter 2251, Subchapter D, concerning Prior Approval of Rates Under Certain Circumstances.

(c) Insurers must file any new rates and supplementary rating information or revisions to previously filed rates and supplementary rating information governed by Insurance Code Chapter 3502, concerning Mortgage Guaranty Insurance, at least 15 days before they become effective.

(d) All rate and rule filings must be submitted for only one line of insurance except for multi-peril and interline filings.

(e) Each filing must include the transmittal information required in §5.9310 of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements).

(f) Insurers must inform TDI of a change in the effective date of a rate and rule filing on or before the effective date in the filing.

(g) Each filing must include a filing memorandum that explains the purpose of the filing and provides all material background details relating to the filing, including a statement on the overall impact of the filing. The filing memorandum must briefly describe each change to the rates, rating manuals, rules, any other supplementary rating information and fees used by the insurer, and briefly describe the supporting information provided for each change. A brief summary of any related policy form or endorsement filings, including the coverages, limitations, and exclusions, must be included.

(h) Except as provided in Division 9 of this subchapter (relating to Filings Made Easy - Reduced Filing Requirements for Certain Insurers), or subsection (j) ~~[(i)]~~ of this section, each filing must include supporting information. Sufficient supporting information is necessary for TDI to establish that a filing produces rates that are not excessive, inadequate, unreasonable, or unfairly discriminatory for the risks to which they apply. Insurers must provide sufficient documentation to justify specific rates or revisions they are proposing. To the extent the information originally submitted in a rate and rule filing is insufficient, TDI may request additional information as deemed necessary by TDI or the Commissioner. Each filing must contain the following items:

- (1) a completed rate filing checklist;
- (2) rate change information;
- (3) SERFF rate data;

(4) loss cost information, if the filing references an advisory organization loss cost filing;

(5) an actuarial memorandum;

(6) actuarial support appropriate to the rating information being filed, as specified in subparagraphs (A) - (C) of this paragraph:

(A) All filings that propose changes to relativities, such as territory or class, and those implied by discounts, surcharges, or tiers, must include relativity analyses. This requirement applies when the proposed rate changes vary across a characteristic, regardless of presentation. The related territory codes and descriptions, classification systems and descriptions, or rules must also be included.

(B) All except the following filings must include rate indications:

(i) filings for new rates that will not replace, modify, or supersede any existing rates, unless the rates are derived from the experience of an affiliate, including an eligible surplus lines insurer;

(ii) fee filings; or

(iii) filings containing changes only to supplementary rating information with no overall rate impact. Examples include filings with no overall rate impact that contain only items such as relativity changes or rates for endorsements.

(C) Filings must include other actuarial support when neither the relativity analysis in subparagraph (A) of this paragraph nor the rate indications in subparagraph (B) of this paragraph apply;

(7) policyholder impact information for owner-occupied homeowner and personal automobile filings that include changes that will result in a difference between the minimum and maximum policyholder impact that is greater than 5% [~~5 percent~~];

(8) the average rate change by county for owner-occupied homeowners rate filings;

(9) historical premium and loss information, if the filing changes or replaces existing rates;

(10) expense information; ~~and~~

(11) profit provision information; ~~and~~

(12) third-party data information; and

(13) third-party model information.

(i) Filings submitted by advisory organizations do not need to include:

(1) the proposed effective date as specified in §5.9310(c)(9) of this title;

(2) the written premium and policyholder information in the SERFF rate data as specified in subsection (h)(3) of this section;

(3) policyholder impact information as specified in subsection (h)(7) of this section;

(4) historical premium and loss information as specified in subsection (h)(9) of this section;

(5) expense information as specified in subsection (h)(10) of this section; or

(6) profit provision information as specified in subsection (h)(11) of this section.

(j) ~~(i)~~ Instead of the items in subsection (h) of this section, short track filings must include:

(1) a completed rate filing checklist;

(2) rate change information;

(3) SERFF rate data; and

(4) a side-by-side comparison or a mark-up ~~mark-up~~, if applicable.

(k) ~~(j)~~ Each filing submitted must be legible, accurate, internally consistent, complete, and contain all required documents. In each filing:

(1) each table must be clearly labeled, including titles and column and row headings to clearly identify the contents;

(2) row and column headings must be repeated on each page of tables displayed on multiple pages;

(3) all pages must print to at least 10-point type [~~font~~] in black ink, unless the pages are a mark-up [~~mark-up~~];

(4) text shading, other than yellow highlighting, may not be used; and

(5) each page should include a page number or other unique identifier.

(1) [~~(4)~~] Paragraphs (1) - (3) of this subsection address public information.

(1) If an insurer believes a portion of the information required to be filed under Insurance Code Chapter 2053 or Chapter 2251 is confidential and excepted from disclosure under Government Code Chapter 552, concerning Public Information, the insurer must mark each page excepted.

(2) For filings submitted under Insurance Code Chapters 2053 or 2251 that include information that is marked confidential, TDI will request an attorney general decision under Government Code Chapter 552 before making the information open for public inspection. TDI does not consider the following excepted from disclosure under Government Code Chapter 552: loss cost multipliers, rates, rating factors and relativities, rating manuals, fees, or summary information about the filing, including date filed, rate impact, effective dates, or a summary of the changes. TDI does not consider the following categories of supporting information excepted from disclosure under Government Code Chapter 552: rate change information, SERFF rate data, average rate change by county, sample premium impacts by selected ZIP codes, historical premium and loss information, or historical expense information.

(3) Each filing submitted under Insurance Code Chapter 3502, including any supporting information filed, will be open for public inspection as of the date of the filing.

(m) ~~[(h)]~~ The insurer is responsible for ensuring that its filing complies with Texas statutes and rules.

(n) ~~[(m)]~~ TDI maintains the Filings Made Easy Guide to help insurers comply with Texas statutes and rules. Insurers may refer to the Filings Made Easy Guide for rate filing templates or exhibits that insurers can use to display necessary supporting information required in subsection (h) of this section. Insurers may obtain this guide from TDI's website at www.tdi.texas.gov.

(o) ~~[(n)]~~ Filings under this division may not be combined with any other filing types submitted under this subchapter.

**DIVISION 7. FILINGS MADE EASY - REQUIREMENTS FOR UNDERWRITING
GUIDELINE FILINGS.
28 TAC §5.9342**

STATUTORY AUTHORITY. The amendments to §5.9342 are proposed under Insurance Code §§36.002(2)(E), 38.002, 38.003, 2053.034, and 36.001.

Insurance Code §36.002(2)(E) authorizes the commissioner to adopt reasonable rules appropriate to accomplish the purposes of a provision of Subtitles B, C, D, E, F, H, or I of Title 10 of the Insurance Code.

Insurance Code §38.002 requires each insurer writing personal automobile insurance or residential property insurance to file its underwriting guidelines with TDI and to ensure that the underwriting guidelines are sound, actuarially justified, substantially commensurate with the contemplated risk, and not unfairly discriminatory.

Insurance Code §38.003 provides that TDI may obtain a copy of the underwriting guidelines of an insurer for lines other than personal automobile insurance or residential property insurance.

Insurance Code §2053.034 provides that each insurer writing workers' compensation insurance must file with TDI a copy of its underwriting guidelines.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §5.9342 implement Insurance Code §§38.002, 38.003, and 2053.034.

TEXT.

§5.9342. Filing Requirements.

(a) Not later than 10 days after use, an [An] insurer writing personal automobile, residential property, or workers' compensation insurance must file with TDI a comprehensive set of underwriting guidelines used by the insurer or its agent. [:]

(b) A filing made under subsection (a) of this section must contain:

(1) a comprehensive set of underwriting guidelines;

(2) a mark-up or redline version of the underwriting guidelines, clearly indicating any changes in the underwriting guidelines;

(3) for each third-party data set used in underwriting, the following information:

(A) the name of the data vendor or source;

(B) a description of the data, such as a data dictionary, that includes the name for each data element and the corresponding definition;

(C) a description of how the data is used in underwriting; and

(D) a list of the underwriting guidelines that reflect use of the data;

and

(4) for each third-party model used in underwriting, the following information:

(A) the name of the model vendor or source;

(B) the model name and version number;

(C) a description of the model;

(D) a description of the model input;

(E) a description of how the model output is used in underwriting;

and

(F) a list of the underwriting guidelines that depend on the output of the model.

(c) Filings must clearly indicate any changes in the underwriting guidelines resulting from the change in third-party data and modeling information. No filing is necessary for a change in third-party data and modeling information that does not result in a change to underwriting guidelines.

~~[(1) at least once every three calendar years on or before March 1, beginning March 1, 2004, a written, comprehensive set of each underwriting guideline used by the insurer or the insurer's agent; and]~~

~~[(2) not later than the 10th day after the underwriting [guideline has changed, a written update to the underwriting guideline clearly identifying each section of the previously filed underwriting guideline that has changed.]~~

(d) [(b)] For purposes of compliance with this section, an oral or electronic underwriting guideline must be converted to written form.

(e) [(c)] An insurer group or group of affiliated insurers may file one set of underwriting guidelines ~~[or update to underwriting guidelines]~~ on behalf of individual insurers in the group under the requirements of this section if the group clearly identifies which underwriting guidelines apply to each insurer within the group.

(f) ~~[(d)]~~ An insurer that files underwriting guidelines ~~[or updates to underwriting guidelines]~~ under this section must submit the filing transmittal information required in §5.9310 of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements) with each underwriting guideline filing.

(g) ~~[(e)]~~ All filings for underwriting guidelines must relate to only one line of insurance.

(h) ~~[(f)]~~ Underwriting guidelines contemplated by Insurance Code §38.003, concerning Underwriting Guidelines for Other Lines; Confidentiality, other than workers' compensation insurance, are required only if requested. Underwriting guidelines submitted in response to a request under Insurance Code §38.003 must be filed in compliance with subsections (d), (e), and (f) ~~[(b), (c), and (d)]~~ of this section.

(i) ~~[(g)]~~ Filings under this division may not be combined with any other filings submitted under this subchapter.

(j) ~~[(h)]~~ Information used to classify risks for the purpose of determining a rate must be filed under Division 6 of this title (relating to Filings Made Easy--Requirements for Rate and Rule Filings), even if the information is included in an underwriting guideline filing under this division.

**DIVISION 9. FILINGS MADE EASY - REDUCED FILING REQUIREMENTS FOR CERTAIN
RESIDENTIAL PROPERTY INSURERS.
28 TAC §5.9355 AND §5.9357**

STATUTORY AUTHORITY. The amendments to §5.9355 and §5.9357 are proposed under Insurance Code §§36.002(1)(F), 36.002(2)(E), and 36.001.

Insurance Code §36.002(1)(F) authorizes the commissioner to adopt reasonable rules necessary to effect the purposes of a provision of Insurance Code Chapters 2251.

Insurance Code §36.002(2)(E) authorizes the commissioner to adopt reasonable rules appropriate to accomplish the purposes of a provision of Subtitles B, C, D, E, F, H, or I of Title 10 of the Insurance Code.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §5.9355 and §5.9357 implement Insurance Code §2251.252.

TEXT.

§5.9355. Purpose.

The purpose of this division is to specify requirements for certain insurers who qualify for reduced rate filing requirements under the provisions of Insurance Code Chapter 2251, Subchapter F, concerning Exemptions for Certain Insurers from Rate Filing and Approval Requirements. [~~Subchapters C or F.~~]

§5.9357. Filing Requirements.

(a) Insurers writing residential property in underserved areas that may qualify under Insurance Code Chapter 2251, Subchapter F, concerning Exemptions for Certain Insurers from Rate Filing and Approval Requirements, must submit rate and rule filings in compliance with this subsection and with all provisions of §5.9334 (relating to Requirements for Rate and Rule Filing Submissions) not listed in paragraph (2) of this subsection. If TDI determines that an insurer is not exempted under Insurance Code §2251.252(a), concerning Exemption from Certain Other Law, the insurer must file in

compliance with Division 6 of this subchapter (relating to Filings Made Easy - Requirements for Rate and Rule Filings).

(1) Insurers must include a form meeting the elements in subparagraphs (A) and (B) of this paragraph. The Certification of §2251.251 and §2251.252 Exemption Compliance (EC-1) Form, found in the Filings Made Easy Guide, may be used to satisfy these requirements.

(A) The form must include the following statement: "{Insurance company name} certifies to the Texas Department of Insurance that the insurance company meets the requirements of Insurance Code Sections 2251.251 and 2251.252 and qualifies for the reduced filing requirements of 28 Texas Administrative Code Section 5.9357."

(B) The form must be dated and include the name, signature, and title of the insurance company representative certifying the statement.

(2) Insurers exempted under Insurance Code §2251.252(a) are not required to file the supporting information described in §5.9334(h)(5), (6), (9), (10), (11), (12), and (13) of this title.

~~[(a) Insurers writing personal automobile insurance. Insurers required to file under the provisions of Insurance Code Chapter 2251 may make rate and rule filings for personal automobile insurance according to the requirements described in this subsection if they meet the criteria under Insurance Code §2251.1025(a). Insurers that qualify to file under this subsection must file in compliance with Division 6 of this subchapter (relating to Filings Made Easy - Requirements for Rate and Rule Filings) with the following modifications:]~~

~~[(1) Insurers must include a Certification of §2251.1025 Exemption Compliance (EC-2), found in the Filings Made Easy Guide, with each filing.]~~

~~[(2) Insurers are not required to file supporting information described in §5.9334(h)(5), (6), (9), (10), and (11) of this title (relating to Requirements for Rate and Rule Filing Submissions), unless requested.]~~

~~[(b) Insurers writing residential property in underserved areas. In compliance with Insurance Code §2251.252(c), insurers otherwise exempt from the rate and rule filing requirements of Chapter 2251 must submit rate and rule filings in compliance with this subsection. Insurers who qualify to file under this subsection must file in compliance with Division 6 of this subchapter:]~~

~~[(1) Insurers must include a Certification of §2251.251 and §2251.252 Exemption Compliance (EC-1), found in the Filings Made Easy Guide.]~~

~~[(2) Insurers are not required to file supporting information described in §5.9334(h)(5), (6), (9), (10), and (11) of this title, unless requested.]~~

~~[(c) Additional provisions. The following provisions apply to any rate and rule filing submitted under subsection (a) or (b) of this section:]~~

(b) ~~[(1)]~~ The reduced rate and rule filing requirements provided under this division do not affect the requirements under §5.9941 of this title (relating to Differences in Rates Charged Due Solely to Difference in Credit Scores) and §5.9960 of this title (relating to Exception to Rating Territory Requirements under §2253.001 of the Insurance Code).

~~[(2) Requests for additional information are as outlined in §5.9335 of this title (relating to Requests for Information).]~~

(c) ~~[(d)]~~ TDI maintains the Filings Made Easy Guide to help insurers comply with Texas statutes and rules. ~~[Insurers may refer to the Filings Made Easy Guide for the Certification of §2251.251 and §2251.252 Exemption Compliance (EC-1) form referenced in subsection (b)(1) of this section and the Certification of §2251.1025 Exemption Compliance (EC-2) form referenced in subsection (a)(1) of this section.]~~ Insurers may obtain this guide from TDI's website at www.tdi.texas.gov.

**DIVISION 10. FILINGS MADE EASY - ADDITIONAL FILING REQUIREMENTS FOR
CERTAIN COUNTY MUTUAL INSURANCE COMPANIES.
28 TAC §5.9361**

STATUTORY AUTHORITY. The amendments to §5.9361 are proposed under Insurance Code §§36.002(1)(F), 36.002(2)(E), 912.056, 2251.101, and 36.001.

Insurance Code §36.002(1)(F) authorizes the commissioner to adopt reasonable rules necessary to effect the purposes of a provision of Insurance Code Chapters 2251.

Insurance Code §36.002(2)(E) authorizes the commissioner to adopt reasonable rules appropriate to accomplish the purposes of a provision of Subtitles B, C, D, E, F, H, or I of Title 10 of the Insurance Code.

Insurance Code §912.056 requires that certain county mutual insurance companies that have appointed managing general agents, created districts, or organized local chapters to manage a portion of their business must, for each managing general agent, district, or local chapter program, file the rating information that the commissioner requires by rule.

Insurance Code §2251.101 requires that each insurer must file its rates, rating manuals, supplementary rating information, and additional information with TDI as required by the commissioner. It also requires that the commissioner adopt rules on the information to be included in rate filings and prescribe the process by which TDI may request supplementary rating information and supporting information.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §5.9361 implement Insurance Code §912.056 and §2251.101.

TEXT.

§5.9361. Additional Requirements.

(a) Filing transmittal. In addition to the information required by Division 4 of this subchapter (relating to Filings Made Easy--Transmittal Information and General Filing Requirements for Property and Casualty Form, Rate and Rule, Underwriting Guideline, and Credit Scoring Model Filings), the following information must be included:

(1) the name and license number of the managing general agent, district, or local chapter of a county mutual insurance company; and

(2) contact information for the county mutual insurance company, if the county mutual insurance company's contact information has not already been provided under §5.9310(c)(10) of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements).

(b) Rate and rule filings.

(1) All rate and rule filings must be made directly by the county mutual insurance company on the county mutual insurance company's letterhead, unless the county mutual insurance company submits written notice with the filing authorizing the submission of rate filings by the managing general agent, district, or local chapter.

(2) Each rate and rule filing must include:

(A) all information required under §5.9334 of this title (relating to Requirements for Rate and Rule Filing Submissions), which must be specific to the managing general agent, district, or local chapter; and

(B) a list of policy forms and endorsements, including their name, number, and the TDI file number or SERFF tracking number, used by the managing general

agent, district, or local chapter. The submission of a list of policy forms and endorsements under this subsection does not constitute a form filing under Insurance Code Chapter 2301, concerning Policy Forms.

DIVISION 11. FILINGS MADE EASY - CERTIFICATES OF PROPERTY AND CASUALTY INSURANCE.

28 TAC §5.9372 AND §5.9373

STATUTORY AUTHORITY. The amendments to §5.9372 and §5.9373 are proposed under Insurance Code §1811.003 and §36.001.

Insurance Code §1811.003 allows the commissioner to adopt rules necessary or proper to accomplish the purposes of Insurance Code Chapter 1811.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §5.9372 and §5.9373 implement Insurance Code §§1811.052, 1811.053, and 1811.101.

TEXT.

§5.9372. Preparation and Submission of Certificate of Insurance Form Filings.

(a) Approval required. A certificate of insurance issued on property or casualty operations or a risk located in Texas, regardless of where the certificate holder, policyholder, insurer, or agent is located, must be on a form that has been filed and approved before use.

(b) Filing content. All filings for new or amended certificate of insurance forms submitted under Insurance Code Chapter 1811, concerning Certificates of Property and Casualty Insurance, must comply with the filing requirements in this division, any other

applicable rules the Commissioner has adopted, and any applicable Commissioner's orders.

(1) All filings must contain transmittal information as required by §5.9373 of this title (relating to Certificate of Insurance Form Filing Transmittal Information).

(2) All filings must contain a copy of the subject certificate of insurance form. For identification purposes, the certificate of insurance must contain a form number and edition date.

(c) Combined filings. Do not combine a certificate of insurance form filing with any other filing types.

(d) Filing submission.

(1) TDI will accept a filing required under this division:

(A) by mail;

(B) by hand delivery;

(C) by email; or

(D) through SERFF.

(2) Mailing addresses and other contact information are available on the Property and Casualty Certificates of Insurance web page on TDI's website.

~~[(1) TDI will accept a filing required under this division by mail. Send filings to the Texas Department of Insurance, Property and Casualty Filings Intake, Mail Code 104-3B, P.O. Box 149104, Austin, Texas 78714-9104.]~~

~~[(2) TDI will accept a filing required under this division if it is hand delivered. Bring filings to the Texas Department of Insurance, Customer Service Center, William P. Hobby Jr. State Office Building, 333 Guadalupe St., Tower 1, Room 103, Austin, Texas 78701.]~~

~~[(3) TDI will accept a filing required under this division that is submitted electronically, whether by email to PCFilingsIntake@tdi.texas.gov or through SERFF.]~~

(3) [(4)] TDI will not collect a filing fee for a certificate of insurance filing.

(e) Public inspection of filing.

(1) A certificate of insurance form and any supporting information filed with TDI under this division is open to public inspection as of the date of the filing.

(2) To the extent that a filing includes company contact information, the company affirmatively consents to the release and disclosure of its company contact information, including any email addresses.

§5.9373. Certificate of Insurance Form Filing Transmittal Information.

(a) Required information. The filing transmittal information must be typed and must contain, at a minimum, the following:

- (1) company name;
- (2) NAIC number if the filing is submitted by an insurer;
- (3) FEIN if the filing is submitted by an entity other than an insurer or agent;

and

(4) contact person, including name, telephone number, mailing address, fax number, and email address (if available).

(b) Transmittal information format.

(1) The Certificate of Insurance Form Filing Transmittal Form is available on TDI's website at www.tdi.texas.gov [~~or by request to the Texas Department of Insurance, Property and Casualty Filings Intake, Mail Code 104-3B, P.O. Box 149104, Austin, Texas 78714-9104~~].

(2) Filers may submit transmittal information in a format other than the form provided by TDI if the information included in the transmittal form, or in an addendum to the transmittal form, contains all the information required under subsection (a) of this section.

(c) SERFF filings. Persons filing through SERFF must follow existing procedures for SERFF filings.

CERTIFICATION. This agency certifies that legal counsel has reviewed the proposal and found it to be within the agency's legal authority to adopt.

Issued in Austin, Texas, on June 16, 2023.

DocuSigned by:
Jessica Barta
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Jessica Barta, General Counsel
Texas Department of Insurance