

## **Informal Working Draft and Request for Informal Comments on Life, Health, and HMO Filing Rules**

Texas Administrative Code, Title 28, Chapter 3

- Subchapter A - repeal §§3.1–3.8 and replace with new sections
- Subchapter Z - amend §§3.4004, 3.4005, and 3.4009 and repeal §3.4020

Texas Administrative Code, Title 28, Chapter 7

- Subchapter M - amend §7.1301 and repeal §7.1302

Posting date: January 19, 2024

Comments due: February 19, 2024

Informal meeting: February 13, 2024

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The Texas Department of Insurance (TDI) has prepared an informal working draft of a rulemaking package that would repeal and replace outdated filing and fee rules in 28 TAC §§3.1–3.8; amend exempt filing rules in §§3.4004, 3.4005, and 3.4009; repeal §3.4020; amend §7.1301; and repeal §7.1302.

The informal working draft is intended to reorganize and modernize the procedures and requirements in Chapter 3, Subchapter A, for filing life, health, and health maintenance organization (HMO) products with TDI. These rules have not been significantly updated since 2003. This project is meant to simplify filing procedures for carriers and streamline the overall filing process. Changes in this informal working draft include the following:

- Requiring issuers to submit filings and fees electronically through SERFF (or a subsequent electronic system).
- Repealing provisions governing the manual TDI billing system under §7.1302.
- Simplifying filing fee amounts and reducing net fees.
- Extending filing rules to apply to HMO and network filings handled by the Life and Health Division and aligning filing requirements for insurance and HMO form, rate, and network filings.
- Limiting excessive use of variable material in a filing, and other practices that create unreasonable burdens on staff. These changes are intended to help TDI process filings promptly and avoid spending a disproportionate amount of time on certain filings.
- For certain filings, requiring that issuers demonstrate compliance with each applicable requirement.
- Addressing acceptable methods of premium payment and circumstances when third-party payments must be accepted.

- Expanding the applicability of readability and plain language requirements to all life, annuity, credit, accident, health, and HMO products.
- Clarifying consumer protections related to applications and requiring delivery of an application in writing before the applicant signs and submits it.
- Narrowing the scope of filings eligible to be filed exempt to eliminate filing types that raise compliance concerns and frequently fail audit.
- Allowing temporary cancellation of an issuer's exempt filing privilege when a filing fails audit, without requiring a hearing or enforcement action. (Though the issuer may still request a hearing to challenge TDI's basis for the failed audit.)
- Putting into rule long-standing TDI positions on filing dispositions, application processes, and actuarial requirements.
- Reorganizing the rules for clarity and readability.

TDI invites your input on the informal working draft. This is an informal posting intended to gather informal comments from stakeholders and the general public and is not a formal publication for rulemaking.

Under Texas Government Code Chapter 2001, TDI's formal rule proposals must analyze the potential economic costs of compliance. However, often only the industry is in the best position to determine what costs will result from rules. In order to prepare its analysis, TDI requests that insurance and HMO industry stakeholders provide specific information regarding the costs of each provision contained in the informal draft.

TDI believes that the industry is already complying with the vast majority of the provisions in the draft. Please take this opportunity to provide your input regarding any new costs as a result of this informal draft. TDI also believes that the reductions in net filing fees will reduce carrier costs in an amount that is equal to or greater than any amount by which issuer administrative costs might be increased by other provisions in the rule.

TDI will host a stakeholder meeting to discuss the informal working draft at 2 p.m. Central time, on February 13, 2024, in Room 2.041 of the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin, Texas.

The comment period for this informal working draft will close at 5 p.m. Central time, on February 19, 2024. Submit comments to TDI by email at [lhcomments@tdi.texas.gov](mailto:lhcomments@tdi.texas.gov). If you have questions about this informal draft, you may contact Angelica Garza in Life and Health Regulatory Initiatives at 512-676-6606.

[Continue to the informal draft of the Life, Health, and HMO Filing Rule.](#)