TEXAS DEPARTMENT OF INSURANCE
Regulatory Policy Division - Life, Annuity, and Credit Program (106-1D)
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NONPROFIT LEGAL SERVICES CONTRACTS CHECKLIST

Every effort has been made to ensure the accuracy of the information in this document. All parties should consult the Texas Insurance Code, the Texas Administrative Code, and other applicable laws.

Form Use - *For each listed item, complete the following:*

Page No. field *- enter a form page number reference, or N/A if not applicable.*

First comment box *- enter general comments or form objections. In the drop down box select: No Comments, Comments, or Objection.*
Text size: 1200 characters. When you print the form, only the visible text (first three lines) will print.
To view the full text in a comment box, click on the + icon in the lower right corner of the box and then use the up or down scroll buttons.

Second comment box labeled Company Response *- enter a response if the first box is marked Objection (optional)*

Use the last two pages of this form for additional comments, objections and responses (text size: 4000 characters).

Forms Approval - 28 TAC §23.6(a)

Page No.

Policies, contract forms, applications forms, riders, identification cards, certificates, any attached endorsement and any other related forms must be filed with TDI for review and approval.

Company Response

Rates - 28 TAC §23.6(b)

Page No.

Rate schedules must be filed for information.

Company Response

Form Review Timeframe - 28 TAC §23.6(a)(2)

Page No.

The forms must be approved or disapproved within 30 days of the official filing date; however, at the discretion of the department, the initial 30 days may be extended by another 30 days upon notice to the company.

Company Response

Claim and Expense Fund Ratio - §961.203, TIC

Page No.

Nonprofit corporations must provide a demonstration of how the company will provide for the claim fund and the expense fund. (70/30 ratio must be defined)

Company Response

General Filing Requirements - 28 TAC §23.6(b)

Page No.

The forms may be submitted in printer's proof or in final print. If printer's proof is submitted, the final prints must be provided within 60 days of from the date of tentative approval.

Company Response

Page No.

All forms must be submitted in “John Doe” specimen forms, except for single case filings, which must be submitted with permanent fill-in. Fill-in designations must be provided for the policyholder, premium payment and effective date of the plan.

Company Response

Page No.

All forms, including contracts, certificates, applications, identification cards, any attorney agreements, etc. must bear identifying form numbers on the bottom left hand corner of the first page.

Company Response

Page No.

The forms may contain variable language subject to the following:

If a form contains extensive use of variable language, then it must be reviewed as if it were not variable.

Any additional pages including proposed language must be provided with the submission.

Alternate inserts may be required if abuse of variable language occurs. Please note that each insert must contain its own unique and different form number.

Company Response

Page No.

The official filing date is the date that the Life/Health and HMO Intake Team of the Rate and Form Review Office receives the submission as acceptable.

Company Response

Page No.

A transmittal letter must be submitted with the form filing which must be signed by an officer or other representative of the company. The transmittal letter must include the following:

Listing of the enclosed forms.

An explanation of how each form will be used.

Indicate if the form is a new form or a replacement form. If the form is a replacement form, then identify the form to be replaced, and, indicate if the form to be replaced is to be withdrawn.

Any form filing or correspondence must be addressed to the Life/Health and HMO Intake Team, Mail Code 106-1E, P. O. Box 149104, Austin, TX 78714-9104.

Company Response

Toll Free Notice - 28 TAC §1.601

Page No.

The Company's updated NOTICE OF TOLL-FREE TELEPHONE NUMBERS AND PROCEDURES FOR OBTAINING INFORMATION AND FILING COMPLAINTS.

A policy form filing must include a copy of the current toll-free notice as the first, second or third page of the policy.

Note: The Spanish portion of the notice is not applicable to Nonprofit Prepaid Legal Services Corporations.

Company Response

General Requirements for Policies and Certificates - 28 TAC §23.6(c)(1) - (4)

Page No.

An individual policy must be provided to an individual and a group master policy must be provided to a group.

Company Response

Page No.

Each person or participant covered under a group master policy must be given a certificate of coverage. If dependents are included in the coverage only one certificate needs to be issued per family unit.

Company Response

Page No.

Each policy and certificate must describe the services and benefits in a proper manner and cannot contain unjust, misleading, deceptive, or violations under Chapter 541 of the Texas Insurance Code, or any other regulations there under.

Company Response

Page No.

There may be no conflict between the group master policy and certificate of coverage including, but not limited to:

Benefits;
Definitions;
Exclusions;
Limitations; and
General and termination provisions.

Company Response

Page No.

The language used in the provisions of the master group policy and certificate of coverage must be appropriate for that policy or certificate.

Company Response

Requirements for Certificates of Coverage - 28 TAC §23.6(c)(5)

All certificates of coverage must contain the following:

Page No.

The name and full address of the issuing company printed in a prominent manner.

Company Response

Page No.

A detailed list and description of the covered legal services and amounts of reimbursement.

Company Response

Page No.

A summary of the terms of the master group policy that includes a full and clear statement of the benefits and services provided under the master group policy.

Company Response

Requirements for Individual and Group Master Policies - 28 TAC §23.6(c)(6)

Each policy must contain the following:

Page No.

The name and full address of the issuing company printed in a prominent manner.

Company Response

Page No.

The conditions of the insuring agreement.

Company Response

Page No.

A provision stating that the policy, application of the policyholder, individual applications, if any, constitute the entire contract.

Company Response

Page No.

A provision that, in the absence of fraud, all statements made by applicants are representations and not warranties and no such statement may void the coverage or reduce benefits after the contract has been in force for two years from the date of the policy unless the statement is contained in an application, a copy of the application is attached to the policy and the statement is material to the risk assumed.

Company Response

Page No.

An individual certificate of coverage must be provided to each participant. (Group)

Company Response

Page No.

A statement that new employees, members or dependents may be added to the original group in accordance with the terms of the policy. (Group)

Company Response

Page No.

A provision that clearly describes the procedure in which complaints and grievances will be resolved. Any subsequent changes may be evidenced in a separate document issued to the participants.

Company Response

Page No.

A provision outlining the legal services and other benefits to which the member is entitled. Including a description of how and where to obtain the covered legal services. An example would be how to contact the company's customer service department for a list of provider attorneys and how to initiate a claim.

Company Response

Page No.

A provision that discloses the procedure used for filing claims. Such provision must provide:

How to file a proper notice of claim.

How, when, and where to obtain claim forms.

The requirement for filing proofs of loss, and

The company's time requirement on the part of the company for the payment of claims.

Company Response

Page No.

A provision indicating any limitations and exclusions of the legal services, kinds of services, and kinds of benefits. Such limitations must include any deductible or co-payment feature. **Note:** An exclusion for preexisting conditions is allowed.

Company Response

Page No.

A schedule of the total amount of payment for prepaid legal services, indemnity and service benefits that must be paid by the member.

Company Response

Page No.

A provision indicating whether the plan is contributory or noncontributory in regard to certificate holders under a group policy. (Group)

Company Response

Page No.

A statement that any change in the policy must be approved by an executive officer of the issuing company and attached, or endorsed in the policy and certificate and that no agent has authority to change or waive a provision of the policy.

Company Response

Page No.

Eligibility and effective dates.

Company Response

Page No.

A provision that defines dependents eligible for coverage and the effective date of their coverage.

Company Response

Page No.

A provision that describes the conditions under which coverage will terminate.

Company Response

Page No.

A definition of any subrogation provision.

Company Response

Page No.

A provision that provides at least a 31 day grace period for the payment of premiums.

Company Response

Page No.

A provision that provides the definition of the premium computation and any conditions that may result in a change in premium rates.

Company Response

Page No.

A provision setting forth any assignment of benefit limitations, if any.

Company Response

Page No.

Any restrictions or territorial limitations must be defined.

Company Response

Page No.

A provision that a direct lawyer to client relationship will be maintained and that the company will pay the attorney according to the terms of the policy, subject to any indemnification provisions or contract with attorney.

Company Response

Page No.

Any attorney contract agreement for nonprofit corporations must be followed as required by Sections 961.254 and 961.302 of the Texas Insurance Code.

Company Response

Requirements for Individual Policies - 28 TAC §23.6(c)(7)

In addition to the above, individual policies must also contain:

Page No.

A provision clearly setting forth the premium rate and other considerations required to be paid by the insured. The considerations may be reflected in the policy or the application.

Company Response

Page No.

A statement that the policy only insures one person; however, additional eligible members of the family or dependents of the primary insured may be added. Non-dependent children may not exceed 25 years of age.

Company Response

Page No.

The appearance, style and arrangement of the contract must not give any more prominence to one portion of text than it does another.

Company Response

Page No.

The text of the contract must be printed plainly in a general style and white faced type.

Company Response

Page No.

The size of the type must be uniform and not less than 12 point with a lower-case un-spaced alphabet length and less than 120 point.

Company Response

Page No.

The name and address of the insurer, name or title of the contract, brief description, captions and sub-captions are not required to conform to this regulation.

Company Response

Page No.

Any exceptions and reductions of indemnity must be stated with the benefit provision it applies.

Company Response

Page No.

The policy may not contain any portion of the charter, rules, constitution, or bylaws of the issuing company unless said portions are set forth in full.

Company Response

Page No.

A notice, either printed or attached to the cover or face page, providing a ten-day period in which the policy may be returned, for any reason and have any paid premium refunded. The notice must also state that when the policy is returned, it is void from the beginning and it will be as if no policy was issued.

Company Response

Page No.

A reinstatement provision that clearly defines the requirements for reinstatement and any changes to benefits that may occur after reinstatement of the original policy.

Company Response

Requirements for Group Master Policies - 28 TAC §23.6(c)(8)

Page No.

The contract must cover at least ten persons and may be for either an employer group or an association group.

Company Response

Page No.

For an employer group, the policyholder must be the employer. The contract must be for the benefit of the employees.

Company Response

Page No.

Employees must be defined as including the following, in addition to employees: Entities: officers, managers, employees of subsidiaries and retired employees; Individual proprietor: individual proprietor and retired employees; Partnerships: partners and retired employees.

Company Response

Page No.

If the employer is a public body the policy may define employee to include elected or appointed officials.

Company Response

Page No.

If trustees of a fund have been established the policy may define employee to include the trustees and employees of the trusteeship.

Company Response

Page No.

For an association group the policyholder must be the association. The eligible participants must be active or retired members, employees, or employees of members.

Company Response

Page No.

The association must provide documentation that it was formed for purposes other than obtaining insurance.

Company Response

Page No.

The policy may provide a 30-day conversion privilege allowing conversion to an individual contract upon termination of employment or membership. This conversion privilege does not extend if the entire group withdraws from coverage.

Company Response

Page No.

The premium rates for the new contract year must be based on the current 12-month period premium rates. The premiums must be determined in accordance with the annual experience rating adjustment.

Company Response

Page No.

Establishment of new rates may be made for any benefits under the contract on the anniversary date in accordance with the following:

The current rates have been in effect at least 12 months.

Advance notice of 31 days is given to the contractholder.

In lieu of reinstatement rights, an issuing company may provide in the contract for a periodic time for re-enrollment.

Company Response

Franchise Policies or Contracts - 28 TAC §23.6(c)(9)

Page No.

A franchise policy is an individual policy and must cover five or more employees of a corporation, partnership, individual employer or any governmental corporation, agency or department or to ten or more members or employees of any trade or professional association, labor union, or, any other association that has been in active existence for at least two years, has a constitution or bylaws and was formed for purposes other than obtaining insurance.

Company Response

Page No.

Where such employees or members, with or without dependents, are issued the same form of an individual franchise policy, such policy may vary from other such policies only as to amounts and kinds of coverages.

Company Response

Page No.

Premiums may be paid to the insurer in the following manner:

By the employer in a periodic fashion, with or without payroll deductions;

By the association for its members;

By a person designated to act on behalf of the employer or association.

Company Response

Page No.

Rates for such coverage may not be based on the number of employees in the group.

Company Response

See next pages for additional comments or objections and space for additional responses, if any.

Additional Comments or Objections:

Additional Company Responses:

Company Response