

CHAPTER 1. GENERAL ADMINISTRATION
SUBCHAPTER E. NOTICE OF TOLL-FREE TELEPHONE NUMBERS
AND PROCEDURES FOR OBTAINING INFORMATION
AND FILING COMPLAINTS
28 TAC §1.603

INTRODUCTION. The Texas Department of Insurance adopts amendments to 28 TAC §1.603 to establish the method of submitting policy count information for the purpose of complying with Insurance Code §521.052. The amendments are adopted without changes to the proposed text published in the October 28, 2016, issue of the *Texas Register* (41 TexReg 8457).

REASONED JUSTIFICATION. Texas Insurance Code §521.052 requires TDI to provide consumers with complaint ratios. The ratios must represent the number of “justified, verified as accurate, and documented as valid” complaints received against a company, “expressed as a percentage of the total number of insurance policies written by the insurer and in force on December 31 of the preceding year.” To satisfy this mandate, TDI must collect policy count information of in-force coverage of Texas risks.

TDI has historically collected the policy count information required for the purposes of complying with Insurance Code §521.052 through an annual bulletin to “All Licensed Carriers, Eligible Surplus Lines Companies, and Health Maintenance Organizations Authorized or Eligible to do Business in Texas.” The bulletin provides links to a form and instructions for making the filing. Making the requirement part of the annual report process and checklist will be more efficient for insurers and TDI than continuing with the bulletin based process.

2016-4826

TITLE 28. INSURANCE
Part 1. Texas Department of Insurance
Chapter 1. General Administration

Adopted Section
Page 2 of 5

The policy count exhibit form and instructions are adopted by reference and are substantively the same as those used in prior years by TDI. Bracketed information in the policy count exhibit form and instructions, such as the current year, prior year, and contact information, is subject to change over time, but does not change the substantive requirement to submit the policy count information. Following adoption, the forms will be referenced in TDI's annual statement checklist.

The policy count exhibit form requires the submitting individual's name, title, telephone and fax numbers, and email address. The individual may elect to allow release of their email address in response to a public information request. In addition, the policy count form requires the entity's name, address, and TDI license number and policy count information by individual and group coverage and line of coverage, including life; annuities; Medicare supplement/select; all other health and accident; personal motor vehicle; commercial motor vehicle; dwelling; workers' compensation; and other property, casualty, surety and/or title. The lines are defined on the instruction form. Because the number of outstanding title insurance policies is difficult to determine, TDI will continue to use the method of determining a policy count that was used in the bulletins and require the submitting carrier to enter the total number of policies written during the preceding five calendar years.

The policy count exhibit form and instructions are available on TDI's website at www.tdi.texas.gov/rules/2016/index.html and from the Compliance

2016-4826

TITLE 28. INSURANCE
Part 1. Texas Department of Insurance
Chapter 1. General Administration

Adopted Section
Page 3 of 5

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Building, Tower Number I, 333 Guadalupe, Austin, Texas.

SUMMARY OF COMMENTS. TDI did not receive any comments on the proposed amendments.

STATUTORY AUTHORITY. The commissioner adopts the amendments pursuant to Insurance Code §§521.051, 521.052, and 36.001.

Section 521.051 requires TDI to maintain a toll-free telephone number to provide the information described by the Insurance Code §521.052.

Section 521.052 requires, in part, that TDI provide to the public through TDI's toll-free telephone number information collected or maintained by TDI relating to the number and disposition of complaints received against an insurer that are justified, verified as accurate, and documented as valid, expressed as a percentage of the total number of insurance policies written by the insurer and in force on December 31 of the preceding year.

Section 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.

TEXT.

§1.603. Complaint Information Available through the Texas Department of Insurance's Toll-Free Telephone Number.

(a) The Texas Department of Insurance (TDI) will provide to the public through its toll-free telephone number the information specified by the Insurance Code §521.052, including information collected or maintained by TDI relating to the number and disposition of complaints received against an insurer that are justified, verified as accurate, and documented as valid, expressed as a percentage of the total number of insurance policies written by the insurer and in force on December 31 of the preceding year.

(b) TDI considers a complaint justified if the complaint is a confirmed complaint.

(c) A "confirmed complaint" is a complaint for which TDI receives information indicating that:

(1) an insurer committed any violation of:

(A) an applicable state insurance law or regulation;

(B) a federal requirement TDI has authority to enforce; or

(C) the term or condition of an insurance policy or certificate;

or

(2) the complaint and insurer's response, considered together, suggest that the insurer was in error or that the complainant had a valid reason for the complaint.

2016-4826

TITLE 28. INSURANCE
Part 1. Texas Department of Insurance
Chapter 1. General Administration

Adopted Section
Page 5 of 5

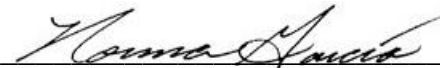
(d) To determine the percentage described in subsection (a) of this section and required by Insurance Code §521.052, policy count information must be:

(1) prepared in accordance with the Policy Count Exhibit Form and Instructions, which are adopted by reference; and

(2) submitted only to TDI electronically as instructed on the Policy Count Exhibit Form and Instructions as part of the insurer's annual statement under §7.68 of this title.

CERTIFICATION. This agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on December 1, 2016.



Norma Garcia
General Counsel
Texas Department of Insurance

The commissioner adopts amendments to §1.603.



David C. Mattax
Commissioner of Insurance

COMMISSIONER'S ORDER NO. **2016-4826**