

SUBCHAPTER I. LICENSING FEES
28 TAC §19.802

1. INTRODUCTION. The Texas Department of Insurance adopts amendments to 28 TAC §19.802, establishing licensing fees for applicants seeking a provisional permit. The amendments to §19.802 are necessary to implement HB 2145, 84th Legislature, Regular Session, effective September 1, 2015, which authorizes the provisional permit. Section 19.802 is adopted without changes to the proposed text published in the September 4, 2015, issue of the *Texas Register* (40 TexReg 5719).

2. REASONED JUSTIFICATION. HB 2145 enacted Insurance Code Chapter 4001, Subchapter H, §§4001.351 - 4001.359. The provisional permit is available to individual applicants under Insurance Code Chapter 4051, Subchapters B and E, and Chapter 4054, Subchapters B, D, and E. The applicants must have passed the required licensing examination, met the requirements described in Insurance Code §4001.353, including submitting a completed application and fingerprints for criminal history, and paid the required licensing application fee and provisional permit fee.

Insurance Code §4001.353 requires TDI to set a nonrefundable fee in an amount that is reasonable and necessary to implement Insurance Code Chapter 4001, Subchapter H, but that does not exceed the amount of the fee required for an application for a permanent license. To implement the subchapter, TDI anticipates that processing provisional permit applications will cause changes to TDI's processes and activities resulting in additional costs.

4171

These additional activities and costs are similar to those TDI experiences with the issuance of a temporary license under Insurance Code §4001.151. Specifically, processing the applications will cause TDI to revise workflow within the Agent and Adjuster Licensing Office to maintain the level of consumer and industry protection that is currently available, including designating staff to process applications and review responses to background screening questions and prior criminal history activity. Staff will be assigned new duties related to communicating with applicants and appointing agents, insurers, and HMOs. TDI also expects increased enforcement activity and costs will result from the provisional permit process.

The reasonable and necessary cost for these activities would be similar to those for a temporary license. The current temporary license fee is \$100 per application. The license application fee for each license under Insurance Code Chapter 4051, Subchapters B and E and Chapter 4054, Subchapters B, D, and E is \$50. Because the provisional permit application fee may not exceed the license application fee, TDI has set the nonrefundable permit application fee at \$50.

A license applicant is not required to obtain a permit. Whether an applicant chooses to incur the nonrefundable permit application fee is a business decision of the applicant.

TDI amends §19.802(b)(21) to establish the provisional permit application fee in the amount of \$50. The amendment replaces the fee for a temporary public insurance adjuster certificate. The authority to issue a temporary public insurance adjuster certificate was withdrawn under SB 1060, 84th Legislature, Regular Session, effective

September 1, 2015. TDI has also made a nonsubstantive change in §19.802(a) to reflect TDI style guidelines.

3. SUMMARY OF COMMENTS AND AGENCY RESPONSE. TDI received no public comments on the proposed amendments.

4. STATUTORY AUTHORITY. TDI adopts the amendments under Insurance Code §4001.353 and §36.001. Section 4001.353 requires TDI to establish a nonrefundable fee in an amount that is reasonable and necessary to implement Insurance Code Chapter 4001, Subchapter H, and that it does not exceed the amount of the fee required for an application for a permanent license. Section 36.001 authorizes the commissioner to adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

5. CROSS REFERENCE TO STATUTE. The amendments to §19.802 affects Insurance Code §4001.353.

6. TEXT.

§19.802. Amount of Fees.

(a) With each application for original license or renewal, notice of appointment, request for examination, or registration or renewal of registration, the applicant, licensee, or registrant must submit the amount shown in this section. The fees for

4171

examinations and reexaminations only apply if TDI does not contract with a testing service for the provisions of these examinations.

(b) The amounts of fees are as follows:

(1) General life, accident, and health insurance agent:

- (A) original application--\$50;
- (B) renewal--\$50;
- (C) additional appointment--\$10;
- (D) qualifying examination--\$50.

(2) County mutual agent:

- (A) original application--\$50;
- (B) renewal--\$50;
- (C) additional appointment--\$10.

(3) Insurance adjuster:

- (A) original application--\$50;
- (B) renewal--\$50;
- (C) qualifying examination--\$50.

(4) Insurance adjuster (emergency license): original application--\$20.

(5) General property and casualty agent:

- (A) original application--\$50;
- (B) renewal--\$50;
- (C) additional appointment--\$10;
- (D) qualifying examination--50;

4171

(E) emergency application for license issued under Insurance Code §4051.054--\$50 (for original application with no additional charge for renewal).

(6) Full-time home office salaried employee registration: original application--\$50.

(7) Insurance service representative:

(A) original application--\$50;

(B) renewal--\$50;

(C) qualifying examination--\$50;

(D) appointment of a currently licensed insurance service representative--\$10.

(8) Managing general agent:

(A) original application--\$50;

(B) renewal--\$50;

(C) additional appointment--\$10;

(D) qualifying examination--\$50;

(E) emergency application for license issued under Insurance Code §4053.052--\$50.

(9) Limited lines agent (includes agents licensed under Insurance Code Chapter 4051, Subchapter C and Chapter 4054, Subchapter C):

(A) original application--\$50;

(B) renewal--\$50;

(C) additional appointment--\$10;

4171

(D) qualifying examination--\$50.

(10) Surplus lines agent:

(A) original application--\$50;

(B) renewal--\$50;

(C) qualifying examination--\$50.

(11) Specialty insurance agent:

(A) original application--\$50 (per license authority);

(B) renewal--\$50 (per license authority);

(C) additional appointment--\$10.

(12) Title attorney:

(A) original application--\$50;

(B) renewal--\$48.

(13) Life insurance not exceeding \$15,000:

(A) original application--\$50;

(B) renewal--\$50;

(C) additional appointment--\$10.

(14) Risk manager:

(A) original application--\$50;

(B) renewal--\$50;

(C) qualifying examination--\$50.

(15) Life and health insurance counselor:

(A) original application--\$50;

4171

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 19. Agent's Licensing

Adopted Sections
Page 7 of 9

(B) renewal--\$50;

(C) qualifying examination--\$50.

(16) Funeral prearrangement life insurance agent:

(A) original application--\$50;

(B) renewal--\$50;

(C) additional appointment--\$10.

(17) Reinsurance intermediary:

(A) original application--\$500;

(B) renewal--\$500.

(18) Temporary license application--For license types authorized by Insurance Code Chapter 4001, Subchapter D to be issued on a temporary basis, \$100 in addition to the original license application fee for each license type.

(19) Utilization review agent:

(A) original application--\$2,150;

(B) renewal--\$545.

(20) Public insurance adjuster:

(A) original application--\$50;

(B) renewal--\$50;

(C) qualifying examination--\$50.

(21) Provisional permit application fee is \$50 in addition to the original license application fee for each license type.

(22) Life agent:

4171

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 19. Agent's Licensing

Adopted Sections
Page 8 of 9

- (A) original application--\$50;
- (B) renewal--\$50;
- (C) additional appointment--\$10;
- (D) qualifying examination--\$50.

(23) Personal lines property and casualty agent:

- (A) original application--\$50;
- (B) renewal--\$50;
- (C) additional appointment--\$10;
- (D) qualifying examination--\$50;

(24) Discount health care program operator:

- (A) initial registration fee--\$1,000; or
- (B) renewal registration fee--\$500.

(c) The limited lines agent license is a single license type that is authorized under Insurance Code Chapters 4051 and 4054. Persons licensed as limited lines agents may be appointed to sell or solicit any line authorized by Insurance Code Chapter 4051, Subchapter C and Chapter 4054, Subchapter C without payment of additional license fees or examinations other than the necessary additional company appointment fees.

(d) A general agent, personal lines property and casualty agent, or life agent appointed as subagent by another general agent, personal lines property and casualty agent, or life agent is not a separate license type. All fees are the same for a general agent, personal lines property and casualty agent, or life agent appointed as subagents,

4171

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 19. Agent's Licensing

Adopted Sections
Page 9 of 9

as are the fees for a general agent, personal lines property and casualty agent, or life agent appointed by insurance companies.

(e) All fees are the same for both residents and nonresidents. Insurance Code Chapter 4056 does not create an additional license type for nonresidents, but designates a procedure for licensing nonresidents under appropriate Texas license types.

7. CERTIFICATION. This agency certifies that legal counsel has reviewed the adopted sections and finds them to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas on October 28, 2015.



Sara Waitt
General Counsel
Texas Department of Insurance

The commissioner adopts the amendments to 28 TAC §19.802.



David C. Mattax
Commissioner of Insurance