

Subchapter FF. Credit Life and Accident and Health Insurance
Division 2. Applications and Policies
28 TAC §3.5110
Division 6. Deviation Procedures
28 TAC §3.5603

1. INTRODUCTION. The Commissioner of Insurance adopts the repeal of §§3.5110 and 3.5603, concerning open and closed-end transactions and definitions. The sections are adopted without changes to the proposal as published in the November 19, 2004 issue of the Texas Register (29 TexReg 10692).

2. REASONED JUSTIFICATION. The repeal of these sections is necessary to consolidate definitions contained in those sections into one section. Simultaneous with this repeal, new §3.5002 is published elsewhere in this issue of the Texas Register, which implements, in part, Texas Insurance Code Chapter 1153, as amended by Acts 2001, 77th Legislature in House Bill 2159. That new section will include the definitions that had heretofore been found in §§3.5110 and 3.5603.

Contemporaneously with this repeal, adopted new §§3.5002, 3.5206, and 3.5603 and amendments to §§3.5001, 3.5105, 3.5201, 3.5202, 3.5307, 3.5502, 3.5601, 3.5602, 3.5604, 3.5607, 3.5608, 3.5610, 3.5901, 3.5905, and 3.6002, concerning credit life and credit accident and health insurance are published elsewhere in this issue of the Texas Register.

3. HOW THE SECTIONS WILL FUNCTION. The definitions that were included in the repealed sections are included in new §3.5002 which will, in conjunction with other amendments adopted to Chapter 3 that are published elsewhere in this issue of the Texas Register, assure that the department's rules regarding presumptive rates for credit life and credit accident and health insurance conform to current statutory requirements.

4. SUMMARY OF COMMENTS AND AGENCY'S RESPONSE TO COMMENTS. No comments were received.

5. STATUTORY AUTHORITY. Repeal of §§3.5110 and 3.5603 is adopted pursuant to Insurance Code Chapter 1153, and §36.001. Chapter 1153 gives the Commissioner of Insurance authority to set presumptive premium rates by rule for credit life and accident and health policies. Section 36.001 provides that the Commissioner of Insurance may adopt any rules necessary and appropriate to implement the powers and duties of the Texas Department of Insurance under the Insurance Code and other laws of this state.

6. TEXT.

§3.5110 Open and Closed-End Transactions.

§3.5603 Definitions.

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 3. Life, Accident and Health Insurance and Annuities

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CERTIFICATION. This agency certifies that the repeal as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on _____, 2005.

Gene C. Jarmon
General Counsel and Chief Clerk
Texas Department of Insurance

IT IS THEREFORE THE ORDER of the Commissioner of Insurance that the repeal of §§3.5110 and 3.5603, concerning open and closed-end transactions and definitions, is adopted.

AND IT IS SO ORDERED.

JOSE MONTEMAYOR
COMMISSIONER OF INSURANCE

ATTEST:

Gene C. Jarmon
General Counsel and Chief Clerk

COMMISSIONER'S ORDER NO. _____