

SUBCHAPTER M. FILING REQUIREMENTS
DIVISION 4. FILINGS MADE EASY – [FILING] TRANSMITTAL INFORMATION
[FORM] AND GENERAL FILING REQUIREMENTS FOR PROPERTY AND
CASUALTY FORM, RATE, [RULE,] UNDERWRITING GUIDELINE, AND CREDIT
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28 TAC §5.9360 and §5.9361

1. INTRODUCTION. The Texas Department of Insurance proposes amendments to 28 TAC, Chapter 5, Subchapter M, Division 4, §5.9310; Division 5, §5.9320; Division 7, §§5.9340 - 5.9342; Division 8, §§5.9350 - 5.9352; Division 9, §5.9355 and §5.9357; Division 10, §5.9360 and §5.9361; new Division 5, §5.9321 and §5.9322; and new

Division 6, §§5.9330 - 5.9337, concerning filings made easy. These amendments and new sections are necessary to conform the rules to the statute, improve clarity and transparency, and adjust the rules for compatibility with the System for Electronic Rate and Form Filing (SERFF). In conjunction with these proposed amendments and new sections, the repeal of Division 6, §§5.9330 - 5.9332, is also proposed in this issue of the *Texas Register*. The following section-by-section summary provides detailed descriptions of these changes.

Amended §5.9310. Property and Casualty Transmittal Information and General Filing Requirements. This amended section replaces the TDI Property and Casualty Filing Transmittal form with general transmittal information requirements. This transmittal information consists of the company and group names and company and group NAIC numbers, whether the filing is new or replaces an existing filing, the line of insurance, the type of filing, the proposed effective date, and contact information. If applicable, the required transmittal information also includes the TDI file number of the replaced filing, and the TDI file number of any associated or companion filings of a different filing type. For example, the transmittal information for a rate filing must include the TDI file number of an associated form filing. The amendment removes the definition of “line of insurance” to accommodate SERFF filings, which use the NAIC Uniform Property and Casualty Product Coding Matrix.

Amended §5.9310 also contains new language that defines multi-peril insurance as “policies and rates for two or more lines of insurance that are subject to regulation under Insurance Code Chapters 2251 and 2301.” TDI adds this language to the section

because Insurance Code Chapters 2251 and 2301 refer to multi-peril insurance but do not define it.

Amended §5.9310(e) contains new language regarding use of the word “copyright.” This section clarifies that marking documents “copyright” will not affect how TDI will treat their availability or openness under the relevant statute. Rate filings under Insurance Code Chapter 2251 that are marked “copyright” will be subject to Government Code Chapter 552, while form filings under Insurance Code Chapter 2301 and rate filings under Chapters 2053 and 3502 marked “copyright” will be open for public inspection. The intent of the new language is to give filers notice as to what is subject to public disclosure, and the possible public disclosure methods. TDI will continue to comply with copyright law in making documents open or available for public disclosure.

Amended §5.9320. Required Information for the Preparation and Submission of Policy Form, Endorsement, and Manual Rule (Other than Rating Manual) Filings. This section specifies the filing requirements for property and casualty policy form, endorsement, and manual rule filings submitted under Insurance Code Chapters 2052, 2251, 2301, and 3502. The filing requirements in §5.9320 are in addition to those in §5.9310 (relating to Property and Casualty Transmittal Information and General Filing Requirements).

Section 5.9320(f) consists of new language on public information. To the extent that a filing submitted through SERFF includes contact information, the filer affirmatively consents, as contemplated by Government Code §552.137, to the release and

disclosure of the contact information, including any email addresses. The filer also certifies that each person associated with an email address contained in the filing has affirmatively consented to the release and disclosure of that email address. TDI will make filings submitted through SERFF available for public disclosure using SERFF. TDI cannot restrict contact information from public disclosure within SERFF. Filers who do not consent to the release and disclosure of contact information, or who cannot make the certification the rule requires, should not file using SERFF.

Section 5.9320(g) amends language regarding an incomplete filing under Division 5 and describes how TDI will process incomplete filings.

Section 5.9320 (h) and (i) contain new language to make the rule consistent with TDI's transition to SERFF. TDI will no longer accept filings submitted under Division 5 with rate filings or any other filings submitted under Subchapter M. TDI will no longer accept manual rule filings with any other filings submitted under Division 5.

Proposed §5.9321. Request for Deemer Period Waiver. This section allows insurers to waive the time periods in Insurance Code §2301.006, after which a form is deemed approved if the commissioner has not disapproved it.

Proposed §5.9322. Insurers Providing Coverage Through a Purchasing Group. This section provides that insurers that provide coverage to participants in a purchasing group must comply with the filing requirements in Division 5.

Proposed §5.9322 also reminds insurers writing commercial group property insurance that they must comply with Insurance Code §2171.003 and file a policy form

with the commissioner before using the policy form for a group of businesses or an association in which each member of the group or association is not a large risk.

Proposed §5.9330. Purpose. Proposed §5.9330 sets out the purpose of Division 6, which is to specify requirements for rate filings under Insurance Code Chapters 2053, 2251, and 3502. This division governs rates and related concepts including prospective loss costs, loss cost multipliers, rating manuals, other supplementary rating information, and information concerning fees or other amounts charged or collected by an insurer in connection with a policy. Proposed §5.9330 contains nonsubstantive changes to conform the section to statutory recodifications.

Proposed §5.9331. Definitions. Proposed §5.9331 defines certain terms used in Division 6.

Because Insurance Code §2251.101(b)(1)(C) requires the commissioner to adopt rules on fee information included in filings, proposed §5.9331 contains new language defining fees.

“Other amounts” in the definition of fees refers to amounts such as recoveries for assessments under Insurance Code Chapter 2007 for rural fire protection or fees for the Automobile Burglary and Theft Prevention Authority. Insurers must file these amounts or fees so that the commissioner may consider them as they affect insurance rates and the amounts charged to policyholders.

Proposed §5.9331(4) defines and gives examples of a new type of filing called the “short track filing.” Short track filings are those for which TDI requires limited supporting information to determine compliance with Texas statutes and rules. TDI will

maintain a list of qualifying types of filings on its website. Proposed §5.9334(g) lists information required in short track filings.

Proposed §5.9332. Categories of Supporting Information. As Insurance Code §2251.101(b)(1)(A) requires, proposed §5.9332 determines categories of supporting information. Some of the categories appear in the current §5.9332, and others are new. The proposed rule does not require each category for all filings; instead, §5.9334 details when each category is required.

The categories of supporting information in both the current rule and the proposed rule are “actuarial support,” “rate change information,” “historical premium and loss information,” “historical and projected expense information,” “loss cost information for reference filings,” and “profit provision information.” These categories are in paragraphs (3), (7), (8), (9), (10), and (11) of §5.9332 of the proposed rule. Some of the categories of supporting information in the proposed rule differ substantively from the current rule. For example, new language in the “actuarial support” category describes three subcategories – rate indications, relativity analysis, and other actuarial support. The “rate change information” category now specifies a six-year rate change history. New language in the “historical and projected expense information” category addresses additional expense provisions, such as the net cost of reinsurance or an expense offset from fee income. “Loss cost information for reference filings” now includes supporting documentation for loss cost modification factors other than 1.00.

The proposed §5.9332 contains categories of supporting information that are not listed as distinct categories of supporting information in the current §5.9332, but which

TDI has requested or filers have included as supporting documentation with filings under the current rule. These categories are “actuarial memorandum,” “SERFF rate data,” “policyholder impact information,” “average rate change by county,” “side-by-side comparison,” “mark-up,” “sample premium impacts by selected ZIP codes,” and “other information” in paragraphs (2), (4), (5), (6), (12), (13), (14), and (16) in the proposed rule, respectively. The “SERFF rate data” category applies to all filers, whether or not they use SERFF.

The proposed §5.9332 contains two new categories of supporting information, “rate filing checklists” and “rate filing templates,” which are in paragraphs (1) and (15) of this section of the proposed rule. The checklists and the template should provide clarity to filers. Insurers must submit a rate filing checklist with each filing. Use of rate filing templates, which TDI will make available to insurers, is optional; but they are a convenient way for insurers to file certain supporting information.

Proposed §5.9333. Categories of Supplementary Rating Information. As Insurance Code §2251.101(b)(1)(A) requires, proposed §5.9333 determines categories of supplementary rating information. The section elaborates on the definition of supplementary rating information found in Insurance Code §2251.002(7), so as to name some of the kinds of “similar information” insurers may use to determine the applicable premium for an insured. This information includes rating algorithms and rating plans. Proposed §5.9333(5) makes clear that “classification system” refers to criteria used to place individual risks into groupings for rating purposes, regardless of whether the groupings are called tiers, categories, or some other term.

Proposed §5.9334. Requirements for Rate Filing Submissions. This section describes submission requirements for workers' compensation rate filings, rate filings for insurance governed by Insurance Code Chapter 2251, and mortgage guaranty insurance rate filings.

Section 5.9334(b) specifies that for rates governed by Chapter 2251, insurers must file any new or revised rates, rating manuals, rating rules, all other supplementary rating information, and fees. This information may be used on and after the date of the filing. Subsection (b) has new language to conform the rule to new language in Insurance Code §2251.101(a).

Section 5.9334(e) contains a revised description of the memorandum that must accompany each filing. The filing memorandum must explain the purpose of the filing, describe each change the filing would make, and summarize any related form or endorsement filings.

Section 5.9334(f) describes which categories of supporting information, defined in §5.9332, insurers must include with which filings under Division 6. The goal of subsection (f) is to aid insurers in filing sufficient supporting information for TDI to determine whether a filing produces rates that are not excessive, inadequate, unreasonable, or unfairly discriminatory for the risks to which they apply. Section 5.9334(f)(7) requires all owner-occupied homeowner and personal automobile filings to include policyholder impact information if they will result in minimum and maximum policyholder impacts which differ by more than five percentage points. TDI does not

intend to discourage any filings with this requirement; but TDI does intend to get information on how many policyholders the rate change will affect.

Insurers submitting short track filings under §5.9334(g) or who qualify for the reduced filing requirements under Division 9 will not need to file all the supporting information required under Division 6.

Section 5.9334(g) describes which categories of supporting information insurers must file with short track filings, which are defined in §5.9331(b)(4).

Section 5.9334(h) requires that filings be legible, accurate, internally consistent, and complete. Paragraphs (1) - (5) list specific standards that, when followed, will facilitate TDI's review of the filings.

Subsection (i) addresses public information received with a filing. Filers submitting through SERFF affirmatively consent, as contemplated by Government Code §552.137, to the release of any contact information, including email addresses, disclosed in a filing. Filers submitting through SERFF also certify that each person associated with an email address contained in the filing has affirmatively consented to the release and disclosure of that email address. TDI will make filings submitted through SERFF available for public disclosure using SERFF. TDI cannot restrict contact information within SERFF from public disclosure. Filers who do not consent to the release and disclosure of contact information, or who cannot make the certification the rule requires, should not file using SERFF.

For documents filed under Insurance Code Chapter 2251, insurers must mark each page of documents they consider confidential and excepted from disclosure under

Government Code Chapter 552. TDI does not consider loss cost multipliers, rates, rating factors and relativities, rating manuals, fees, and summary information about the rate filing as excepted from disclosure under Government Code Chapter 552.

Subsection (i) also lists categories of supporting information under Chapter 2251 that will not be considered excepted from disclosure under Government Code Chapter 552. Filings under Insurance Code Chapters 2053 and 3502 will be open for public inspection. TDI will comply with copyright law in making documents open or available for public disclosure.

Subsection (k) directs insurers to the Filings Made Easy Guide on TDI's website for rate filing templates or exhibits they may use to display supporting information.

Subsection (l) contains new language to make the rule consistent with TDI's transition to SERFF. TDI will no longer accept filings submitted under Division 6 with form filings or any other filings submitted under Subchapter M.

Proposed §5.9335. Requests for Information. In compliance with Insurance Code §2251.101(b)(2), proposed §5.9335 prescribes the process by which TDI may request additional supplementary rating information and supporting information. Section 5.9335(b) defines a fully responsive answer to a request.

Section 5.9335(c) explains that additional information may include a comprehensive set of rates, rating manuals, rating rules, fees, and all other supplementary rating information when an insurer has filed a revision to previously filed rates, rating manuals, rating rules, fees, and all other supplementary rating information.

This will improve TDI's understanding of the revision by enabling comparison of the revision with the comprehensive set of rates.

Section 5.9335(d) limits to five the number of times TDI may request additional supplementary rating information and limits to five the number of times TDI may request additional supporting information. Follow-up requests for information necessitated by an incomplete response, requests for clarification of an unclear response, and requests for information that would have been included in a complete filing will not count against the limits. Section 5.9335(e) gives examples of requests necessary to make a filing complete.

Proposed §5.9336. Request for Information Limit Waiver. This section would enable an insurer to waive the limits §5.9335 places on the number of times TDI may request additional supplementary rating information and supporting information.

Proposed §5.9337. Insurers Providing Coverage Through a Purchasing Group. This section provides that insurers providing coverage to participants in a purchasing group must comply with the filing requirements in Division 6.

Amended §5.9340. Purpose. This section is amended to specify underwriting guideline filing requirements under Insurance Code §38.003. In addition, nonsubstantive amendments conform this section to statutory recodifications.

Amended §5.9341. Definitions. Nonsubstantive amendments conform this section to statutory recodifications.

Amended §5.9342. Filing Requirements. This section is amended to specify underwriting guideline filing requirements under Insurance Code §38.003, which

insurers must follow only if TDI requests underwriting guidelines under that section.

Amendments to this section conform the filing requirements for underwriting guidelines for personal automobile, residential property, and workers' compensation insurance to the changes in Division 4. The filing transmittal information required in §5.9310 (relating to Property and Casualty Transmittal Information and General Filing Requirements) must accompany each underwriting guideline filing or update to underwriting guideline filings. The amended section also states that all underwriting guideline filings must relate to only one line of insurance.

Amended §5.9350. Purpose. Nonsubstantive amendments conform this section to statutory recodifications.

Amended §5.9351. Definitions. Nonsubstantive amendments conform this section to statutory recodifications and current TDI style.

Amended §5.9352. Filing Requirements. Amendments to this section conform the filing requirements for credit scoring models to the changes in Division 4. The amendments in subsection (b) impose the same requirements on insurers that file credit scoring models themselves and those that reference a credit scoring model filed by another entity on behalf of an insurer. Subsection (b)(2) adds tiering as a use for credit scoring. This reflects the increased use of tiering in the Texas market. Subsection (b)(3) requires the completion of a questionnaire to verify that the insurer's use of the model complies with Chapter 559.

Subsection (c) describes how TDI will treat information received with a filing. Insurers submitting through SERFF affirmatively consent, as contemplated by

Government Code §552.137, to the release of any contact information included with a filing. The filer also certifies that each person associated with an email address contained in the filing has affirmatively consented to the release and disclosure of that email address. TDI will make filings submitted through SERFF available for public disclosure using SERFF. TDI cannot restrict contact information from public disclosure within SERFF. Filers who do not consent to the release and disclosure of contact information, or who cannot make the certification the rule requires, should not file using SERFF.

New subsections (e) and (f) state that all filings for credit scoring models must relate to only one line of insurance and that the credit scoring model must be refiled before it may be used for another line of insurance that was not identified in the original filing.

Consistent with TDI's use of SERFF, amended §5.9352 no longer addresses credit scoring model filings by insurer groups or groups of affiliated insurers.

Amended §5.9355. Purpose. Nonsubstantive amendments conform this section to statutory recodifications and changes to section and division names in this title.

Amended §5.9357. Filing Requirements. Amended §5.9357 lists the filing requirements for the three classes of insurers who qualify for reduced rate filing requirements under Insurance Code Chapter 2251, Subchapters E and F. The amendments conform §5.9357 to proposed Division 6 (relating to Filings Made Easy—Requirements for Rate Filings).

Section 5.9357(a) and (c) contain nonsubstantive amendments to the provisions on county mutual insurers writing only nonstandard personal automobile insurance and insurers writing residential property insurance in underserved areas. Both must file in compliance with Division 6, but need not provide some of the supporting information required in §5.9334(f).

Amended §5.9357(d) specifies that insurers submitting a filing under Division 9 must still comply with 28 TAC §5.9941 and §5.9960 (relating to Differences in Rates Charged Due Solely to Difference in Credit Scores and Exception to Rating Territory Requirements under §2253.001 of the Insurance Code). The amendments remove a redundant sentence but do not change this requirement. Amended §5.9357(d) also specifies that §5.9335 (relating to Requests for Information) governs additional requests for information.

Consistent with TDI's use of SERFF, the amended section no longer addresses combined filings.

Amended §5.9357(e) describes how TDI will treat information received with a filing. Insurers submitting through SERFF affirmatively consent, as contemplated by Government Code §552.137, to the release of any contact information included with a filing. The insurer also certifies that each person associated with an email address contained in the filing has affirmatively consented to the release and disclosure of that email address. TDI will make filings submitted through SERFF available for public disclosure using SERFF. TDI cannot restrict contact information from public disclosure within SERFF. Insurers who do not consent to the release and disclosure of contact

information, or who cannot make the certification the rule requires, should not file using SERFF.

New §5.9357(f) states that insurers may obtain the certification forms in the Filings Made Easy Guide.

Amended §5.9360. Purpose. Nonsubstantive amendments conform this section to statutory recodifications and changes in section names in this title.

Amended §5.9361. Additional Requirements. Nonsubstantive amendments conform this section to statutory recodifications and changes in section names in this title.

2. FISCAL NOTE. J'ne Byckovski, chief actuary of the Property and Casualty Actuarial Office, has determined that for each year of the first five years the proposed amendments and new sections will be in effect, there will be no fiscal impact to state and local governments resulting from enforcement or administration of the proposal. There will be no measurable effect on local employment or the local economy resulting from the proposal.

3. PUBLIC BENEFIT/COST NOTE. Ms. Byckovski has also determined that for each year of the first five years the proposed amendments and new sections are in effect, the public benefit that will result from the proposal includes more complete filings due to improved predictability and transparency for filers. More complete filings will better enable TDI to fulfill its regulatory function. Another public benefit will be improved

government efficiency because the proposal requires filings to be compatible with TDI's transition to SERFF as its system of record. The cost to persons required to comply with the proposal are consistent with the costs filers currently bear in complying with the filing rules. The proposal requires information that filers should already be assembling to comply with current filing requirements.

4. ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS

FOR SMALL AND MICRO BUSINESSES. As required by the Government Code §2006.002(c), TDI has determined that the proposal will not have an adverse economic effect on small or micro businesses. In accord with Government Code §2006.002(c), TDI has determined that a regulatory flexibility analysis is not required.

5. TAKINGS IMPACT ASSESSMENT. TDI has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking or require a takings impact assessment under the Government Code §2007.043.

6. REQUEST FOR PUBLIC COMMENT. To be considered, written comments on the proposal must be submitted no later than 5 p.m., Central time on June 25, 2014. You may send your comments electronically to the Chief Clerk by email at chiefclerk@tdi.texas.gov, or by mail to Chief Clerk, Mail Code 113-2A, Texas

Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104. You must simultaneously submit an additional copy of your comments by email to pcactuarial@tdi.texas.gov, or by mail to J'ne Byckovski, Chief Actuary, Property and Casualty Actuarial Office, Mail Code 105-5F, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104.

The commissioner will receive public testimony concerning the proposed amendments and new sections in a public hearing under Docket No. 2765 scheduled for June 18, 2014, at 9 a.m. in Room 100 of the William P. Hobby, Jr. State Office Building, 333 Guadalupe Street, Austin, Texas. The commissioner will consider all comments presented at the hearing.

7. STATUTORY AUTHORITY. The amendments and new sections are proposed under Insurance Code §§38.002, 38.003, 559.004, 912.056, 2052.002, 2053.003, 2053.034, 2251.101, 2251.201, 2251.204, 2251.252, 2301.006, 2301.055, 3502.108, and 36.001. Section 38.002 provides that each insurer writing personal automobile insurance or residential property insurance must file its underwriting guidelines with TDI. Section 38.003 provides that TDI may obtain a copy of the underwriting guidelines of any insurer not writing personal automobile insurance or residential property insurance. Section 559.004 provides that the commissioner may adopt rules implementing Chapter 559 (relating to Credit Scoring and Credit Information). Section 912.056 provides that certain county mutual insurance companies that have appointed managing general agents, created districts, or organized local chapters to manage a portion of their

business must, for each managing general agent, district, or local chapter program, file the rating information that the commissioner by rule requires. Section 2052.002 provides that before an insurance company may use a workers' compensation form that the commissioner has not prescribed, the insurance company must submit it to and receive approval from TDI. Section 2053.003 provides that each insurance company writing workers' compensation insurance must file with TDI all rates, supplementary rating information, and reasonable and pertinent supporting information for risks written in Texas. Section 2053.034 provides that each insurer writing workers' compensation insurance must file with TDI a copy of its underwriting guidelines. Section 2251.101 provides that the commissioner must adopt rules on the information to be included in rate filings and prescribe the process by which TDI may request supplementary rating information and supporting information. Section 2251.201 provides that the commissioner may by rule designate types of insurers, in addition to county mutual insurance companies, that will be subject to Chapter 2251, Subchapter E (relating to Standard Rate Index for Personal Automobile Insurance). Section 2251.204 provides that the commissioner by rule must determine filing requirements for certain county mutual insurance companies subject to Chapter 2251, Subchapter E. Section 2251.252 provides that an insurer that is exempt from the filing requirements of Chapter 2251 must file and obtain approval of proposed premium rates meeting certain criteria. Section 2301.006 provides that an insurer may not use policy forms, other than the standard forms adopted by the commissioner, until the insurer files the forms with and receives approval by the commissioner. Section 2301.055 provides that the

commissioner may adopt reasonable and necessary rules to implement Chapter 2301, Subchapter B (relating to Policy Forms for Personal Automobile Insurance Coverage and Residential Property Insurance Coverage). Section 3502.108 provides that the commissioner may adopt rules establishing guidelines by which the forms and documents submitted to TDI under Chapter 3502 are to be reviewed and acted on by TDI. Section 3502.108 also provides that TDI may establish requirements for data and information filed under Chapter 3502. Section 36.001 provides that the commissioner 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.

8. CROSS REFERENCE TO STATUTE. The following statutes are affected by this proposal:

<u>Rule</u>	<u>Statute</u>
§5.9310	Insurance Code §§36.001, 38.002, 559.004, 2052.002, 2053.003, 2053.034, 2251.101, 2301.006, 2301.055, and 3502.108
§5.9320	Insurance Code §§2052.002, 2301.006, 2301.055, and 3502.108
§§5.9330-5.9337	Insurance Code §§2053.003, 2251.101, and 3502.108
§§5.9340-5.9342	Insurance Code §§38.002, 38.003, and 2053.034

§§5.9350-5.9352	Insurance Code §559.004
§§5.9355-5.9357	Insurance Code §§2251.201, 2251.204, and 2251.252
§§5.9360-5.9361	Insurance Code §912.056

9. TEXT.

DIVISION 4. FILINGS MADE EASY – [FILING] TRANSMITTAL INFORMATION [FORM] AND GENERAL FILING REQUIREMENTS FOR PROPERTY AND CASUALTY FORM, RATE, [RULE,] UNDERWRITING GUIDELINE, AND CREDIT SCORING MODEL FILINGS

§5.9310. Property and Casualty [Filing] Transmittal Information [Form] and General Filing Requirements.

(a) Purpose. The purpose of this division is to specify ~~[the form and content of]~~ the ~~[filing]~~ transmittal information and general filing requirements for [form that is to be used for] property and casualty form, endorsement, rate, ~~[rule,]~~ underwriting guideline, and credit scoring model filings ~~[and provide information on obtaining such form].~~

(b) Definitions. Terms ~~[Words and terms]~~ not defined in this division may be defined in ~~[the]~~ Insurance Code Chapters 2053, 2251, and 2301, [Article 5.13-2 and Subchapter D of Chapter 5] and ~~[shall]~~ have the same meaning when used in this division. The following ~~[words and]~~ terms when used in this division ~~[shall]~~ have the following meanings unless the context indicates otherwise:

(1) TDI [

~~Department]~~--Texas Department of Insurance ~~[(TDI)]~~.

(2) TDI file number--The number assigned by TDI ~~[the department]~~ to a filing ~~[submitted by an individual company]~~.

~~[(3) TDI link number--The number assigned by the department to link individual TDI file numbers to a filing which is submitted for more than one company within a group.]~~

~~(3)~~[(4)] Interline filing--A filing that may be used for more than one line of insurance submitted for:

(A) an endorsement, ~~[that may be used with more than one line of insurance]~~ provided the endorsement does not have an impact on rates; or

(B) ~~[a rate filing that may be used with more than one line of insurance that contains only information concerning]~~ policy fees, service fees, and other fees that are charged or collected by the insurer under Insurance Code §550.001 or §4005.003 ~~[\$§4005.001--4005.003 or §550.001]~~.

~~(4)~~[(5)] Reference filing--A filing that references the use of ~~[adopted or approved]~~ policy forms, endorsements, manual rules, loss costs, rating manuals, other supplementary rating information, or credit scoring models that TDI has adopted, approved, or accepted ~~[the department form(s), endorsement(s), manual rule(s), rate(s), or other acceptable policy form(s), or endorsement(s), manual rule(s), or rate(s), to which the department has assigned a TDI file number]~~.

~~(5)~~[(6)] Dual filing--A ~~[moneline]~~ filing submitted for one ~~[a specific]~~ line of insurance that may also be used in ~~[written as part of a]~~ multi-peril insurance ~~[policy]~~.

(6) Multi-peril insurance--Policies and rates for two or more lines of insurance that are subject to regulation under Insurance Code Chapters 2251 and 2301.

~~[(7) Line of insurance--For purposes of this section, each of the following is a line of insurance:]~~

~~[(A) automobile-commercial;]~~

~~[(B) automobile-personal;]~~

~~[(C) boiler and machinery;]~~

~~[(D) casualty (personal and commercial);]~~

~~[(E) credit;]~~

~~[(F) credit-involuntary unemployment;]~~

~~[(G) crime;]~~

~~[(H) crop hail;]~~

~~[(I) excess liability;]~~

~~[(J) excess umbrella;]~~

~~[(K) farm and ranch;]~~

~~[(L) farm liability;]~~

~~[(M) farm and ranch owners;]~~

~~[(N) fidelity bonds;]~~

~~[(O) financial guaranty bonds or insurance;]~~

~~[(P) guaranteed auto protection (GAP) (commercial);]~~

~~[(Q) guaranteed auto protection (GAP) (personal);]~~

~~[(R) general liability;]~~

~~[(S) glass;]~~
~~[(T) identity theft (commercial);]~~
~~[(U) identity theft (personal);]~~
~~[(V) inland marine (commercial);]~~
~~[(W) inland marine (personal);]~~
~~[(X) involuntary unemployment;]~~
~~[(Y) miscellaneous casualty;]~~
~~[(Z) miscellaneous liability;]~~
~~[(AA) mortgage guaranty;]~~
~~[(BB) multi-peril;]~~
~~[(CC) personal liability;]~~
~~[(DD) professional liability;]~~
~~[(EE) property-commercial;]~~
~~[(FF) property-residential (dwelling);]~~
~~[(GG) property-residential (homeowners);]~~
~~[(HH) rain;]~~
~~[(II) surety bonds (other than criminal court appearance bonds);]~~
~~[(JJ) umbrella-commercial;]~~
~~[(KK) umbrella-personal; and]~~
~~[(LL) workers' compensation.]~~

(c) Transmittal information. Each filing must contain ~~[Form and content of transmittal form. The filing transmittal form must be typed and contain, at a minimum,]~~ the following transmittal information:

(1) company name and company number assigned by the National Association of Insurance Commissioners (NAIC);

~~[(2) NAIC number of the company;]~~

(2) [(3)] company group name and group NAIC number;

(3) whether the filing is new, or revises or replaces an existing filing;

(4) TDI file number of the revised or replaced filing; [type of filing:]

~~[(A) new filing; or]~~

~~[(B) revision or replacement of an existing filing. If revising or replacing an existing filing, the TDI file number or link number of the filing that is being revised or replaced must be provided.]~~

(5) TDI file number of associated or companion filings of other filing types;

(6) [(5)] line of insurance:

(A) all filings must specify the line of insurance to ~~[for]~~ which the filing applies ~~[is being made];~~

(B) interline filings must specify ~~[indicate]~~ all lines of insurance to which the filing applies ~~[is applicable];~~

(C) dual filings must indicate multi-peril insurance and the ~~[a specific]~~ line of insurance to which the filing applies ~~[is applicable];~~

(7) [(6)] type of filing; [basic description of the filing:]

~~[(A) rate filing, rating manual filing, and rating rule filing;]~~

~~[(B) policy form;]~~

~~[(C) endorsement;]~~

~~[(D) manual rules, other than rating manual rules;]~~

~~[(E) reference filing must list the TDI file number or TDI link number of the filing being referenced;]~~

~~[(F) credit scoring model; or]~~

~~[(G) underwriting guidelines;]~~

(8) ~~[(7)]~~ proposed effective date; and

(9) ~~[(8)]~~ contact person, including name, telephone number, mailing address, and fax number~~[, and e-mail address (if available)]~~.

~~[(d) Availability of transmittal form. The Filing Transmittal Form (FTF) is a form that is provided by the department for insurers who are making the filings specified in subsection (c)(6) of this section. This form may be obtained from the TDI website at www.tdi.state.tx.us.]~~

~~[(e) Alternative transmittal forms. An insurer may use, as an alternative, a transmittal form published by the National Association of Insurance Commissioners (NAIC) or any other transmittal form if the information included in the transmittal form, or in an addendum to the transmittal form, contains all the information required under subsection (c) of this section.]~~

(d) [(f)] Filings Made Easy Guide. TDI~~[The department]~~ maintains the Filings Made Easy Guide ~~[guide]~~ to assist insurers in submitting filings and complying with

statutory requirements. Insurers may obtain this guide from TDI's website at www.tdi.texas.gov [This guide may be obtained from the TDI website at www.tdi.state.tx.us].

(e) Copyright. Information included in rate filings under Insurance Code Chapter 2251 that is marked "copyright" may be made available for public disclosure in the same manner as information filed under Chapter 2251 that is not marked "copyright." Information that is marked "copyright" and that is included in rate filings under Insurance Code Chapter 2053 and Chapter 3502 and in form filings is not confidential and will be open for public inspection in the same manner as information not marked "copyright." Public disclosure methods may include posting filings on TDI's website.

(f)[(g)] Submission of Filing. Filings under Divisions [4,] 5, 6, 7, 8, and 9 of this subchapter (relating to Filings Made Easy - Requirements for Property and Casualty Policy Form, Endorsement, and Manual Rule Filings; Filings Made Easy - Requirements for Rate Filings; Filings Made Easy - Requirements for Underwriting Guideline Filings; Filings Made Easy - Requirements for Credit Scoring Model Filings for Personal Insurance; and Filings Made Easy - Reduced Filing Requirements for Certain Insurers, respectively) must be submitted either through the System for Electronic Rate and Form Filing (SERFF), delivered to the Texas Department of Insurance, Property and [&] Casualty Intake Unit, William P. Hobby Jr. State Office Building, 333 Guadalupe St., Mail Code 104-3B, Austin, Texas 78701, or mailed to the Texas Department of Insurance, Property and [&] Casualty Intake Unit, Mail Code 104-3B, P.O. Box 149104, Austin, Texas 78714-9104.

DIVISION 5. FILINGS MADE EASY—REQUIREMENTS FOR PROPERTY AND CASUALTY POLICY FORM, ENDORSEMENT, AND MANUAL RULE FILINGS

§5.9320. Required Information for the Preparation and Submission of Policy Form, Endorsement, and ~~[or]~~ Manual Rule (Other than Rating Manual ~~[other than rating manual])~~ Filings.

(a) Purpose. The purpose of this section is to specify the filing requirements for property and casualty policy form, endorsement, and manual rule filings that are submitted under ~~[pursuant to Chapter 5 or Article 21.50 of the Texas]~~ Insurance Code Chapter 2052, 2251, 2301, or 3502.

(b) Definitions. The definitions set forth in §5.9310 of this title (relating to Property and Casualty ~~[Filing]~~ Transmittal Information ~~[Form]~~ and General Filing Requirements) apply to this division.

(c) Filing requirements for policy ~~[Policy]~~ forms and endorsements. All insurer and advisory organization policy form and endorsement filings submitted under ~~[pursuant to Chapter 5 or Article 21.50 of the Texas]~~ Insurance Code Chapter 2052, 2301, or 3502 must ~~[shall]~~ comply with the ~~[general]~~ filing requirements~~[-, other applicable requirements set forth]~~ in paragraphs (1)-(3) of this subsection, and any other applicable rules adopted by the commissioner.

(1) General filing requirements.

(A) All filings for new and amended policy forms or endorsements must ~~shall~~ relate to only one line of insurance except for multi-peril~~[-, dual]~~ and interline filings.

(B) All filings for new and amended policy forms or endorsements must ~~shall~~ contain the following:

(i) the ~~a~~ filing transmittal information ~~form~~ ~~as~~ required in §5.9310 ~~[Division 4]~~ of this title ~~[subchapter (relating to Filings Made Easy— Filing Transmittal Form and Requirements for Property and Casualty Form, Rate, Rule, Underwriting Guideline, and Credit Scoring Model Filings)]~~;

(ii) a copy of the proposed policy forms or endorsements ~~[form(s) and/or endorsement(s)]~~; and

(iii) a ~~an~~ ~~explanatory~~ memorandum that contains a detailed explanation of the reasons ~~[reason(s)]~~ for the filing ~~[the new or revised policy form(s) and/or endorsement(s) or manual rule(s)]~~, and a description of the policy forms ~~[form(s)]~~ or endorsements ~~[endorsement(s)]~~ and their use. ~~[the application (e.g.)~~ For example, the type of risk or risks the forms ~~[form(s)]~~ or endorsements ~~[endorsement(s)]~~ will be used with~~{}]~~.

(2) Additional filing requirements.

(A) Additional filing requirements specific to new policy forms or endorsements for use with new products. If the ~~[explanatory]~~ memorandum required under paragraph (1)(B)(iii) of this subsection does not fully explain or describe the filed

policy forms [~~form(s)~~] or endorsements [~~endorsement(s)~~], TDI [~~the department~~] may request either:

(i) a summary of all policy provisions that includes a detailed description and explanation of the coverages, limitations, exclusions, and conditions; or

(ii) a coverage comparison to a similar policy form or endorsement that the commissioner has [~~been~~] previously approved or adopted [~~by the commissioner~~] containing a detailed explanation of all the differences including any restrictions in coverage, enhancements in coverage, or clarifications to the previously approved policy forms [~~form(s)~~] or endorsements [~~endorsement(s)~~].

(B) Additional filing requirements specific to amending previously approved or adopted policy forms or endorsements. In addition to the general requirements outlined in paragraph (1) of this subsection, the filing must [~~shall~~] include a coverage evaluation that contains a detailed explanation of the proposed changes [;] including any restrictions in coverage, enhancements in coverage, or clarifications to the previously approved or adopted policy forms [~~form(s)~~] or endorsements [~~endorsement(s)~~]. The additional requirements under this subsection may be provided in the [~~explanatory~~] memorandum required under paragraph (1)(B)(iii) of this subsection or in [~~by providing~~]:

(i) a side-by-side comparison showing any differences between the previously approved or adopted policy forms [~~form(s)~~] or endorsements [~~endorsement(s)~~] and the proposed policy forms [~~form(s)~~] or endorsements [~~endorsement(s)~~]; or

(ii) a copy of the previously approved or adopted policy forms [~~form(s)~~] or endorsements [~~endorsement(s)~~] indicating the differences between the approved or adopted policy forms [~~form(s)~~] or endorsements [~~endorsement(s)~~] and the filed policy forms [~~form(s)~~] or endorsements, [~~endorsement(s)~~] with the new language underlined and the deleted language in brackets with a strikethrough, or other clearly identified or highlighted editorial notations referencing the new and replaced language.

(3) Statutory and regulatory filing requirements.

(A) Filings for new and amended policy forms or endorsements must [~~form(s) and/or endorsement(s) shall~~] include all provisions required by statute, administrative rule, or commissioner's order [~~for a specific line of insurance~~]. [~~The required statutory or administrative rule provisions may be added to a policy form by a Texas amendatory endorsement.~~] Filers may add the required statutory or administrative rule provisions to a policy form by a Texas amendatory endorsement. The filing must include [~~The~~] the amendatory endorsement, [~~shall be included in the filing~~] or the [~~a~~] filing may reference an approved amendatory endorsement that is applicable to the policy forms [~~form(s)~~] contained in the filing.

(B) All policy forms and endorsements contained in personal automobile and residential property insurance filings must [~~shall~~] meet the statutory requirements for plain language in policies as set forth by Commissioner's Order No. 92-0573 [~~the Commissioner of Insurance by order~~].

(d) Filing requirements for manual rules. Manual rules are rules other than rating rules that relate to policy forms or endorsements. ~~[that may be filed with policy form(s) or endorsement(s) or may be submitted separately. When submitted separately, in addition to the transmittal form, the]~~ A manual rule filing must include the transmittal information required in §5.9310 of this title, ~~[shall]~~ relate to only one line of insurance except for multi-peril~~[-, dual]~~ and interline filings, and include ~~[an explanatory]~~ a memorandum as described in subsection (c)(1)(B)(iii) of this section.

(e) Filing requirements for reference filings. An insurer may make a [A] filing ~~[may be made]~~ referencing approved or accepted policy forms [form(s)], endorsements [endorsement(s)], or manual rules [rule(s)] without including a copy of the referenced material [policy form(s), endorsement(s) or manual rule(s)]. All reference filings must ~~[shall]~~ relate to only one line of insurance except for multi-peril [dual filings,] and interline filings [,-, and multi-peril filings]. In addition to the transmittal information [form], a reference filing must include the following ~~[information for policy form(s), endorsement(s), or manual rule(s)]:~~

(1) the name of the insurance company or advisory organization whose filing is being referenced; and

(2) the TDI file number [,-, link number, or reference number] of the filing being referenced.

(f) Public information. ~~[Incomplete filing]~~ To the extent that a filing submitted through SERFF includes contact information, the filer affirmatively consents to the release and disclosure of the contact information, including any email addresses. The

filer also certifies that each person associated with an email address that appears in the filing has affirmatively consented to the release and disclosure of that email address.

(g) Incomplete filings.

(1) TDI will consider a filing [~~will be considered~~] incomplete if the filing does not comply with the filing requirements contained in subsections (c), (d), and (e) of this section.[:]

(2) If TDI determines that a filing is incomplete, TDI will provide a notice that states the filing is incomplete and identifies the additional information required to complete the filing. A filing that is not completed before the date specified in the notice will be rejected. A rejected filing:

(A) is not considered filed with TDI for the purposes of this division;

(B) will not be reopened for purposes of resubmission; and

(C) must be resubmitted as a new filing.

[~~a filing that is determined to be incomplete by the department will be returned to the filer with a letter or electronic notification, indicating the reason(s) for the filing being returned; and~~]

(3) The [the] deemer period does not commence until a complete filing is received by TDI [the department].

(h) Filings under this division may not be combined with any other filings submitted under this subchapter.

(i) Manual rule filings submitted under this division may not be combined with any other filings submitted under this division.

~~[(g) Combining filings. Filings under this division may be combined with filings made in accordance with Division 6 or 9 of this subchapter (relating to Filings Made Easy--Rate and Rate Manual Filing Requirements and Reduced Filing Requirements for Certain Insurers). These combined filings may utilize a single transmittal form. Filings under this division may not be combined with filings made in accordance with Division 7 or 8 of this subchapter (relating to Filings Made Easy--Underwriting Guideline Filing Requirements for Personal Automobile and Residential Property Insurance and Filings Made Easy--Credit Scoring Models Filing Requirements for Personal Insurance) due to distinct and separate statutes governing underwriting guidelines and credit scoring models.]~~

§5.9321. Request for Deemer Period Waiver. An insurer may, by sending written notice to TDI, waive the deadlines by which the commissioner, under Insurance Code §2301.006, must approve or disapprove a form before it is deemed approved.

§5.9322. Insurers Providing Coverage Through a Purchasing Group.

(a) Insurers that provide coverage to participants in a purchasing group are not exempt from the filing requirements of this division.

(b) As Insurance Code §2171.003 requires, insurers writing commercial group property insurance under Insurance Code §2171.002 must file a policy form with the commissioner before using the form for a group of businesses or an association

described by §2171.002 in which each member of the group or association is not a large risk.

DIVISION 6. FILINGS MADE EASY—REQUIREMENTS FOR RATE FILINGS

§5.9330. Purpose. The purpose of this division is to specify requirements for rate filings under Insurance Code Chapters 2053, 2251, and 3502. Rate filings may include rates, prospective loss costs, loss cost multipliers, rating manuals, and other supplementary rating information. Rate filings may also include information concerning policy fees, service fees, and other fees that are charged or collected by the insurer under Insurance Code §550.001 or §4005.003, or any other amounts collected by the insurer in connection with a policy.

§5.9331. Definitions.

(a) Terms not defined in this section, but which are defined in Insurance Code Chapter 2053, 2251, or 3502, or §5.9310 of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements), have the same meaning when used in this division unless the context indicates otherwise.

(b) The following terms when used in this division have the following meanings, unless the context indicates otherwise:

(1) Disallowed expenses--Applies only to filings submitted under Insurance Code Chapter 2251. Disallowed expenses include the expenses in Insurance Code §2251.002(1). Payments anticipated to be made to advisory

organizations that are licensed to do business in Texas for services authorized by Insurance Code Chapter 1805, Subchapter B, are not disallowed expenses.

(2) Fees--Information concerning all policy fees, service fees, and other fees that are charged or collected by an insurer under Insurance Code §550.001 or §4005.003, or any other amounts collected by the insurer in connection with a policy, other than the premium. This information includes both the amount of the fees and the rules governing when the fees are charged and how they are earned.

(3) Insurer--An insurer authorized to write property and casualty insurance in Texas, including an insurance company, reciprocal or interinsurance exchange, mutual insurance company, capital stock company, county mutual insurance company, association, Lloyd's plan, or other entity writing insurance in this state. The term includes an affiliate, as described by Insurance Code §823.003, if that affiliate is authorized to write insurance in Texas. The term includes an appointed managing general agent, district, or local chapter program of a county mutual insurance company described by Insurance Code §912.056(d) that manages a portion of that county mutual insurance company's business, independent of all other business of that county mutual insurance company, and that is to be treated as a separate insurer for the purposes of Insurance Code Chapters 544, 2251, 2253, and 2254, as provided in Insurance Code §912.056(e). The term does not include a farm mutual insurance company, an eligible surplus lines insurer under the Insurance Code, the Texas Windstorm Insurance Association, the Texas FAIR Plan Association, or the Texas Automobile Insurance Plan Association.

(4) Short track filing--A filing requiring limited supporting information to determine compliance with Texas statutes and rules. For example, a filing making an editorial change to a rating rule that does not result in the use of rates that are not on file or a filing referring to certain advisory organization filings may qualify as a short track filing. TDI will maintain a list of qualifying types of filings on the TDI website.

§5.9332. Categories of Supporting Information. Supporting information is the documentation needed to verify compliance with Texas statutes and rules. Section 5.9334 of this title (relating to Requirements for Rate Filing Submissions) lists the categories of supporting information that different rate filings require. The categories of supporting information include:

(1) Rate filing checklists. These are found in the Filings Made Easy Guide and show the information filers need to include with the filing.

(2) Actuarial memorandum. This memorandum describes the methodologies for determining each component used in developing the actuarial support, as well as a qualitative discussion on the selections for each component. It includes an explanation for any changes in methodologies or any changes to the component selections from the previous analysis.

(3) Actuarial support. This type of support consists of sufficient documentation and analysis to allow a qualified actuary to understand and evaluate the rates, each component used in developing the rates, and the appropriateness of each material assumption. Actuarial support is divided into the following subcategories:

(A) Rate indications consist of the analyses the insurer relies on to support its filed rates, each component used to develop the rate indications, and support for each of these components, including the data and methodologies used by the insurer. Rate indications may be on an overall basis or by coverage, class, form, or peril when appropriate. Rate indications must include each of the following with documentation in support of each, to the extent applicable:

(i) premiums, on-level factors, and premiums at current rate level;

(ii) incurred and paid losses;

(iii) loss and claim development factors;

(iv) premium and loss trend factors;

(v) hurricane and non-hurricane catastrophe factors or loss provisions including the definition of a catastrophe and how the definition has changed over the experience period used to calculate the provisions;

(vi) off-balance factors if there are changes in relativities (for example, discounts, surcharges, or territorial definitions);

(vii) the measure of credibility, the compliment of credibility, the criteria for full credibility, and the method for determining partial credibility;

(viii) expenses including general expenses; other acquisition expenses; commissions and brokerage expenses; taxes, licenses and fees; loss adjustment expenses; and expense offsets from fee income;

(ix) the net cost of reinsurance;

(x) for rates filed under Insurance Code Chapter 2251, profit provisions, including risk loads;

(xi) for rates filed under Insurance Code Chapters 2053 and 3502, profit and contingency provisions, including risk loads;

(xii) the effect on premiums of individual risk variations based on loss or expense considerations; and

(xiii) any other component used in developing a rate indication.

(B) Relativity analysis consists of both the analysis and support for the selected rating factors, including the data and methodologies used by the insurer to derive the indicated rating factors. Supporting information must include:

(i) the current relativity;

(ii) the indicated relativity;

(iii) support for the indicated relativities, including the data and methodologies used by the insurer to derive such indications;

(iv) the selected relativity;

(v) support for the selected relativities if they differ from the indicated relativities; and

(vi) the percent change from current to selected relativity.

(C) Other actuarial support consists of both the analysis and support for the selected rates, including the data and methodologies used by the insurer to derive them. Examples include:

(i) description and support for new discounts and

surcharges;

(ii) description and support for rates for new endorsements;

and

(iii) competitive analysis.

(4) SERFF rate data. This data consists of all information necessary to complete the company rate information fields in SERFF. For filers not using SERFF, this information includes the company name, the overall percentage and effective date of the last rate revision, the overall indicated change as a percent, the overall rate impact as a percent, the written premium change for the program, the number of policyholders affected for the program, the written premium for the program, and the maximum and minimum percentage change for the filing.

(5) Policyholder impact information. This information consists of the following provided separately by homeowners form and personal automobile coverage:

(A) a histogram which graphically depicts the impact of the filed changes to policyholders in five percentage point intervals;

(B) the policy counts in each interval displayed in either the histogram or a separate table;

(C) the minimum and maximum policyholder impact; and

(D) a description of the changes that contributed to the minimum and maximum policyholder impact.

(6) Average rate change by county. This is the average impact of all changes included in a filing by county, provided separately by homeowners form.

(7) Rate change information.

(A) For loss cost reference filings, rate change information consists of:

(i) the proposed percentage change in the underlying loss costs;

(ii) the change in the insurer's loss cost multiplier;

(iii) the combined change in the loss costs and the loss cost multipliers;

(iv) a six-year rate change history; and

(v) the effect that changes in fee income have on the total average rate change for all coverages and forms combined.

(B) For workers' compensation filings using classification relativities established under Insurance Code §2053.051, rate change information consists of:

(i) the percentage change in the underlying classification relativities;

(ii) the change in the insurer's deviation;

(iii) the combined change in the classification relativities and the insurer's deviation;

(iv) a six-year rate change history; and

(v) the effect that changes in fee income have on the total average rate change.

(C) For all other filings, rate change information consists of:

(i) the average proposed rate change for each applicable coverage or form;

(ii) the total average rate change for all applicable coverages and forms combined;

(iii) a six-year rate change history; and

(iv) the effect that changes in fee income have on the total average rate change for all applicable coverages and forms combined.

(8) Historical premium and loss information. This information consists of an insurer's most recent five-year experience, for both Texas and countrywide, of direct premiums written, direct premiums earned, direct losses and defense and cost containment expenses paid, direct losses and defense and cost containment expenses incurred, and the ratio of the direct losses and defense and cost containment expenses incurred to direct earned premiums. The Texas experience is the amounts, or a subset of the amounts, pertinent to the line of business reported on the Exhibit of Premiums and Losses (Statutory Page 14 Data) in the insurer's Annual Statement. The countrywide experience is the amounts, or a subset of the amounts, pertinent to the line reported on the insurer's Insurance Expense Exhibit (IEE), Part III in the insurer's Annual Statement.

(9) Historical and projected expense information. This information consists of Texas experience, and, if applicable, countrywide experience. The loss adjustment expenses must be shown as a dollar amount as well as a ratio-to-incurred losses. All other expenses must be shown as a dollar amount as well as a ratio to premium. All expense items must be on a direct basis.

(A) Three years of historical Texas experience must be included for commissions and brokerage expenses incurred; taxes, licenses, and fees incurred; losses incurred; and defense and cost containment expenses incurred. These must be the amounts, or a subset of the amounts, reported on the Exhibit of Premiums and Losses (Statutory Page 14 Data) in the insurer's Annual Statement.

(B) Three years of historical countrywide experience must be included for commissions and brokerage expenses incurred, other acquisition expenses incurred, general expenses incurred, losses incurred, defense and cost containment expenses incurred, and adjusting and other loss adjustment expenses incurred. These must be the amounts reported in the insurer's IEE, Part III in the insurer's Annual Statement.

(C) Three years of historical countrywide experience must be included for each category of disallowed expenses. These must be the amounts reported in the insurer's response to the annual TDI Disallowed Expense Call. Other acquisition and general expenses, each adjusted to remove disallowed expenses, must be listed separately. The total adjusted general expense percentage must reflect any

necessary adjustment due to the capping of general expenses at 110 percent of the industry median for the line of insurance.

(D) To the extent that the expense provisions differ from the historical expenses, the filing must provide additional support for the expense provisions underlying the rates. Provisions for commissions and brokerage expenses; other acquisition expenses; general expenses; taxes, licenses, and fees; and profit and contingencies must be displayed and a sum computed. For filings submitted under Insurance Code Chapter 2251, the expense provisions must exclude disallowed expenses.

(E) When additional expense provisions are included, such as the net cost of reinsurance or an expense offset from fee income, the filing must include expected or historical experience. Support for provisions for the net cost of reinsurance may include reinsurance premiums, expected reinsurance recoverables, and a description of reinsurance coverage including attachment points and limits.

(10) Loss cost information for reference filings. This information consists of the following:

(A) the TDI file number of the loss costs being referenced;

(B) the derivation of the proposed loss cost multiplier including any

loss cost modification factor and the following expense and profit provisions:

(i) commissions and brokerage expenses;

(ii) other acquisition expenses, adjusted to remove

disallowed expenses;

(iii) general expenses, adjusted to remove disallowed expenses;

(iv) taxes, licenses, and fees; and

(v) underwriting profit and contingencies;

(C) supporting documentation for loss cost modification factors other than 1.00;

(D) the loss cost multiplier to be used as of the effective date of the filing;

(E) the loss cost multiplier used immediately prior to the effective date of the filing; and

(F) the effective rate level change due to any change in the loss cost multiplier.

(11) Profit provision information. This information consists of a description of the methodology and assumptions used to arrive at the profit provisions underlying the proposed rates.

(12) A side-by-side comparison. This comparison must show any differences between the previously filed and the proposed rates, rating manual, or other supplementary rating information.

(13) A mark-up. This is a copy of the previously filed rates, rating manuals, rating rules, or other supplementary rating information indicating the differences between it and the revised version, with any new language or factors underlined and the deleted language or factors in brackets with a strikethrough, or other

clearly identified or highlighted editorial notations referencing the new and replaced language or factors.

(14) Sample premium impacts by selected ZIP codes. These are sample premiums and premium changes based on all changes included in a filing for certain specified policy types and ZIP codes.

(15) Rate filing templates. These are found in the Filings Made Easy Guide and provide insurers with an optional means of providing certain supporting information and supplementary rating information.

(16) Other information. This includes any other information required by the commissioner necessary to determine that the rates meet the rate standards.

§5.9333. Categories of Supplementary Rating Information. Section 5.9334 of this title (relating to Requirements for Rate Filing Submissions) lists the categories of supplementary rating information that different rate filings require. The categories of supplementary rating information include:

(1) Rating manual. This type of manual consists of any rating schedule, plan of rules, and rating rules. A rating manual may contain factors and relativities, including increased limits factors, classification relativities, deductible relativities, territory relativities, premium discounts, and other similar factors. A rating manual may also include some or all information in the remaining categories of supplementary rating information.

(2) Rating algorithm.

(3) Rating plan.

(4) Territory codes and descriptions.

(5) Classification system. This consists of any other criteria, guidelines, models, and methods that place individual risks into rating classifications, such as tiers, categories, or similar groupings, regardless of the name used.

(6) Factors and relativities, including increased limits factors, classification relativities, deductible relativities, territory relativities, premium discounts or surcharges, and other similar factors.

(7) Other information. This is any other information used by the insurer to determine the applicable premium for an insured.

§5.9334. Requirements for Rate Filing Submissions.

(a) Insurers must file any new rates or revisions to previously filed rates governed by Insurance Code Chapter 2053 at least 30 days before they become effective. The insurer must file any supplementary rating information not prescribed under Insurance Code Article 5.96.

(b) For rates governed by Insurance Code Chapter 2251, insurers must file any new rates, rating manuals, rating rules, all other supplementary rating information, and fees, or revisions to these items. An insurer may use the information filed under this division on and after the date of the filing.

(c) Insurers must file any new rates and supplementary rating information or revisions to previously filed rates and supplementary rating information governed by Insurance Code Chapter 3502 at least 15 days before they become effective.

(d) Each filing must include the transmittal information required in §5.9310 of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements). If the proposed effective date in the filing transmittal information changes, insurers must inform TDI of the new proposed effective date prior to the original proposed effective date.

(e) Each filing must include a filing memorandum that explains the purpose of the filing and provides all material background details relating to the filing, including a statement on the overall impact of the filing. The filing memorandum must briefly describe each change to the rates, rating manuals, rating rules, any other supplementary rating information and fees used by the insurer, and briefly describe the supporting information provided for each change. A brief summary of any related policy form or endorsement filings, including the coverages, limitations, and exclusions, must be included.

(f) Except as provided in Division 9 of this subchapter (relating to Filings Made Easy - Reduced Filing Requirements for Certain Insurers), or subsection (g) of this section, each filing must include supporting information. Sufficient supporting information is necessary for TDI to establish that a filing produces rates that are not excessive, inadequate, unreasonable, or unfairly discriminatory for the risks to which they apply. Insurers must provide sufficient documentation to justify specific rates or

revisions they are proposing. To the extent the information originally submitted in a rate filing is insufficient, TDI may request additional information as deemed necessary by TDI or the commissioner. Each filing must contain the following items:

(1) a completed rate filing checklist;

(2) rate change information;

(3) SERFF rate data;

(4) loss cost information, if the filing references an advisory organization

loss cost filing;

(5) an actuarial memorandum;

(6) actuarial support appropriate to the rating information being filed, as specified in subparagraphs (A)-(C) of this paragraph:

(A) All filings that propose changes to relativities, such as territory or class, as well as those applied through discounts, surcharges, or tiers, must include relativity analyses. The related territory codes and descriptions, classification systems and descriptions, or rules must also be included.

(B) All except the following filings must include rate indications:

(i) filings for new rates that will not replace, modify, or supersede any existing rates, unless the rates are derived from the experience of an affiliate, including an eligible surplus lines insurer;

(ii) fee filings; or

(iii) filings containing changes only to supplementary rating information with no overall rate impact. Examples include filings with no overall rate impact that contain only items such as relativity changes or rates for endorsements.

(C) Filings must include other actuarial support when neither subparagraph (A) nor (B) of this paragraph applies:

(7) policyholder impact information for owner-occupied homeowner and personal automobile filings that include changes that will result in a difference between the minimum and maximum policyholder impact that is greater than five percent;

(8) the average rate change by county for owner-occupied homeowners rate filings;

(9) historical premium and loss information, if the filing changes or replaces existing rates;

(10) historical and projected expense information, if the filing changes or replaces existing rates; and

(11) profit provision information, if the filing changes or replaces existing rates.

(g) Instead of the items in subsection (f) of this section, short track filings must include:

(1) a completed rate filing checklist;

(2) rate change information; and

(3) SERFF rate data.

(h) Each filing submitted must be legible, accurate, internally consistent, complete, and contain all required documents. In each filing:

(1) each table must be clearly labeled, including titles and column and row headings, so as to clearly identify the contents;

(2) row and column headings must be repeated on each page of tables displayed on multiple pages;

(3) all pages must print to at least 10-point font;

(4) text shading, with the exception of yellow highlighting, may not be used; and

(5) each page should include a page number or other unique identifier.

(i) Paragraphs (1) - (5) of this subsection address public information.

(1) To the extent that a filing submitted through SERFF includes contact information, the filer affirmatively consents to the release and disclosure of the contact information, including any email addresses. The filer also certifies that each person associated with an email address that appears in the filing has affirmatively consented to the release and disclosure of that email address.

(2) If an insurer believes a portion of the information required to be filed under Insurance Code Chapter 2251 is confidential and excepted from disclosure under Government Code Chapter 552, the insurer must mark each page excepted.

(3) For filings submitted under Insurance Code Chapter 2251 and that are marked confidential, TDI will request an attorney general decision under Government Code Chapter 552 before making the filings open for public inspection. TDI does not

consider the following excepted from disclosure under Government Code Chapter 552: loss cost multipliers, rates, rating factors and relativities, rating manuals, fees, and summary information about the rate filing, including date filed, rate impact, effective dates, and a summary of the changes. TDI does not consider the following categories of supporting information excepted from disclosure under Government Code Chapter 552: rate change information, SERFF rate data, average rate change by county, sample premium impacts by selected ZIP codes, historical premium and loss information, and historical expense information.

(4) Each filing submitted under Insurance Code Chapters 2053 and 3502, including any supporting information filed, will be open for public inspection as of the date of the filing.

(j) The insurer is responsible for ensuring that its filing complies with Texas statutes and rules.

(k) TDI maintains the Filings Made Easy Guide to assist insurers in complying with Texas statutes and rules. Insurers may refer to the Filings Made Easy Guide for rate filing templates or exhibits that insurers can use to display necessary supporting information required in subsection (f) of this section. Insurers may obtain this guide from TDI's website at www.tdi.texas.gov.

(l) Filings under this division may not be combined with any other filings submitted under this subchapter.

§5.9335. Requests for Information.

(a) When reviewing each filing under this division, TDI may request additional supplementary rating information and supporting information.

(b) To be considered fully responsive to a request for information, an insurer's responses must:

(1) fully address all of the requests and questions in a manner that is clear and in sufficient detail to allow a qualified actuary to understand and evaluate the material and any explanations provided;

(2) contain appropriate supporting data and calculations, including material assumptions, with sufficient narrative to clearly explain the methodology used, the nature and source of the data, as well as any conclusions drawn; and

(3) provide an explanation of any apparent anomalies in the data and how the insurer mitigated or accounted for them in arriving at the proposed rates.

(c) TDI may request that an insurer file a comprehensive set of rates, rating manuals, rating rules, fees, and all other supplementary rating information when filing a revision to previously filed rates, rating manuals, rating rules, fees, and all other supplementary rating information.

(d) For each filing under Insurance Code Chapter 2251, TDI may request additional supplementary rating information and supporting information five times each. The insurer must respond by the date specified in the request. Correspondence requesting information that should have been included in the response, or clarifications of the information included in the response, will not constitute a new request for information.

(e) Requests that are necessary to make the filing complete are not a request for information under subsection (d) of this section. Examples of this type of request include:

(1) requests for information required by §5.9310 of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements);

(2) requests for information required by §5.9334 of this title (relating to Requirements for Rate Filing Submissions); and

(3) requests arising from discrepancies in the filing.

§5.9336. Request for Information Limit Waiver. An insurer may, by sending written notice to TDI, waive the limits that §5.9335(d) of this title (relating to Requests for Information) imposes on the number of times TDI may request additional supplementary rating information and supporting information.

§5.9337. Insurers Providing Coverage Through a Purchasing Group. Insurers that provide coverage to participants in a purchasing group are not exempt from the filing requirements of this division.

DIVISION 7. FILINGS MADE EASY—REQUIREMENTS FOR UNDERWRITING GUIDELINE FILINGS [FILING REQUIREMENTS FOR PERSONAL AUTOMOBILE, RESIDENTIAL PROPERTY, AND WORKERS' COMPENSATION INSURANCE]

§5.9340. Purpose. The purpose of this division is to specify underwriting guideline filing requirements under Insurance Code §38.002 and §38.003, and Chapter 2053

~~[Article 5.55A for those insurers writing personal automobile, residential property, or workers' compensation insurance in this state].~~

§5.9341. Definitions. The definitions set forth in §5.9310 of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements) apply to this division. The definitions set forth in Insurance Code §38.002 apply to insurers filing underwriting guidelines for personal automobile or residential property insurance. The definitions set forth in Insurance Code Chapter 2053 ~~[Article 5.55A]~~ apply to insurers filing underwriting guidelines for workers' compensation insurance. The definitions set forth in Insurance Code §38.003 apply to insurers filing underwriting guidelines for lines of property and casualty insurance not subject to Insurance Code §38.002.

§5.9342. Filing Requirements.

(a) An insurer must file with TDI ~~[the department]~~:

(1) at least once every three calendar years on or before March 1, beginning March 1, 2004, a written, comprehensive set of each underwriting guideline used by the insurer or the insurer's agent; and

(2) not later than the 10th day after the underwriting guideline has changed, a written update to the underwriting guideline clearly identifying each section of the previously filed underwriting guideline that has changed.

(b) For purposes of compliance with this section, an oral or electronic underwriting guideline must be converted to written form.

(c) An insurer group or group of affiliated insurers may file one set of underwriting guidelines or update to underwriting guidelines on behalf of individual insurers in the group under the requirements of this section if the group clearly identifies which underwriting guidelines apply to each insurer within the group.

(d) An insurer that files underwriting guidelines or updates to underwriting guidelines under this section must submit the [a] filing transmittal information [form as] required in §5.9310 [by Division 4] of this title [subchapter] (relating to Property and Casualty Transmittal Information and General Filing Requirements [Filings Made Easy-- Filing Transmittal Form and Requirements for Property and Casualty Form, Rate, Rule, Underwriting Guideline, and Credit Scoring Model Filings]) with the filing for each underwriting guideline and update.

(e) All filings for underwriting guidelines must relate to only one line of insurance.

(f) Underwriting guidelines contemplated by Insurance Code §38.003 are required only if requested. Underwriting guidelines submitted in response to a request under Insurance Code §38.003 must be filed in compliance with subsections (b), (c), and (d) of this section.

(g) [(e)] Filings under this division may not be combined with any other filings submitted under this subchapter. [filings made in accordance with divisions 5, 6 or 8 of this subchapter (relating to Filings Made Easy--Requirements for Property and Casualty Policy Form, Endorsement, and Manual Rule Filings, Filings Made Easy--Rate and Rate

~~Manual Filing Requirements, and Filings Made Easy--Credit Scoring Models Filing Requirements for Personal Insurance) due to distinct and separate statutes governing underwriting guidelines and credit scoring models.]~~

DIVISION 8. FILINGS MADE EASY--REQUIREMENTS FOR CREDIT SCORING MODEL FILINGS [MODELS FILING REQUIREMENTS] FOR PERSONAL INSURANCE

§5.9350. Purpose. The purpose of this division is to specify filing requirements for credit scoring models and to specify other regulatory requirements under Insurance Code Chapter 559 [Article 21.49-2U] for those insurers that use credit scoring in [the] writing [of] personal insurance in this state.

§5.9351. Definitions.

(a) The definitions set forth in §5.9310 of this title (relating to Property and Casualty Transmittal Information and General Filing Requirements) apply to this division. Words and terms not defined in this division may be defined in [the] Insurance Code Chapter 559 [Article 21.49-2U] and will [shall] have the same meaning when used in this division.

(b) ~~[The following words and terms when used in this division shall have the following meanings unless the context indicates otherwise:]~~ Credit scoring model [or models]--The algorithm, computer application, model, or other process that is based on credit information used to derive a credit score or insurance score.

§5.9352. Filing Requirements.

(a) All models must be filed before they can ~~[may]~~ be used. Insurers referencing models that have been filed with TDI ~~[the department]~~ by another entity on behalf of an insurer in this state must ~~[shall]~~ specify the exact name of the model being referenced instead ~~[in lieu]~~ of filing the model itself. Insurers making independent credit scoring model filings must ~~[shall]~~ file the entire model, including definitions.

(b) An insurer that files a credit scoring model or references a model that has been filed with TDI by another entity on behalf of another insurer in this state ~~[under this division]~~ must submit the following information with the filing:

(1) the [a] filing transmittal information [form as] required in §5.9310 [Division 4] of this title [subchapter] (relating to Property and Casualty Transmittal Information and General Filing Requirements [Filings Made Easy—Filing Transmittal Form and Requirements for Property and Casualty Form, Rate, Rule, Underwriting Guideline, and Credit Scoring Model Filings]); [and]

(2) [an indication of] whether the insurer uses the score resulting from the model for underwriting, rating, or tiering [both]; and [-]

(3) a completed questionnaire, used to verify compliance with Insurance Code Chapter 559.

(c) Each filing, and any supporting information filed with it, is open to public inspection as of the date of the filing. To the extent that a filing submitted through SERFF includes contact information, the filer affirmatively consents to the release and disclosure of the contact information, including any email addresses. The filer also

certifies that each person associated with an email address that appears in the filing has affirmatively consented to the release and disclosure of that email address. ~~[An insurer group or group of affiliated insurers may file models on behalf of the individual insurers in the group if the individual filings made by each insurer in the group would otherwise be identical.]~~

(d) TDI maintains the Filings Made Easy Guide to assist insurers in complying with Texas statutes and rules. Insurers may refer to the Filings Made Easy Guide for the questionnaire described in subsection (b)(3) of this section. Insurers may obtain this guide from TDI's website at www.tdi.texas.gov. Filings under this section may not be combined with any other filings submitted under this subchapter. ~~[filings made in accordance with Divisions 5, 6 or 7 of this subchapter (relating to Filings Made Easy-- Requirements for Property and Casualty Policy Form, Endorsement, and Manual Rule Filings, Filings Made Easy--Rate Filing Requirements, and Filings Made Easy-- Underwriting Guideline Filing Requirements for Personal Automobile and Residential Property Insurance) due to the distinct and separate statutes governing underwriting guidelines and credit scoring models.]~~

(e) All filings for credit scoring models must relate to only one line of insurance.

(f) An insurer must refile a credit scoring model before the insurer may use the credit scoring model for a line of insurance not identified in the credit scoring model's original filing.

DIVISION 9. FILINGS MADE EASY—REDUCED FILING REQUIREMENTS FOR CERTAIN INSURERS

§5.9355. Purpose. The purpose of this division is to specify requirements for certain insurers who qualify [~~meet the requirements~~] for reduced rate filing requirements under the provisions of Insurance Code Chapter 2251, Subchapter E or F [~~Article 5.13-2, §13(f) or 5.13-2C~~].

§5.9357. Filing Requirements.

(a) County mutual insurers writing nonstandard personal automobile insurance. County mutual insurers required to file under the provisions of Insurance Code Chapter 2251 [~~Article 5.13-2~~] may make rate filings for personal automobile insurance according to the requirements described in this subsection if they issue policies only at nonstandard rates as defined under Insurance Code §2251.204, [~~Article 5.13-2, §13(f)~~] and if the insurer and the insurer's affiliated companies or group have a market share of less than 3.5 percent. Insurers who qualify to file under this subsection must file in compliance with Division 6 of this subchapter (relating to Filings Made Easy - Requirements for Rate Filings) with the following modifications:

~~[(1) Insurers who qualify to file under this subsection must file in accordance with Division 6 of this subchapter (relating to Filings Made Easy—Rate and Rate Manual Filing Requirements) with the following exceptions:]~~

~~(1)[(A)] Insurers must include a Certification of Sections 2251.201 – 2251.204 [~~Article 5.13-2, §13~~] Exemption Compliance (EC-2), found in the Filings~~

Made Easy Guide, with each filing. ~~[, or in lieu]~~ Instead of submitting the EC-2, an insurer may submit a certification of compliance which certifies that the insurer writes only at nonstandard rates and that the insurer and the insurer's affiliated companies or group have a market share of less than 3.5 percent.

(2) Insurers are not required to comply with §5.9334(f) (5), (6), (9), (10), and (11) of this title (relating to Requirements for Rate Filing Submissions).

~~[(B) In lieu of the supporting information required in §5.9332(e) of this subchapter (relating to Filing Requirements), insurers may substitute rate change information as described in §5.9332(e)(5) of this subchapter].~~

~~[(2) The Certification of Article 5.13-2, §13 Exemption Compliance (EC-2) form is provided by the department for use by insurers seeking an exemption from rate filing and approval requirements pursuant to Article 5.13-2, §13. This form may be obtained from the Texas Department of Insurance website <http://www.tdi.state.tx.us> or by requesting it from the Property and Casualty Actuarial Division, Mail Code 105-5F, P.O. Box 149104, Austin, TX 78714-9104.]~~

(b) Insurers writing personal automobile insurance. An insurer that writes personal automobile insurance and ~~[that]~~ meets the criteria in ~~[the]~~ Insurance Code §2251.205 may make rate filings for personal automobile insurance according to the ~~[Article 5.13-2 §13(h), is subject to the filing]~~ requirements specified in subsection (a) of this section if:

(1) the insurer, along with the insurer's affiliated companies or group, issues personal automobile liability insurance policies only below 101 percent of the minimum limits required by the Transportation Code Chapter 601; and

(2) the insurer, along with the insurer's affiliated companies or group, has a market share of less than 3.5 percent of the personal automobile insurance market in this state.

(c) Insurers writing [Underserved] residential property in underserved areas. In compliance [accordance] with Insurance Code §2251.252(c) [Article 5.13-2C, §3(b)], insurers otherwise exempt from the rate filing requirements of Insurance Code Chapter 2251 must submit [Article 5.13-2, shall make] rate filings in compliance [accordance] with this subsection. Insurers who qualify to file under this subsection must file in compliance with Division 6 of this subchapter with the following modifications [shall file as required in §5.9332(a) – (b) of this subchapter (relating to Filings Made Easy–Rate and Rate Manual Filing Requirements) and must]:

(1) Insurers must include a Certification [certification] of Section 2251.251 and Section 2251.252 [Article 5.13-2C] Exemption Compliance (EC-1), found in the Filings Made Easy Guide[as specified in §5.3702 of this chapter (relating to Designation of Underserved Areas for Residential Property Insurance for Purposes of the Texas Insurance Code Article 5.13-2C)].

(2) Insurers are not required to comply with §5.9334(f) (5), (6), (9), (10), and (11) of this title [submit rate change information when applicable as described in §5.9332(e)(5) of this subchapter].

(d) Additional provisions. The following provisions apply to any rate ~~[or rate manual]~~ filing submitted under [made pursuant to] subsection (a), (b), or (c) of this section:

(1) The reduced filing requirements provided under this division do not affect the requirements ~~[to file supporting data]~~ under §5.9941 and §5.9960 of this title [chapter] (relating to Differences in Rates Charged Due Solely to Difference in Credit Scores and Exception to Rating Territory [Rating] Requirements under §2253.001 of the Insurance Code [Insurance Code Article 5.171]). ~~[Insurers making a rate or rate manual filing under this division may include supporting data required under §5.9941 and §5.9960 of this chapter with the filing made under this division.]~~

~~[(2) Any filings that do not fully comply with all of the filing requirements described in this division may be considered incomplete and may be returned to the filer for completion with a notice stating that the filing is not complete and shall identify the additional information that is required for completion of the filing.]~~

~~[(3) The department may request additional information related to a rate filing, including actuarial or other reasonable support of rates, as] Requests for additional information are as outlined in §5.9335 of this title (relating to Requests for Information). ~~[deemed necessary by the department or commissioner. The insurer shall respond by the date specified in the request.]~~~~

~~[(4) Filings under this division may be combined with filings made in accordance with Division 5 of this subchapter (relating to Filings Made Easy-- Requirements for Property and Casualty Policy Form, Endorsement, and Manual Rule~~

~~Filings). These combined filings may utilize a single transmittal form. Filings under this division may not be combined with filings made in accordance with Division 7 or 8 of this subchapter (relating to Filings Made Easy--Underwriting Guideline Filing Requirements for Personal Automobile, Residential Property, and Workers' Compensation Insurance and Filings Made Easy--Credit Scoring Models Filing Requirements for Personal Insurance) due to distinct and separate statutes governing underwriting guidelines and credit scoring models.]~~

(e) Public information. To the extent that a filing submitted through SERFF includes contact information, the filer affirmatively consents to the release and disclosure of the contact information, including any email addresses. The filer also certifies that each person associated with an email address that appears in the filing has affirmatively consented to the release and disclosure of that email address.

(f) Filings Made Easy Guide. TDI maintains the Filings Made Easy Guide to assist insurers in complying with Texas statutes and rules. Insurers may refer to the Filings Made Easy Guide for the Certification of Section 2251.251 and Section 2251.252 Exemption Compliance (EC-1) form referenced in subsection (c)(1) of this section and the Certification of Sections 2251.201 – 2251.204 Exemption Compliance (EC-2) form referenced in subsection (a)(1) of this section. Insurers may obtain this guide from TDI's website at www.tdi.texas.gov.

DIVISION 10. FILINGS MADE EASY--ADDITIONAL FILING REQUIREMENTS FOR CERTAIN COUNTY MUTUAL INSURANCE COMPANIES
§5.9360. Purpose. The purpose of this [section and §5.9361 of this] division [(relating to Additional Filing Requirements)] is to specify [additional] filing requirements in

addition to those in ~~under~~ Divisions 4 and 6 of this subchapter (relating to Filings Made Easy - ~~[Filing]~~ Transmittal Information ~~[Form]~~ and General Filing Requirements for Property and Casualty Form, Rate, ~~[Rule,]~~ Underwriting Guideline, and Credit Scoring Model Filings~~;~~) and Filings Made Easy – Requirements for Rate Filings ~~[Rate and Rate Manual Filing Requirements]~~, respectively) for:

(1) a county mutual insurance company described by ~~the~~ Insurance Code §912.056(d); and

(2) an appointed managing general agent, district, or local chapter program of a county mutual insurance company described by ~~the~~ Insurance Code §912.056(d) that manages a portion of that county mutual insurance company's business independent of all other business of that county mutual insurance company, and that is to be treated as a separate insurer for the purposes of Insurance Code Chapters 544, 2251, 2253, and 2254 ~~[of the Insurance Code]~~ as provided in Insurance Code §912.056(e) ~~[of the Insurance Code]~~.

§5.9361. Additional ~~[Filing]~~ Requirements.

(a) Filing transmittal. In addition to the information required by Division 4 of this subchapter (relating to Filings Made Easy - ~~[Filing]~~ Transmittal Information ~~[Form]~~ and General Filing Requirements for Property and Casualty Form, Rate, ~~[Rule,]~~ Underwriting Guideline, and Credit Scoring Model Filings), the following information must ~~[shall]~~ be included:

(1) the name and license number of the managing general agent, district, or local chapter of a county mutual insurance company; and

(2) contact information for the county mutual insurance company if the county mutual insurance company's contact information has not already been provided under §5.9310(c)(9) [~~§5.9310(c)(8)~~] of this title [~~subchapter~~] (relating to Property and Casualty [~~Filing~~] Transmittal Information [~~Form~~] and General Filing Requirements).

(b) Rate filings.

(1) All rate filings must [~~shall~~] be made directly by the county mutual insurance company on the county mutual insurance company's letterhead unless the county mutual insurance company submits written notice with the filing authorizing the submission of rate filings by the managing general agent, district, or local chapter.

(2) Each rate filing must [~~shall~~] include:

(A) all information required under §5.9334 [~~§5.9332~~] of this title [~~subchapter~~] (relating to Requirements for Rate Filing Submissions) which must [~~shall~~] be specific to the managing general agent, district, or local chapter; and

(B) a list of policy forms and endorsements, including their name, number, and the TDI [~~department~~] file number, used [~~utilized~~] by the managing general agent, district, or local chapter. The submission of a list of policy forms and endorsements under this subsection does not constitute a form filing under Insurance Code Chapter 2301 [~~of the Insurance Code~~].

10. CERTIFICATION. This agency certifies that legal counsel has reviewed the proposal and found it to be within the agency's legal authority to adopt.

Issued at Austin, Texas, on April 15, 2014

A handwritten signature in black ink that reads "Sara Waitt". The signature is written in a cursive style with a large initial 'S' and 'W'.

Sara Waitt
General Counsel
Texas Department of Insurance