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Texas Insurance News

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REGULATORY NEWS PUBLISHED BY THE TEXAS DEPARTMENT OF INSURANCE

TDI Issues Bank Licensing Guidelines

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Texas Insurance News

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The staff that prepares this newsletter has no role in proposing, drafting, editing, or approving TDI rules or policies or interpreting statutes. Texas Insurance News should not be construed to represent the policy, endorsement or opinion of the Commissioner of Insurance or the Texas Department of Insurance.

By necessity, summaries of proposed and adopted rules cannot explain their full complexity. Readers interested in complete information about administrative rules should consult the versions published in the Texas Register.

To the best of the staff's ability, information presented in this newsletter is correct as of the publication date, but scheduled dates and proposed rules and amendments may change as the adoption process goes forward.

COMMISSIONER JOSE MONTEMAYOR has issued interim guidelines for licensing banks, savings associations and other financial institutions as insurance agents in compliance with the federal Gramm-Leach-Bliley Act.

Montemayor issued the guidelines on January 18, 2000, as bulletin B-0005-00. The bulletin is available at TDI's Web site, www.tdi.state.tx.us.

The purpose of the bulletin is to mesh Texas' agent licensing practices with the requirements of Gramm-Leach-Bliley until the 77th Legislature can amend the licensing laws next year. The bulletin addresses licensure of depository institutions, financial holding companies, financial subsidiaries and operating subsidiaries of depository institutions as insurance agents in Texas.

Gramm-Leach-Bliley repealed the Depression-era Glass-Steagall Act, which prohibited banks, insurers and securities dealers from engaging in one another's business.

"The *Texas Insurance Code* as it currently exists does not contemplate that depository institutions may engage in the business of insurance to the extent provided in the new federal law," Montemayor said.

In its present form, the *Texas Insurance Code* authorizes the licensing of banks as insurance agencies in only two situations. Any bank can be licensed to sell annuities only. Banks in towns of 5,000 or less may be licensed to sell a broader range of insurance. Otherwise, the code contains provisions that prevent banks, savings associations and other depository institutions from becoming licensed as corporate insurance agencies. These include a requirement that all officers, directors and shareholders of a corporate agency be individually licensed as agents.

The Commissioner's bulletin notes that Gramm-Leach-Bliley preempts certain state insurance licensing laws because they discriminate against depository institutions "by adversely impacting the depository institution when compared to other persons providing the same products and services that are not depository institutions."

According to the bulletin, Section 104(d)(2) of Gramm-Leach-Bliley preempts the insurance code definition of "bank" to the extent that it does not contemplate that a savings association, financial holding company, financial subsidiary or nonresident state bank may obtain an insurance agent's license in Texas.

Likewise, Montemayor said, the place-of-5,000 restriction on bank licensing is preempted by Gramm-Leach-Bliley. This means a depository institution, financial holding company, financial subsidiary or operating subsidiary of a depository institution may obtain an agent's license without regard to where its business operations are located in Texas.

For a depository institution or operating subsidiary of a depository institution to become licensed as a property and casualty agent, it must meet the requirements of *Texas Insurance Code* Article 21.14, Section 3(d), other than those preempted by Gramm-Leach-Bliley.

A depository institution or operating subsidiary of a depository institution may become licensed as a life, accident and health insurance agent (Group I) by meeting the requirements of *Texas Insurance Code* Article 21.07, Section 4(f).

A depository institution or an operating subsidiary of a depository institution may receive a life, health, accident, miscellaneous license (Group II) if it meets the requirements of *Texas Insurance Code* Article 21.07, Section 2(e).

The bulletin lists specific preempted provisions of the licensing laws governing property/casualty and life/health agents. In general, the preempted provisions are those defining "bank," prohibiting bank subsidiaries from owning insurance agencies in places with more than 5,000 people, and prohibiting banks that are licensed as agents from having satellite insurance offices in places with populations exceeding 5,000.

The requirements of Article 21.14, other than those preempted by Gramm-Leach-Bliley, will apply to depository institutions and operating sub-

Please see **Bank Licensing** on page 3

NewsBriefs

HMOs Post 16th Quarterly Loss

FOR THE 16TH consecutive quarter, basic service HMOs lost money on their Texas business, reporting \$157.1 million in after-tax losses for the third quarter of 1999.

When operations outside the state are taken into account, the third-quarter losses of the 50 Texas basic service HMOs totaled \$191.9 million. Four HMOs accounted for 82.5 percent of these losses.

Year-to-date losses through September 30, 1999, amounted to \$303.9 million for Texas operations and \$422.2 million for all operations, which include some membership outside Texas.

Despite the industrywide quarterly losses, 17 basic service HMOs posted a profit during the third quarter, and 15 basic service HMOs were profitable during the first three quarters of 1999.

Total Texas basic service enrollment for the third quarter of 1999 was 3.8 million, down from the 3.9 million for the third quarter of 1998. ★

Stovetop Suppression Discount Authorized

INSURANCE COMMISSIONER Jose Montemayor has approved optional residential property insurance premium discounts for policyholders who have installed approved stovetop fire suppression devices above their kitchen stoves.

Insurers may offer the discounts on policies effective on and after March 1, 2000.

The authorized discounts are 2 percent on homeowners policies, 6 percent on renters and condominium policies and 9 percent on dwelling fire policies.

Only fire suppression devices approved by the State Fire Marshal's Office are eligible for the discounts.

The 1999 Texas Legislature passed a bill providing for the discounts and directing the Commissioner to implement them and determine the amounts. ★

Title Companies Agree to Pay for "Strip" Purchases

FOUR TITLE INSURANCE companies have come to the rescue of 12 Elgin residents who learned recently that the state owned a strip of their land because of a 19th Century surveying error.

The companies are Alamo/Fidelity Title Insurance, San Antonio; First American Title Insurance, Houston; Stewart Title Guaranty, Houston; and Title Resources Guaranty, Dallas.

Commissioner Jose Montemayor brought the title companies together with TDI staff, the landowners, state legislators and the General Land Office after reading about the landowners' plight in the *Austin American-Statesman*.

In effect, the title companies agreed to a broad reading of the landowners' title policies that enabled the companies to fully cover the \$82,068 cost of buying the 26 acres back from the state.

The landowners are among 33 affected by the discovery that an 11-mile by 400-foot strip they once thought they owned actually belonged to the state.

State officials are still seeking a solution for 21 landowners who did not have title insurance. ★

FY 1999 Annual Report Issued

PRINTED COPIES of TDI's *Annual Report to the Governor for Fiscal Year 1999* are now available.

To obtain copies by mail, send a \$10 check and a note requesting the report to

Texas Department of Insurance
Distribution MC 9999
P.O. Box 149104
Austin, TX 78714-9104.

The *Annual Report* also is available on TDI's Web site at

www.tdi.state.tx.us/commish/annual99.html.

The report can be viewed or downloaded in sections or printed from a browser as one or more Adobe pdf pages. ★

Fraud Unit Prosecutions

Convictions

Nemeth, Carrie Ann, pleaded guilty in Austin to theft, a second-degree felony. Sentenced to 10 years' probation, 30 days' confinement, 500 hours' community service, \$10,000 fine and \$36,038.76 restitution and ordered not to engage in the business of insurance.

Nemeth, Douglas Lee, pleaded guilty in Austin to theft, a second-degree felony. Sentenced to 10 years' deferred adjudication, \$10,000 fine and \$36,038.76 restitution.

Lukas, Timothy John, pleaded guilty in Austin to theft, a second-degree felony. Sentenced to 10 years' deferred adjudication, \$10,000 fine and \$36,038.75 restitution.

Holt, Kristi Breeden Allen, pleaded guilty in Fort Worth to insurance fraud, a state jail felony. Sentenced to five years' deferred adjudication, 160 hours' community service and \$9,000 restitution.

Ortiz, Raul R., pleaded guilty in San Antonio to insurance fraud, a state jail felony. Sentenced to 18 months' in the Texas Department of Criminal Justice, a \$1,000 fine and \$4,302.20 restitution.

Indictments

Williams, Tony, indicted in Dallas on charges of insurance fraud, a state jail felony.

Hargrove, Jan, indicted in Dallas on charges of insurance fraud, a state jail felony.

Gore, Velma D., indicted in San Antonio on charges of theft, a state jail felony.

Eze, Evbuomwan Amuse, indicted in Dallas on charges of insurance fraud, a second-degree felony.

Edoimioya, Osaretin Emmanuel, indicted in Dallas on charges of forgery and money laundering, both third-degree felonies.

Lopez, Anastacio, indicted in Austin for on charges of misapplication of fiduciary property, a state jail felony.

Data Call Reminders

Call for Quarterly Experience

The Call for Third Quarter 1999 Experience is due February 15, 1999. Contact is Vicky Knox, 512 475-1879. E-mail address: vicky.knox@tdi.state.tx.us

Call for Quarterly Experience, Workers' Compensation Deductible Plans

The Call for Third Quarter 1999 Experience is due February 15, 1999. Contact is Vicky Knox, 512 475-1879. E-mail address: vicky.knox@tdi.state.tx.us

Disallowed Expense Call

The Disallowed Expense Call for 1999 Experience will be mailed in mid February and be due on or before April 1. Contact is Julie Jones, 512 475-3030. E-mail address: julie.jones@tdi.state.tx.us ★

TDI update

Insurers Weathered Year 2000 Rollover

Y2K SURVEY RESULTS downloaded from the NAIC by TDI's Financial Program the week after New Year's Day contained no surprises.

As expected, Texas-licensed insurance companies, both foreign and domestic, had their computers ready when the Y2K rollover occurred and when employees returned to work on Monday, January 3, 2000.

"The big danger was that the so-called millennium bug would impair some companies' ability to record and process claims and premium payments," said Betty Patterson, senior associate commissioner of Financial. "The fact that the rollover to the Year 2000 turned out to be a non-event is a real tribute to the efforts by both insurance companies and insurance regulators to assure the readiness of mission-critical computer systems."

Insurer readiness was confirmed by reports ordered by Commissioner Jose Montemayor and other states' chief regulators and gathered by the NAIC. Companies accounting for 95 percent of total U. S. premiums submitted reports to the NAIC. The NAIC said that only three of the 3,874 companies submitting reports had any significant Y2K problems.

TDI Financial staff were able to download and check the answers submitted by Texas-licensed insurers to the 11 survey questions.

"The worst we could see was a very few minor glitches, which were quickly corrected," Patterson said.

Insurers have two more Y2K reporting dates, February 3 and April 5, 2000.

In testing of its own computers and software over the New Year's holiday weekend, TDI found no Y2K-related problems other than a minor problem with code used to record dates on its Web pages. The code and date problems were quickly corrected. ★

Montemayor Sets Hearing on Proposal to Open JUA to Nonprofit Nursing Homes

COMMISSIONER JOSE MONTEMAYOR scheduled a February 1 public hearing on a TDI staff proposal aimed at easing a medical liability insurance crisis for non-profit nursing homes.

TDI staff said in a petition to Montemayor that it "has reason to believe that medical liability insurance is not reasonably available to not-for-profit nursing homes."

Department records indicate that only three groups of licensed companies may be writing nursing home liability coverage in Texas. This number is down from eight in November 1996.

Insurers blame the restricted market on increased litigation and a sharp increase in claims over the past several years. Insurers report that they closed more than twice as many nursing home liability insurance claims in 1998 as they did in 1996.

As a partial solution to the coverage shortage, TDI staff petitioned Montemayor to allow Texas' 208 non-profit nursing homes to apply for medical li-

ability insurance from the Texas Medical Liability Insurance Underwriting Association, a state-created insurer of last resort. The association is commonly called the "joint underwriting association" (JUA).

The 1975 Legislature established the JUA for categories of physicians and health care providers that can't find coverage in normal insurance markets. All insurers writing liability insurance in Texas, including auto liability, must participate in the JUA and, when necessary, pay assessments to cover its deficits. The Commissioner of Insurance determines which provider categories can buy medical liability insurance from the JUA at any given time, based on current market conditions.

The definition of "health care provider" in the JUA law includes non-profit nursing homes but not those operated for a profit. Non-profit nursing homes had access to the JUA from 1977 until TDI determined in 1982 that coverage again was available through normal insurance markets. ★

Bank Licensing... from page 1

subsidiaries of depository institutions seeking licensure as managing general agents.

Gramm-Leach-Bliley preempted insurance code provisions requiring MGA license applicants to be Texas residents and prohibiting bank ownership of MGAs.

As a result, the bulletin said, a depository institution, financial holding company, financial subsidiary or operating subsidiary of a depository institution, regardless of location, may apply for and, if qualified, obtain an MGA's license. Financial institutions licensed as MGAs also may buy other licensed MGAs.

Montemayor's bulletin noted that, as with all other licensed agents, a depository institution or operating subsidiary of a depository institution and their employees who are engaged in the business of insurance must hold the appropriate license for each line of insurance offered.

The bulletin says that as of March 12, 2000, a financial holding company or financial subsidiary of a depository institution may become licensed as an agent by complying with the *Texas Insurance Code's* licensing requirements applicable to banks.

A financial holding company also may buy and own a licensed insurance agency. Such an agency must be licensed according to all the requirements of the insurance code except the financial holding company will not be required to obtain an agent's license to be a shareholder.

The Commissioner's bulletin specified that financial holding companies, depository institutions, financial subsidiaries and operating subsidiaries of depository institutions that are licensed as agents under Gramm-Leach-Bliley must abide by Texas' insurance consumer protection requirements. These include *Texas Insurance Code* Articles 21.21, 21.21-9 and 21.48A and TDI regulations adopted under their authority.

Montemayor said the bulletin does not attempt to answer all questions that may arise. TDI will address other questions as they come up on an individual basis.

In addition, he said, the guidelines "are not intended to and do not create a class of licensees whose status must be 'grandfathered' into any statutory scheme that may be adopted by the Texas Legislature." ★



Rule Making

FINANCIAL

APA Adoption

Annuity Mortality Tables

■ Commissioner Jose Montemayor has adopted amendments to 28 TAC §§ 3.1501–3.1504 and enacted a new version of § 3.1505. The rule changes adopt the NAIC's Annuity 2000 and 1994 Group Annuity Reserving Table for use in determining reserve liabilities while retaining the 1983 Group Annuity Mortality (GAM) Table and the 1983 Table "a" for use in determining the minimum standard of valuation for certain annuity and pure endowment contracts.

The rule amendments provide separately for individual and group contracts.

The rules now authorize the use of the 1983 Table "a" for individual annuities or pure endowment contracts issued on or after August 29, 1977. The 1983 Table "a" or the Annuity 2000 Mortality Table may be used for determining the minimum standard of valuation for such annuities and contracts delivered or issued for delivery on or after January 1, 1987. For such contracts issued on or after January 1, 2000, the Annuity 2000 Mortality Table must be used, with the exception outlined in the next paragraph.

The 1983 Table "a" without projection is required for determining the valuation for an individual annuity or pure endowment contract issued on or after January 1, 2000, solely when the contract is based on life contingencies and is issued to fund periodic benefits arising from:

- Settlements of tort actions.
- Workers' compensation claim settlements.
- Settlements of long-term disability claims where a temporary or life annuity has been used in lieu of continuing disability payments.

For group annuities or pure endowment contracts, either the 1983 GAM Table, the 1983 Table "a" or the 1994 GAR Table is required for valuation of products purchased on or after August 29, 1977. The 1983 GAM Table or the 1994 GAR Table must be used as the standard of valuation for group annuities or pure endowment contracts purchased on or after January 1, 1987. For group annuities or pure endowment contracts purchased on or after January 1, 2000, the 1994 GAR Table is required.

Publication: 24TexReg11393, December 17, 1999

Effective date: December 22, 1999

Further information: 512-463-6327

LIFE, ACCIDENT AND HEALTH

APA Adoptions

Forms Exempt from Review

■ Commissioner Jose Montemayor has adopted amendments to 28 TAC §§ 3.4004, 3.4008 and 3.4020.

The changes to § 3.4004 increase the types of life, accident, health and annuity forms that are exempt from TDI review and approval unless the forms are required by the laws of Texas, another state or the United States to be specifically approved. The Department has determined that review of the additional forms is neither required nor necessary for the protection of the public. The amendments will streamline the filing, review and official action process. In addition, exempting additional routine, standard and commonplace forms will enable staff to devote more time to complex and innovative products.

The amendment to § 3.4008 clarifies an insurer's responsibility for taking corrective action and bringing a form previously filed as "exempt" into compliance if they later find that the form violates a state or federal law or did not qualify for an exemption.

Policy forms added to the exempt list include:

Life

- Last survivor forms.
- Variable life policies with a separate account only.
- Roth IRA riders and endorsements.
- Dividend option riders.
- Additional insured riders.
- Additional insurance on base insured riders.
- Endorsements waiving surrender charges on disability or confinement in a hospital or nursing home.
- Step-up or roll-up death benefit endorsements.

Annuities

- Variable single-premium immediate annuities.
- Individual deferred annuities that do not include persistency bonuses or additional interest credits of any type, waiver of surrender charges (except for death, disability

or confinement in a hospital or nursing home), two-tier values or a market value adjustment.

- Group annuities that do not include additional interest credits of any type or waiver of surrender charges (except for death, disability or confinement in a hospital or nursing home).
- Guaranteed investment contracts (GICs), synthetic GICs, funding agreements and unallocated group annuities funding pension plans.
- Variable annuities with a separate account only which do not include a provision for guaranteed living benefits.
- Reversionary annuities.

Accident and Health

- Group stop loss/excess loss policies with an attachment point of \$5,000 or more.
- Prescription drug policies.

The rule also exempts from review Braille and foreign language translations of forms previously approved in printed English versions.

The rule changes exclude certain life insurance and annuity forms from the general exemptions granted by the rules.

An otherwise exempt life form will not be exempt if it contains a persistency bonus provision, no-lapse premium provision or other additional credit to the policy value provision (guaranteed or non-guaranteed), equity indexed provision, residual death benefit provision, accelerated death benefit provision, long-term care or other accident and health related benefit provision.

Also excluded from exemption are applications for use with variable life or equity indexed life or forms containing a market value adjustment provision, a long-term care or other accident and health related benefit provision.

Group life master policies, contracts, certificates, applications, enrollment forms, riders, amendments and endorsements issued under the authority of *Texas Insurance Code* Article 3.50, Section 1(6)(a), relating to discretionary groups, are not entitled to exemption.

The following annuity forms are excluded from the general exemption rule:

- Annuities used to fund prepaid funeral contracts.

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- Variable annuities with guaranteed living benefits provisions.
- Annuities containing equity indexed provisions, long-term care or other accident and health related benefit provisions.
- Applications for use with variable annuities, equity indexed annuities, annuities that contain a market value adjustment provision, long-term care or other accident and health related provision.
- Group annuity master policies contracts, certificates, applications, enrollment forms, riders, amendments and endorsements issued under the authority of *Texas Insurance Code* Article 3.50, Section 1(6)(a), relating to discretionary groups.

Publication: 25TexReg124, January 7, 2000
Effective date: January 9, 2000
Further information: 512 463-6327

Repeal of Form List Requirement

- Commissioner Jose Montemayor has repealed 28 TAC § 3.4003, which required insurers to submit each year a list of their exempt life, A&H and annuity forms that were available for use in Texas at the end of the preceding year.

TDI staff proposed repeal because the Department already has authority under the *Texas Insurance Code* to request this information on an as-needed basis. The information obtained under the rule was superfluous and did not assist TDI in its consumer protection or form review functions.

Publication: 25TexReg124, January 7, 2000
Effective date: January 9, 2000
Further information: 512 463-6327

PROPERTY

APA Adoptions

Repeal of Building Code Advisory Committee Rule

- Commissioner Jose Montemayor has repealed 28 TAC § 5.4002, concerning the Building Code Advisory Committee. Repeal was necessary because the 76th Legislature repealed the underlying statute, *Texas Insurance Code* Article 21.49, Section 6A(f). The Legislature replaced the Building Code Advisory Committee with a new Windstorm-Building Code Advisory Committee on Specifications and Maintenance.

Publication: 24TexReg11765, December 24, 1999
Effective date: December 29, 1999
Further information: 512 463-6327

Forms for Recommending Building Code Changes

- Commissioner Jose Montemayor has approved new 28 TAC § 5.4800, which adopts by reference BCAC Form No. 100-99, entitled "Proposed Change to Windstorm Building Specifications Adopted by the Texas Department of Insurance."

The form is required by Senate Bill 677 of the 76th Legislature. It provides a standardized procedure for recommending changes in the *Building Code for Wind Resistant Construction*. The form specifies that a proposal must cite the building code section regarding the specification to be changed. It further requires the exact text of the recommended change, with underlining to indicate new language and strikethroughs to show deletions of current language. A completed form recommending building code changes must be submitted to TDI at least 30 days before the scheduled date of an advisory committee meeting in order to be considered at that meeting.

Publication: 24TexReg11766, December 24, 1999
Effective date: December 29, 1999
Further information: 512 463-6327

TAXES, ASSESSMENTS AND FEES

APA Adoptions

2000 Examination Expenses

- Commissioner Jose Montemayor has amended 28 TAC § 7.1012 by revising domestic insurance company assessments to cover TDI administrative expenses attributable to the examination of insurers during 2000.

Each company undergoing an examination will pay examiners' actual salaries and expenses allocable to the examination.

All domestic companies will pay a 2000 overhead assessment computed as follows, with the 1999 rates shown in brackets for comparison:

- .00503 [.00431] of 1 percent of the company's admitted assets as of Dec. 31, 1999, taking into consideration the annual admitted assets that are not attributable to 90 percent of pension plan contracts and
- .01271 [.0978] of 1 percent of the company's gross premium receipts for 1999, taking into consideration the annual premium receipts that are not attributable to 90 percent of pension plan contracts.

In addition to paying examiners' direct salaries and expenses, foreign companies undergoing examination will pay an assessment of 32 percent of the gross salary of each examiner for each month or partial month, the same as in 1999.

Publication: 25TexReg128, January 7, 2000
Effective date: January 9, 2000
Further information: 512 463-6327

2000 Maintenance Taxes and Fees

- Commissioner Jose Montemayor has amended 28 TAC § 1.414 to establish 2000 maintenance taxes and fees. The new maintenance tax and fee rates will be assessed on gross premiums for 1999.

The new rates, with 1999 rates shown in brackets, are:

- .055 [.058] of 1 percent for vehicle insurance.
- .200 [.232] of 1 percent for casualty insurance and fidelity, guaranty and surety bonds.
- .358 [.381] of 1 percent for fire insurance and allied lines, including inland marine.
- .055 [.072] of 1 percent for workers' compensation insurance.
- .144 [.123] of 1 percent for title insurance.
- .040 [.040] of 1 percent for life, health and accident insurance.
- \$.36 [\$.36] per enrollee for single service HMOs.
- \$1.08 [\$.1.08] per enrollee for multi-service HMOs.
- \$.36 [\$.36] per enrollee for limited service HMOs.
- .218 [.244] of 1 percent of the correctly reported gross amount of administrative or service fees for third party administrators.
- .03 of 1 percent [1 percent] for corporations issuing prepaid legal service contracts.

Publication: 24TexReg12068, December 31, 1999
Effective date: January 3, 2000
Further information: 512 463-6327

Premium Finance Assessment

- Commissioner Jose Montemayor has amended 28 TAC § 25.88 by setting the general administrative expense assessment of premium finance companies for 2000. The assessment will be \$250 for each company. The 1999 as-

Continued on page 6

RuleMaking

assessment was .00558 of 1 percent of a company's total loan dollar volume for 1998, with a minimum assessment of \$250.

Publication: 24TexReg12069, December 31, 1999
 Effective date: January 3, 2000
 Further information: 512 463-6327

TITLE

APA Adoption

Basic Manual Changes

■ Commissioner Jose Montemayor has approved an amendment to 28 TAC § 9.11, which adopts by reference five changes in the *Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas* ("Basic Manual"). Manual rule changes result from consideration of certain items during the rulemaking phase of the 1998 Texas Title Biennial Hearing. The revisions do the following:

- Create a new Procedural Rule P-49, which sets standards for title insurers to follow in reporting delinquent audit reports by title agents and direct operations.
- Adopt a new Form T-63, Texas Escrow Accounting Addendum Special Disbursement Reconciliation. The purpose of the new form is to provide reasonable safeguards in the closing of transactions and an audit trail for TDI examiners. TDI has found that some lenders list items on Housing and Urban Development settlement statements as "paid outside closing" when, in fact, those items were run through title agents' escrow accounts. The new form distinguishes between items marked as "paid outside closing" that are disbursed by title companies as a convenience to the lender and items so marked that actually are disbursed outside the closing.

- Amend Procedural Rule P-20 and various forms as they apply to "subsequent taxes and assessments." The rule change clarifies requirements for coverage when tax obligations arise because an exemption granted to a previous owner under *Texas Tax Code* Section 11.13 was revoked or because improvements were not assessed for a previous tax year.
- Revise Procedural Rule P-31 by setting a standard for title insurers to follow in reporting the locations at which home office-issued policies may be signed and the names of individuals authorized to sign such policies.
- Repeal Procedural Rule P-32, which expired under its own provisions on December 31, 1995.

Publication: 24TexReg11767, December 24, 1999
 Effective date: December 30, 1999
 Further information: 512 463-6327 ★

CompanyLicensing

Applications Pending

For admission to do business in Texas

COMPANY NAME	LINE	HOME OFFICE
Coordinated Vision Care Inc.	TPA	Wilmington, DE
American Administrators Inc.	TPA	Phoenix, AZ
Leaders Life Insurance Co.	Life	Tulsa, OK
PacificCare International Limited	TPA	Dublin, Ireland
Provantage Health Services Inc.	TPA	Wilmington, DE
21st Century Insurance Co.	Fire & Casualty	Woodland Hills, CA

For incorporation

COMPANY NAME	LINE	HOME OFFICE
Healthplan Management Group Inc.	TPA	Lubbock, TX
Kean Financial Services Inc.	TPA	Rockwall, TX
Sierra Southwest Insurance Co. Inc.	Life	Dallas, TX

For name change in Texas

FROM	TO	LINE	LOCATION
The College Life Insurance Company of America	Americo Annuity and Life Insurance Co.	Life	Dallas, TX
John Deere Casualty Co.	Sentry Casualty Co.	Fire & Casualty	Moline, IL
John Deere Insurance Co.	Sentry Select Insurance Co.	Fire & Casualty	Moline, IL
Mutual Trust Life Insurance Co.	MTL Insurance Co.	Life	Oak Brook, IL
NYLCare Health Plans of the Gulf Coast Inc.	Texas Gulf Coast HMO Inc.	HMO	Richardson, TX
NYLCare Health Plans of the Southwest, Inc.	Southwest Texas HMO Inc.	HMO	Richardson, TX
Southern Farm Bureau Annuity Insurance Co.	Southern Capital Life Insurance Co.	Life	Jackson, MI
The Virginia Insurance Reciprocal	The Reciprocal Group	Fire & Casualty	Glen Allen, VA

To use the name of

BY	LINE	LOCATION
HMO'Blue of Texas	HMO	Richardson, TX
Mid-Con HMO Inc.		

Company Licensing

Applications Pending

To use the assumed name of

	BY	LINE	LOCATION
HMO Blue Texas	Rio Grande HMO Inc. Southwest Texas HMO Inc. Texas Gulf Coast HMO Inc. West Texas Health Plans, L.L.C. Dental Benefits Inc.	HMO	Richardson, TX

Applications Approved

For admission to do business in Texas

	COMPANY NAME	LINE	HOME OFFICE
	Allstate Life Insurance Company of New York	Life	Farmingville, NY
	CBA Administrative Services Inc.	TPA	Rock Falls, IL
	IEC Benefit Administrators Inc.	TPA	Boise, ID
	Renaissance Health Care Inc.	TPA	Wilmington, DE

For incorporation

	COMPANY	LINE	HOME OFFICE
	Auto Club Casualty Co.	Fire & Casualty	Houston, TX
	Auto Club Indemnity Co.	Fire & Casualty	Houston, TX
	Chiropractic Alliance of Texas, L.L.C. dba Chiropractic Alliance of Texas	TPA	Baytown, TX
	Taylor Life Insurance Co.	Life	Taylor, TX

For name change in Texas

FROM	TO	LINE	LOCATION
Anthem Health & Life Insurance Co.	Alta Health & Life Insurance Co.	Life	Indianapolis, IN
Arcadia National Life Insurance Co. Phoenix, AZ	Reliance Life Insurance Co. (Chart Amendment)	Life	Wilmington, DE
Associated Administrators Group Inc., d.b.a. A.A.G.I.	Gary E. Ringler Inc., d.b.a. AAGI	TPA	Dallas, TX
Benefit Planners Inc. San Antonio, TX	Benefit Planners Limited, L.L.P.	TPA	Boerne, TX
Best Life Assurance Company of California, Irvine, CA	Best Life and Health Insurance Co. (Chart Amendment)	Life	Austin, TX
Bob McCloskey Agency	Bob McCloskey Agency Inc.	TPA	Matawan, NJ
Calvert Insurance Co.	Specialty National Insurance Co.	Fire & Casualty	Philadelphia, PA
Camden Fire Insurance Association, The	CGU Insurance Company of New Jersey	Fire & Casualty	Mount Laurel, NJ
Central States Health and Life Company Of Omaha	Central States Health & Life Co. of Omaha	Life	Omaha, NE
Cologne Life Reinsurance Co.	General & Cologne Life Re of America	Life	Stamford, CT
European Reinsurance Corporation of America	North American Elite Insurance Co.	Fire & Casualty	Manchester, NH
Financial Savings Insurance Co. Waco, TX	Amcorp Insurance Co.	Fire & Casualty	Houston, TX
First Reinsurance Company of Hartford, The, Avon, CT	Deerfield Insurance Co. (Charter Amendment)	Fire & Casualty	Evanston, IL
General Accident Insurance Company of America	CGU Insurance Co.	Fire & Casualty	Philadelphia, PA
Household Insurance Co. Farmington Hills, MI	Kemper Casualty Insurance Co.	Fire & Casualty	Livonia, MI
International Benefit Services Corporation	USI Administrators Inc.	TPA	Wilmington, DE
Maxor National Pharmacy Services Corporation, dba Cordesys Healthcare Management	Maxor National Pharmacy Services Corporation, dba Median	TPA	Amarillo, TX
Mercantile and General Life Reassurance Company of America, The	Sun Life of Canada Reinsurance Co. (U.S.)	Life	Lansing, MI
Pennsylvania General Insurance Co.	General Accident Insurance Co.	Fire & Casualty	Philadelphia, PA
Protective Financial Services Inc.	Mark Financial-Texas Inc.	TPA	Houston, TX
Seguros Monterrey Aetna, S.A. Mexico City, MX	Seguros Monterrey Aetna, S.A. Grupo Financiero Bancomer,	Casualty	Monterrey, MX
TMG Life Insurance Co.	Clarica Life Insurance Co.	Life	Fargo, ND
Uniguard Security Insurance Co.	Seaton Insurance Co.	Fire & Casualty	Seattle, WA
Valley National Insurance Co.	Waterford Insurance Co.	Fire & Casualty	Topeka, KS
Vesta County Mutual Insurance Co. Dallas, TX	Elm County Mutual Insurance Co.	Fire & Casualty	Addison, TX

Disciplinary Actions

Editor's Note: Copies of individual orders may be obtained by calling TDI's Public Information Office, 512 463-6425.

AGENTS & AGENCIES	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	Harvey Agency Inc., dba Voyager Marine	Frisco	\$3,500 Fine	Use of Improperly Licensed Sales Personnel	99-1747	12/31/99
	Knight, Earl R.	Angleton	Qualified Engineer Appointment Canceled	Consent Order; Alleged Failure to Provide Information Required by TDI	99-1643	12/13/99
	Fred Loya Insurance Agency Inc.	El Paso	\$7,500 Fine	Consent Order; Alleged Use of Unauthorized Auto Forms	99-1674	12/15/99
	MacKenzie, Donald Anthony	Houston	Issuance of Group I Agent's License With One-Year Probation	Prior Revocation, with Evidence of Rehabilitation	99-1644	12/13/99
	Morena, Petra	El Paso	Group I License Revoked	Fraudulent or Dishonest Practices and/or Acts	99-1646	12/13/99
	Ray, Ron, dba Alamo Auto Insurance and Ray Insurance Agency	Houston	\$7,500 Fine	Use of Unlicensed and/or Improperly Licensed Persons as Agents and Solicitors	99-1699	12/21/99
	Thomas, Robert E.	Austin	Local Recording Agent's License Revoked	Fraudulent and/or Dishonest Acts	99-1538	11/15/99
	Zimmerman, Charles A.	Arlington	Group 1 Agent's License Denied	Felony Conviction; Material Misstatement on License Application	99-1575	11/30/99
COMPANIES	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	American Horizon Property & Casualty Insurance Co.	Lincolnshire, IL	\$2,250 Fine	Failure to Provide Policy Counts as Requested by TDI	99-1649	12/13/99
	Best Life Assurance Company of California	Irvine, CA	\$7,000 Fine	Failure to Provide Small Employer Rating Information Requested by TDI	99-1647	12/13/99
	Coregis Insurance Co.	Chicago	\$3,000 Fine	Failure to Provide Policy Counts as Requested by TDI	99-1648	12/13/99
	Electric Insurance Co.	Beverly, MA	\$10,000 Fine	Consent Order; Alleged Advertising Violations	99-1645	12/13/99
	Germania Fire & Casualty Insurance Co.	Brenham	\$3,000 Fine	Consent Order; Alleged Failure to Provide Policy Counts as Requested by TDI	99-1698	12/21/99
	Germania Insurance Co.	Brenham	\$3,000 Fine	Consent Order; Alleged Failure to Provide Policy Counts as Requested by TDI	99-1697	12/21/99
	Home State County Mutual Insurance Co.	Waco	\$5,000 Fine	Consent Order; Alleged Use of Unauthorized Auto Forms by Managing General Agent	99-1673	12/15/99



Texas Department of Insurance
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