

Subchapter E. Examinations and Annual Reports

28 TAC §25.88

1. INTRODUCTION. The Commissioner of Insurance adopts an amendment to §25.88 concerning an assessment which will be used to cover the general administrative expense of insurance premium finance companies. The amendment is adopted without changes to the text as proposed in the November 19, 2004, issue of the *Texas Register* (29 TexReg 10694) and will not be republished.

2. REASONED JUSTIFICATION. The amendment is necessary to adjust the rate of assessment so that it is sufficient to meet the expenses of performing the department's statutory responsibilities for examining, investigating, and regulating insurance premium finance companies.

3. HOW THE SECTION WILL FUNCTION. The department levies the rate of assessment established in the section to cover the 2005 fiscal year's general administrative expense and collect the assessment from each insurance premium finance company on the basis of a percentage of total loan dollar volume for the 2004 calendar year. The department estimates that \$113,710 will be collected for the state's general revenue fund.

4. SUMMARY OF COMMENTS. No comments were received regarding adoption of the amendment.

5. STATUTORY AUTHORITY. The amendment is adopted under the Insurance Code Articles 24.06(c), 24.09, and §36.001. Article 24.06(c) provides that each insurance premium finance company licensed by the department shall pay an amount assessed by the department to cover the direct and indirect cost of examinations and investigations and a proportionate share of general administrative expense attributable to regulation of insurance premium finance companies. Article 24.09 authorizes the department to adopt and enforce rules necessary to carry out provisions of the Insurance Code concerning the regulation of insurance premium finance companies. 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.

6. TEXT.

§25.88. General Administrative Expense Assessment. On or before April 1, 2005, each insurance premium finance company holding a license issued by the department under the Insurance Code, Chapter 24, shall pay an assessment to cover the general administrative expenses attributable to the regulation of insurance premium finance companies. Payment shall be sent to the Texas Department of Insurance, Examinations Division, Mail Code #305-2E, 333 Guadalupe, P. O. Box 149104, Austin,

Texas 78701-9104. The assessment to cover general administrative expenses shall be computed and paid as follows.

(1) The amount of the assessment shall be computed as .00154 of 1.0% of the total loan dollar volume of the company for calendar year 2004.

(2) If the amount of the assessment computed under paragraph (1) of this section is less than \$250, the amount of the assessment shall be \$250.

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

Issued in Austin, Texas, on _____, 2004.

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

IT IS THEREFORE THE ORDER of the Commissioner of Insurance that the amendment to §25.88, concerning the rate of assessment and charges to cover the general administrative expenses of regulating premium finance companies, is adopted.

JOSÉ MONTEMAYOR
COMMISSIONER OF INSURANCE

By: _____
David Durden
Temporary Acting Commissioner
Per Commissioner Order No. 04-1189

ATTEST:

Gene C. Jarmon
General Counsel and Chief Clerk

COMMISSIONER'S ORDER NO. _____