

SUBCHAPTER P. COMMERCIAL PROPERTY INSURANCE
28 TAC §5.9600

1. INTRODUCTION. The commissioner of insurance adopts the repeal of 28 Texas Administrative Code (28 TAC) §5.9600, concerning the conduct of commercial property inspections and rating functions by private entities and the department's regulatory oversight of these functions. The repeal is adopted without changes to the proposal published in the April 20, 2012, issue of the *Texas Register* (37 TexReg 2866).

2. REASONED JUSTIFICATION. The repeal of this section is necessary to discontinue the oversight of commercial property inspections. Pursuant to 28 Texas Administrative Code §5.9600, the department oversees the commercial property inspections and ratings services of private entities by providing oversight inspections. The department has determined that this oversight function is no longer necessary to assure that the consumers of Texas are adequately and fairly served by private entities providing commercial property inspections and rating services. Private entities conducting commercial property inspections and rating services have been subject to oversight inspections since September 1994. Since November 1998, the department has not found any significant defects in the commercial property inspections and rating services being provided to Texas consumers by private entities. Further, the oversight of private entities providing commercial property inspections and rating is not required by statute. Thus, the department determines that the oversight of commercial property

inspections and rating functions is an obsolete departmental function and is no longer required.

3. HOW THE SECTION WILL FUNCTION. The adoption of the repeal will result in the removal of an obsolete departmental function.

4. SUMMARY OF COMMENTS. The department did not receive any comments on the proposed repeal.

5. STATUTORY AUTHORITY. Repeal of §5.9600 is adopted pursuant to the Insurance Code §2001.002(b) and §36.001. Section 2001.002(b) addresses the department's conduct of commercial property inspections and prescription of rating schedules for commercial property under a law described by the Insurance Code §2001.001(a). Section 36.001 provides that the commissioner of insurance may adopt any rules necessary and appropriate to implement the powers and duties of the Texas Department of Insurance under the Insurance Code and other laws of this state.

6. TEXT.

§5.9600. Commercial Property Inspections and Rating.

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

12-0562

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 5. Property and Casualty Insurance


Adopted Section
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Issued at Austin, Texas, on June 15, 2012.



Sara Waitt, General Counsel
Texas Department of Insurance

The commissioner orders that the repeal of §5.9600 is adopted.



ELEANOR KITZMAN
COMMISSIONER OF INSURANCE

Attest:


Sara Waitt, General Counsel
Texas Department of Insurance

COMMISSIONER'S ORDER NO. 12-0562