

Subchapter D. Risk-Based Capital and Surplus

28 TAC §§7.401, 7.410

1. INTRODUCTION. The Commissioner of Insurance adopts the repeal of §§7.401 and 7.410 concerning risk-based capital and surplus. The repeal of these sections is adopted without changes to the proposal published in the December 24, 2004 issue of the *Texas Register* (29 TexReg 11906).
2. REASONED JUSTIFICATION. The repeal of the sections is necessary to adopt a new §7.401 which appears elsewhere in this issue of the Texas Register. The new §7.401 consolidates the rules for risk-based capital and surplus for all insurers and HMOs in one section.
3. HOW THE SECTION WILL FUNCTION. The purpose of the repeal is to eliminate obsolete sections.
4. SUMMARY OF COMMENTS. No comments were received on the proposal.
5. STATUTORY AUTHORITY. The repeal of the sections is adopted under the Insurance Code §§822.210, 841.205, 884.206, 885.401 and 36.001. Sections 822.210, 841.205, 884.206 and 885.401 provide that the commissioner may adopt rules to require an insurer to maintain capital and surplus levels in excess of statutory levels to assure financial solvency of insurers for the protection of policyholders and insurers. 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.

§7.401. Minimum Risk-Based Capital and Surplus Requirements for Life, Accident and Health Insurers and Fraternal Insurers.

§7.410. Minimum Risk-Based Capital and Surplus Requirements for Property/Casualty Insurers.

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

Issued in Austin, Texas on _____, 2005.

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

IT IS THEREFORE THE ORDER of the Commissioner of Insurance that the repeal of §§7.401 and 7.410, concerning risk-based capital and surplus, is adopted.

AND IT IS SO ORDERED.

JOSE MONTEMAYOR
COMMISSIONER OF INSURANCE

ATTEST:

Gene C. Jarmon
General Counsel and Chief Clerk

COMMISSIONER'S ORDER NO. _____