

Subchapter A. Examination and Financial Analysis
28 TAC §7.70

1. INTRODUCTION. The Texas Department of Insurance proposes new §7.70, concerning the adoption by reference of reporting forms, electronic data filings with the National Association of Insurance Commissioners (NAIC) and instructions to be used by insurers, health maintenance organizations (HMOs), nonprofit legal service corporations, Texas Health Insurance Risk Pool, Texas Fair Plan Association and Texas Windstorm Insurance Association. The reporting forms include the 2007 quarterly and the 2007 annual statement blanks, the 2008 quarterly statement blanks, Schedule SIS, management discussion and analysis, supplemental compensation exhibit, overhead assessment exemption form for insurance company examination expenses, analysis of surplus, separate accounts, supplemental information for county mutuals and HMOs, release of contributions, reserve summary, inventory of insurance in force, and summary of insurance in force. The insurers and other regulated entities will use these forms to report their 2007 and part of their 2008 calendar year financial condition and business operations and activities. The information provided by the completion of the forms is necessary to allow the Department to monitor the solvency, business activities, and statutory compliance of the insurers and the other entities regulated by the Department. The proposed new section adopts by reference the NAIC 2007 annual and quarterly statement blanks, the NAIC 2008 quarterly statement blanks, related instructions, and other reporting forms and instructions for reporting the financial condition, business operations and activities of insurance companies and other entities

regulated by the Department. The proposed new section also requires insurance companies and other entities regulated by the Department to file such annual and quarterly statements and other reporting forms with the Department and/or the NAIC as directed. The proposed new section also defines terms relevant to the statement blanks and reporting forms and provides the dates by which certain reports are to be filed. Proposed subsection (a) explains the purpose of the section and adopts by reference the forms described in the section. Proposed subsection (b) provides that the term "Texas Edition" refers to the blanks and forms promulgated by the Commissioner. Proposed subsection (c) specifies the hierarchy of laws in the event of a conflict between the Insurance Code, this new section, and other Department regulations and the NAIC instructions specified in the new section. Proposed subsections (d) - (l) describe the forms, instructions and filing requirements for the various types of insurers and other regulated entities. Proposed subsection (m) provides that the Department may request financial reports other than those specified in this section. The forms and instructions are available for inspection in the office of the Financial Analysis and Examination Division of the Texas Department of Insurance, William P. Hobby Jr. State Office Building, 333 Guadalupe, Tower Number III, Third Floor, Austin, Texas. The NAIC forms and instructions may also be reviewed at www.naic.org. The new section will replace the existing §7.70, concerning the adoption of the 2000 annual statements, other reporting forms, and diskettes or alternative electronic method of filing, which is proposed for repeal and also published in this issue of the *Texas Register*.

2. FISCAL NOTE. Danny Saenz, Senior Associate Commissioner, Financial Program, has determined that, for the first five years the proposed section will be in effect, there will be no fiscal implications for state or local government as a result of enforcing or administering the section. There will be no effect on local employment or the local economy as a result of the proposal.

3. PUBLIC BENEFIT/COST NOTE. Mr. Saenz also has determined that, for each year of the first five years the proposed section is in effect, the public benefits anticipated as a result of enforcing this section are the ability of the Department to provide financial information to the public and other regulatory bodies as requested, and to monitor the financial condition of insurance companies, health maintenance organizations and other regulated carriers licensed in Texas to better assure financial solvency. The probable economic cost to persons required to comply with the section depends on several factors including the size, type and complexity of the carrier. Each carrier subject to proposed §7.70 is required by statute to provide the Department with various annual reports on its operations. The Insurance Code §802.055 provides that an insurance company shall pay all costs of preparing and furnishing to the NAIC the information required under the Insurance Code §802.052, including any related filing fees. The reports and forms required by this proposal generally request information that is already captured or created by the carrier as necessary to its business operations; therefore, the additional cost involved generally relates to the transfer of that information from the carrier's records to the required report or form. Although not strictly required by the

Government Code §2006.002(c), the proposed section contains a number of accommodations that will mitigate the impact of proposed §7.70 for certain carriers that, because of their carrier type, are more likely to be small or micro business carriers. Specifically, proposed §7.70(d) provides a stipulated premium company with one additional month to file its annual statement and an additional month to make certain other related filings. Proposed §7.70(e) and (i) authorize a simplified financial statement form for a farm mutual insurance company that writes less than \$6 million in premium and do not require a farm mutual insurance company to pay NAIC filings fees, to acquire software to prepare financial statement filings with the NAIC, or to file quarterly financial statements with the Department if that farm mutual insurance company writes less than \$6 million in premium. Proposed §7.70(j) authorizes a simplified financial statement form for a statewide mutual assessment association, a local mutual aid association, a mutual burial association and an exempt association and does not require a statewide mutual assessment association, local mutual aid association, mutual burial associations or exempt association to pay NAIC filings fees, to acquire software to prepare financial statement filings with the NAIC, or to file quarterly financial statements with the Department. Proposed §7.70(k) does not require a nonprofit legal service corporation to pay NAIC filings fees or to acquire software to prepare financial statement filings with the NAIC. Proposed §7.70(l) does not require a Mexican casualty insurance company to pay NAIC filing fees or acquire software to prepare financial statement filings with the NAIC. It is anticipated that a carrier, regardless of size, will utilize employees who are familiar with the records of the carrier and accounting

practices in general. Such individuals are estimated to be compensated from \$17 to \$50 per hour based on information obtained by the Department. The Department anticipates that larger business carriers, because of the larger size and relatively more complex operations, will take more time to transfer the required information from their records to the financial forms and reports to be adopted by this proposal. The Department also anticipates that large business carriers will often compensate staff at the higher end of the salary range. Therefore, based on the Department's experience, the overall labor costs for large business carriers to transfer the required information from their records to the required financial forms and reports will generally be more than the overall labor costs for small or micro business carriers. The overall costs to transfer the information from a carrier's records also may vary based upon factors such as the type of carrier (*e.g.*, life, accident and health, or property and casualty), the nature of the risks insured, and the type of software used by the carrier. The cost of software used to prepare the financial statements is approximately \$2,000 for a single company. The cost of software may be greater or less depending on the amount charged by the vendor and any extra services that are agreed to between the company and the vendor. The fees associated with each company to file electronically with the NAIC database can range from \$247, for carriers with the smallest premium volume, to \$69,428, for carriers with the largest premium volume with a limit for insurer groups of \$201,000. The Insurance Code §802.055 provides that an insurance company shall pay all costs of preparing and furnishing to the NAIC the information required under the Insurance Code §802.052; therefore, any costs to a carrier for preparing and filing the annual

statement results from statutory requirements and not as a result of the adoption, enforcement, or administration of this proposal. The cost of compliance as detailed in this Public Benefit/Cost Note portion of this proposal will be relatively more significant for carriers licensed in Texas for less than one year because of the additional time required for carrier staff to become familiar with the requirements of this proposal, initial software acquisitions costs, and the need to implement systems to capture the information required to be reflected in the financial statements filed with the Department and the NAIC. Since the Department has routinely required the preparation and filing of substantially similar financial statements as required by the proposal for many years, most of these costs for carriers licensed for one year or more have already been incurred.

4. ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS

FOR SMALL AND MICRO BUSINESSES. The Department has determined that this proposal contains different requirements that must be analyzed in order to determine costs to small and micro business carriers required to comply with this proposal. First, proposed §7.70(a), (d), (e), (f), (g), (h), (i), (j), (k), and (l) require that each carrier provide the Department with financial reports and related information. Second, proposed §7.70(a), (d), (e), (f), (g), and (h) require that each carrier make concurrent filings of their financial statement with the NAIC that results in related filing fees. Third, proposed §7.70(a), (d), (e), (f), (g), and (h) essentially require that each carrier purchase software to prepare its financial statements and make the related filings with the

Department and the NAIC. Each carrier is required by statute to provide the Department with various annual reports on its operations. As noted in the Public Benefit/Cost Note portion of the proposal, the Insurance Code §802.055 provides that an insurance company shall pay all costs of preparing and furnishing to the NAIC the information required under the Insurance Code §802.052, including any related filing fees; therefore, any costs to a carrier for preparing and filing the annual statement results from statutory requirements and not as a result of the adoption, enforcement, or administration of this proposal.

Proposed §7.70(a), (d), (e), (f), (g), (h), (i), (j), (k), and (l); Preparation of Financial Statements. As required by the Government Code §2006.002(c), the Department has determined that approximately 75 to 150 of the carriers specified in proposed §7.70(a) are small or micro business carriers that will be required to comply with the requirements in proposed §7.70(d), (e), (f), (g), (h), (i), (j), (k), and (l) to prepare financial statements that reflect the carriers' condition and to file these statements with the Department and the NAIC. These small or micro business carriers will incur routine costs associated with completing the financial statements. Also, as required by the Government Code §2006.002(c), the Department has determined that these routine costs will not have an adverse economic effect on the approximately 75 to 150 small or micro business carriers. These routine costs of compliance will vary between large business carriers and small or micro business carriers based upon the carrier's type and size and other factors, including the character of the carrier's assets, the kinds and nature of the risks insured, the type of software used by the carrier to complete its

annual statement, and employee compensation expenses. The Department's cost analysis and resulting estimated routine costs for carriers in the Public Benefit/Cost Note portion of this proposal are equally applicable to small and micro business carriers. As indicated in the Public Benefit/Cost Note analysis, these routine costs will often be less for small or micro business carriers, primarily because small or micro business carriers will incur less overall labor costs in transferring information from their records to the required financial forms and reports because their smaller size and relatively less complex operations will generally require less time to transfer the information from their records to the financial forms and reports adopted by this proposal. Small or micro business carriers may also incur relatively lower labor costs on a per hour basis because small or micro business carriers will often compensate staff at the lower end of the salary range. Under the Government Code §2006.002(c), before adopting a rule that may have an adverse economic effect on small or micro businesses, an agency is required to prepare in addition to an economic impact statement a regulatory flexibility analysis that includes the agency's consideration of alternative methods of achieving the purpose of the proposed rule. Because the Department has determined that the routine costs to comply with this proposal, i.e., preparing the financial forms and reports, will not have an adverse economic effect on small or micro business carriers, the Department is not required to consider alternative methods of achieving the purpose of these requirements in the proposed rule. Nevertheless, although not strictly required by the Government Code §2006.002(c), the proposed section contains a number of accommodations that will mitigate the impact of proposed §7.70 for certain carriers that,

because of their carrier type, are more likely to be small or micro business carriers. Specifically, proposed §7.70(d) provides a stipulated premium company with one additional month to file its annual statement compared to large business carriers. Proposed §7.70(d) also provides an additional month for a stipulated premium company to make certain other related filings. Proposed §7.70(d) further exempts a stipulated premium company from the requirement that applies to most other life carriers to file quarterly financial statements with the Department if certain conditions are met. Proposed §7.70(e) and (i) authorize a simplified financial statement form for a farm mutual insurance company that writes less than \$6 million in premium. Unlike the requirements that apply to all other property and casualty carriers, proposed §7.70(e) and (i) do not require that a farm mutual insurance company file quarterly financial statements with the Department if that farm mutual insurance company writes less than \$6 million in premium. Proposed §7.70(j) authorizes a simplified financial statement form for a statewide mutual assessment association, a local mutual aid association, a mutual burial association and an exempt association. Unlike the requirements that apply to other life carriers, proposed §7.70(j) does not require that quarterly financial statements be filed with the Department by a statewide mutual assessment association, local mutual aid association, mutual burial associations or exempt association. The cost of compliance as detailed in this Public Benefit/Cost Note portion of the proposal will be relatively more significant for carriers licensed in Texas for less than one year because of the additional time required for the carrier's staff to become familiar with the requirements of the proposal and the need to implement systems to capture the

information required to be reflected in the financial statements filed with the Department and the NAIC. Since the Department has routinely required the preparation and filing of substantially similar financial statements as required by the proposal for many years, most of these costs for carriers licensed for one year or more have already been incurred.

Proposed §7.70(a), (d), (e), (f), (g) and (h); NAIC Filing Fee. As required by the Government Code §2006.002(c), the Department has determined that approximately 50 to 100 of the carriers specified in proposed §7.70(a) are small or micro business carriers that will be required to comply with the requirements in proposed §7.70(d), (e), (f), (g), and (h) to make concurrent financial statement filings with the NAIC. These small or micro business carriers will incur routine costs associated with related filing fees. Also, as required by the Government Code §2006.002(c), the Department has determined that these routine costs will not have an adverse economic effect on the approximately 50 to 100 small or micro business carriers. The Department's cost analysis and resulting estimated costs for carriers to make concurrent financial statement filings with the NAIC in the Public Benefit/Cost Note portion of this proposal are equally applicable to small or micro business carriers. As indicated in the Public Benefit/Cost Note analysis, these costs of compliance will vary between large business carriers and small or micro business carriers based upon the carrier's premium volume. These fees are on a sliding scale basis and will be less for small or micro business carriers that write smaller amounts of premium and greater for large carriers that write larger amounts of premium. These fees can range from \$247, for carriers with the smallest premium

volume, to progressively greater amounts based for carriers with the largest premium volume. As examples, a carrier with \$100,000 in premium will incur a filing fee of \$247, a carrier with \$6 million in premium will incur a filing fee of \$1,444, and a carrier with \$4 billion in premium will incur a filing fee of \$69,428. In each example, these fees represent approximately .00002 percent of the stated premium amount. Accordingly, these routine costs will be less for small or micro business carriers because of their relatively smaller premium base. Under the Government Code §2006.002(c), before adopting a rule that may have an adverse economic effect on small or micro businesses, an agency is required to prepare in addition to an economic impact statement a regulatory flexibility analysis that includes the agency's consideration of alternative methods of achieving the purpose of the proposed rule. Because the Department has determined that the routine costs to comply with this proposal, i.e., making concurrent filings with the NAIC, will not have an adverse economic effect on small or micro businesses, the Department is not required to consider alternative methods of achieving the purpose of these requirements in the proposed rule. Moreover, the Insurance Code §802.055 provides that an insurance company shall pay all costs of preparing and furnishing to the NAIC the information required under the Insurance Code §802.052, including any related filing fees. Accordingly, the cost of preparing and filing the annual statement results from statutory requirements and not as a result of the adoption, enforcement, or administration of this proposal. Nevertheless, although not strictly required by the Government Code §2006.002(c), the proposed section contains a number of accommodations that will mitigate the impact of proposed

§7.70 for certain carriers that, because of their carrier type, are more likely to be small or micro business carriers. Specifically, proposed §7.70(e) and (i) do not require that a farm mutual insurance company pay these filing fees if that farm mutual insurance company writes less than \$6 million in premium. Proposed §7.70(j) does not require that these filing fees be paid by a statewide mutual assessment association, a local mutual aid association, a mutual burial association and an exempt association. Proposed §7.70(k) does not require that a nonprofit legal service corporation pay these filing fees. Proposed §7.70(l) does not require that a Mexican casualty insurance company pay these filing fees.

Proposed §7.70(a), (d), (e), (f), (g) and (h); Software Expenses. As required by the Government Code §2006.002(c), the Department has determined that approximately 50 to 100 of the carriers specified in proposed §7.70(a) are small or micro business carriers that will essentially be required by proposed §7.70(d), (e), (f), (g), and (h) to purchase software to prepare their financial statements and make the related filings with the Department and the NAIC. These small or micro business carriers will incur routine costs associated with purchasing this software. Also, as required by the Government Code §2006.002(c), the Department has determined that these routine costs will not have an adverse economic effect on the approximately 50 to 100 small or micro business carriers. The Department's cost analysis and resulting estimated costs for carriers to purchase this software contained in the Public Benefit/Cost Note portion of this proposal are equally applicable to small or micro business carriers. As indicated in the Public Benefit/Cost Note analysis, these costs of compliance may vary based upon

a number of factors. The cost of software to prepare the financial statements is approximately \$2,000 for a single company. The cost of software may be greater or less depending on the amount charged by the vendor, the type of software needed and any extra services that are agreed to between the company and the vendor. Under the Government Code §2006.002(c), before adopting a rule that may have an adverse economic effect on small or micro businesses, an agency is required to prepare in addition to an economic impact statement a regulatory flexibility analysis that includes the agency's consideration of alternative methods of achieving the purpose of the proposed rule. Because the Department has determined that the routine costs to comply with this proposal, i.e., purchase software, will not have an adverse economic effect on small or micro business carriers, the Department is not required to consider alternative methods of achieving the purpose of these requirements in the proposed rule. Moreover, each carrier subject to this proposal is required by statute to provide the Department with various annual reports on its operations, and therefore, the related costs result from statutory requirements and not as a result of the adoption, enforcement, or administration of this proposal. Nevertheless, although not strictly required by the Government Code §2006.002(c), the proposed section contains a number of accommodations that will mitigate the impact of proposed §7.70 for certain carriers that, because of their carrier type, are more likely to be small or micro business carriers. Specifically, proposed §7.70(d) exempts a stipulated premium company from the requirement that applies to most other life carriers to file quarterly interim financial statements with the Department if certain conditions are met, which lessens its software

needs. Proposed §7.70(e) and (i) do not require that a farm mutual insurance company acquire this software and the related expense if that farm mutual insurance company writes less than \$6 million in premium. Proposed §7.70(j) does not require that this software be acquired and the related expense incurred by a statewide mutual assessment association, a local mutual aid association, a mutual burial association and an exempt association. Proposed §7.70(k) does not require that a nonprofit legal service corporation acquire this software and incur the related expense. Proposed §7.70(i) does not require that a Mexican casualty insurance company acquire this software and incur the related expense. The cost of compliance as detailed in this Public Benefit/Cost Note portion of the proposal will be relatively more significant for carriers licensed in Texas for less than one year because of initial software acquisitions costs. Since the Department has routinely required the preparation and filing of substantially similar financial statements as required by the proposal for many years, most of these software costs for carriers licensed for one year or more have already been incurred.

5. TAKINGS IMPACT ASSESSMENT. The Department 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 5:00 p.m. on January 28, 2008, to Gene C. Jarmon, General Counsel and Chief Clerk, Mail Code 113-2A, Texas Department of Insurance, P. O. Box 149104, Austin, Texas 78714-9104. An additional copy of the comments should be submitted simultaneously to Danny Saenz, Senior Associate Commissioner, Financial Program, Mail Code 305-2A, Texas Department of Insurance, P. O. Box 149104, Austin, Texas 78714-9104. Any request for a public hearing on the proposal should be submitted separately to the Office of the Chief Clerk before the close of the public comment period. If a hearing is held, oral and written comments presented at the hearing will be considered.

7. STATUTORY AUTHORITY. The new section is proposed under the Insurance Code §§802.001 - 802.003 and 802.051 - 802.056, which authorize the Commissioner to make changes in the forms of the annual statements required of insurance companies of any kind, as shall seem best adapted to elicit a true exhibit of their condition and methods of transacting business, and require certain insurers to make filings with the National Association of Insurance Commissioners; Chapters 2201, 2210, and 2211 and §§841.255, 842.003, 842.201, 842.202, 843.151, 843.155, 861.254, 861.255, 862.001, 862.003, 882.001, 882.003, 883.002, 883.204, 884.256, 885.401, 885.403 - 885.406, 887.009, 887.060, 887.401 - 887.407, 911.001, 911.304, 912.002, 912.201 - 912.203, 912.301, 941.252, 942.201, 961.002, 961.003, 961.052, 961.202, 982.004, 982.251 - 982.254, 982.101, 982.103, 984.101 - 984.103, 984.153, 984.201, 984.202, 1301.009,

1506.057, 2551.001, and 2551.152 which require the filing of financial reports and other information by insurers and other regulated entities and provide specific rulemaking authority to the Commissioner relating to those insurers and other regulated entities; §§982.001, 982.002, 982.004, 982.052, 982.102 - 982.104, 982.106, 982.108, 982.110 - 982.112, 982.201 - 982.204, 982.251 - 982.255, and 982.302 - 982.306 which provide the conditions under which foreign insurers are permitted to do business in this state and require foreign insurers to comply with the provisions of the Insurance Code; §§844.001-844.005, 844.051-844.054, and 844.101 which authorize the Commissioner to adopt rules to implement the regulation of nonprofit health corporations holding a certificate of authority under the Insurance Code, Title 2, Chapter 844; §421.001 which requires insurers to establish adequate reserves and provides for the adoption of each current formula for establishing reserves applicable to each line of insurance; §32.041 which requires the Department to furnish the statement blanks and other reporting forms necessary for companies to comply with the filing requirements; and §36.001 which 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.

8. CROSS REFERENCE TO STATUTE. The following articles and sections of the Insurance Code will be affected by this proposed section: Chapters 2201, 2210, and 2211 and §§32.041, 421.001, 802.001 - 802.003, 802.051 - 802.056, 841.255, 842.003, 842.201, 842.202, 843.151, 843.155, 844.001 - 844.005, 844.051 - 844.054, 844.101,

861.254, 861.255, 862.001, 862.003, 882.001, 882.003, 883.002, 883.204, 884.256, 885.401, 885.403 - 885.406, 886.107, 887.009, 887.060, 887.401 - 887.407, 911.001, 911.304, 912.002, 912.201 - 912.203, 912.301, 941.252, 942.201, 961.002, 961.003, 961.052, 961.202, 982.001, 982.002, 982.004, 982.052, 982.101, 982.102, 982.103, 982.104, 982.106, 982.108, 982.110 - 982.112, 982.251 - 982.255, 982.302 - 982.306, 984.153, 984.201, 984.202, 1301.009, 1506.057, 2551.001, and 2551.152.

9. TEXT.

§7.70. Requirements for Filing the 2007 Quarterly and 2007 Annual Statements, the 2008 Quarterly Statements, Other Reporting Forms, and Electronic Data Filings, with the Texas Department of Insurance and the NAIC.

(a) Scope. This section specifies the requirements for insurers and other regulated entities for filing the 2007 quarterly statements, 2007 annual statement, 2008 quarterly statement blanks, other reporting forms, and electronic data filings, with the department and the National Association of Insurance Commissioners (NAIC) necessary to report information concerning the financial condition and business operations and activities of insurers. This section applies to all insurers and certain other regulated entities authorized to do the business of insurance in this state and includes, but is not limited to, life insurers; accident insurers; life and accident insurers; life and health insurers; accident and health insurers; life, accident and health insurers; mutual life insurers; stipulated premium insurers; group hospital service corporations; fire insurers; fire and marine insurers; U.S. branches of alien insurers; Mexican casualty

insurers; general casualty insurers; fire and casualty insurers; mutual insurers other than life; statewide mutual assessment companies; local mutual aid associations; mutual burial associations; exempt associations; county mutual insurers; Lloyd's plans; reciprocal and inter-insurance exchanges; domestic risk retention groups; domestic joint underwriting associations; title insurers; fraternal benefit societies; farm mutual insurers; health maintenance organizations; nonprofit health corporations; nonprofit legal services corporations; the Texas Health Insurance Risk Pool; the Texas Mutual Insurance Company; the Texas Windstorm Insurance Association; and the Texas FAIR Plan Association. The commissioner adopts by reference the 2007 quarterly statement blanks, the 2007 annual statement blanks, the 2008 quarterly statement blanks, and the related instruction manuals published by the NAIC, and other supplemental reporting forms specified in this section. The forms are available from the Texas Department of Insurance, Financial Analysis and Examination Division, Mail Code 303-1A, P. O. Box 149104, Austin, Texas 78714-9104. The NAIC annual and quarterly statement blanks and other NAIC supplemental reporting forms can be printed or filed electronically using annual statement software available from vendors. Insurers and other regulated entities shall properly report to the department and the NAIC by completing, in accordance with applicable instructions, the appropriate hard copy annual and quarterly statement blanks, other reporting forms, and electronic data filings.

(b) Definition. In this section "Texas Edition" refers to the blanks and forms promulgated by the commissioner.

(c) Conflicts with other laws. In the event of a conflict between the Insurance

Code, any currently existing department rule, form, instructions, or any specific requirement of this section and the NAIC instructions listed in this section, the Insurance Code, the department rule, form, instruction, or the specific requirements of subsections of this section shall take precedence and in all respects control.

(d) Filing requirements for life, accident and health insurers. Each life, life and accident, life and health, accident, accident and health, mutual life, or life, accident and health insurance company, stipulated premium company, group hospital service corporation, and the Texas Health Insurance Risk Pool shall complete and file the blanks, forms, or electronic data filings as directed in this subsection. This subsection does not apply to entities licensed as health maintenance organizations under the Insurance Code Chapter 843. Insurers specified in this subsection and engaged in business authorized under the Insurance Code Chapter 843 may have additional reporting requirements under subsection (h) of this section. Insurers described under this subsection may elect to file on the 2007 Health Quarterly Statement for the three quarters of 2007, the 2007 Health Annual Statement for year-end 2007, and on the 2008 Health Quarterly Statement for the three quarters of 2008, if the insurer passes the Health Statement Test as outlined in the "2007 Annual Statement, Health Instructions." If a reporting entity qualifies under this subsection to use the 2007 Health Annual Statement, it must continue to use that annual statement for a minimum of three years or obtain written approval from the department to change to another type of annual statement. Insurers filing the 2007 Life, Accident and Health Annual Statement, the 2007 Life, Accident and Health Quarterly Statements, and the 2008 Life, Accident

and Health Quarterly Statements, and the supplemental forms and reports identified in these subsections shall complete filings in accordance with the "2007 Annual Statement Instructions, Life, Accident and Health," the "2007 Quarterly Statement Instructions, Life, Accident and Health," and the "2008 Quarterly Statement Instructions, Life, Accident and Health," as applicable. Life insurers meeting the test set forth in this subsection to file the 2007 Health Annual Statement and the supplemental forms and reports identified in these subsections shall complete filings in accordance with the "2007 Annual Statement Instructions, Health," the "2007 Quarterly Statement Instructions, Health," and the "2008 Quarterly Statement Instructions, Health," as applicable. The electronic filings of these forms or reports with the NAIC shall be in accordance with the NAIC data specifications and instructions for electronic filing and shall include PDF format filing. The filings for insurers described in this subsection are as follows:

(1) Domestic insurer reports and forms in paper copy to be filed with the department and the NAIC: 2007 Life, Accident and Health Quarterly Statements, due on or before May 15, August 15, and November 15, 2007. A Texas stipulated premium company, unless specifically requested to do so by the department, is not required to file quarterly data filings with the NAIC if it meets all three of the following conditions:

(A) it is authorized to write only life insurance on its certificate of authority;

(B) it collected premiums in the prior calendar year of less than \$1 million; and

(C) it had a profit from operations in the prior two calendar years.

(2) Domestic insurer reports and forms in paper copy to be filed only with the department as follows:

(A) 2007 Life, Accident and Health Annual Statement, including the printed investment schedule detail, due on or before March 1, 2008 (stipulated premium companies, April 1, 2008);

(B) 2007 Life, Accident and Health Annual Statement of the Separate Accounts for the 2007 calendar year (required of companies maintaining separate accounts), due on or before March 1, 2008;

(C) 2008 Life, Accident and Health Quarterly Statements, due on or before May 15, August 15, and November 15, 2008. A Texas stipulated premium company, unless specifically requested to do so by the department, is not required to file quarterly data filings with the NAIC if it meets all three of the following conditions:

(i) it is authorized to write only life insurance on its certificate of authority;

(ii) it collected premiums in the prior calendar year of less than \$1 million; and

(iii) it had a profit from operations in the prior two calendar years;

(D) 2007 Health Annual Statement, including the printed investment schedule detail, due on or before March 1, 2008 if the company qualifies as described in this subsection;

(E) 2007 Health Quarterly Statements, due on or before May 15, August 15, and November 15, 2007 if the company qualifies as described in this subsection;

(F) 2008 Health Quarterly Statements, due on or before May 15, August 15, and November 15, 2008 if the company qualifies as described in this subsection;

(G) All the paper copies of the annual and quarterly supplements prepared and filed on dates specified in the forms and instructions;

(H) Management's Discussion and Analysis, due on or before April 1, 2008;

(I) Statement of Actuarial Opinion, due on or before March 1, 2008 (stipulated premium companies, April 1, 2008). The actuarial opinion shall be prepared in accordance with paragraph (5) of this subsection;

(J) Schedule SIS, due on or before March 1, 2008. This filing is also required if filing a Health Annual Statement, as applicable;

(K) Supplemental Compensation Exhibit, due on or before March 1, 2008 (stipulated premium companies, April 1, 2008). This filing is also required if filing a Health Annual Statement, as applicable;

(L) The Texas Health Insurance Risk Pool shall file the 2007, Health Annual Statement, the 2007 Quarterly Statements, and the 2008 Quarterly Statements as follows:

(i) 2007 Health Annual Statement with only pages 1 - 6, and

Schedule E Part 1, Part 2, and Part 3 to be completed and filed on or before March 1, 2008;

(ii) 2007 Health Quarterly Statements, with only pages 1 - 6, Schedule E, Part 1-Cash, and Part 2 – Cash Equivalents to be completed and filed on or before May 15, August 15, and November 15, 2007;

(iii) 2008 Health Quarterly Statements, with only pages 1 - 6, Schedule E, Part 1-Cash, and Part 2 – Cash Equivalents to be completed and filed on or before May 15, August 15, and November 15, 2008; and

(iv) The Texas Health Insurance Risk Pool is not required to file any reports, diskettes, or electronic data filings with the NAIC.

(M) Texas Overhead Assessment Exemption Form (Texas Edition), due on or before March 1, 2008. (stipulated premium companies, April 1, 2008). This form is to be filed only by domestic insurance companies that have qualified pension contracts under the Insurance Code §451.151; otherwise, this form should not be filed; and

(N) Analysis of Surplus (Texas Edition) for life, accident and health insurers, due on or before March 1, 2008 (stipulated premium companies, April 1, 2008).

(3) Foreign companies filing only electronically with the NAIC and not filing a paper copy with the department shall file a signed jurat page with the department in lieu of filing the entire paper filing.

(4) Electronic filings with the NAIC by domestic and foreign insurers:

(A) 2007 Life, Accident and Health Annual Statement electronic filing and PDF filing, due on or before March 1, 2008 (stipulated premium companies, April 1, 2008):

(B) 2007 Life, Accident and Health Annual Statement of the Separate Accounts electronic filing and PDF filing, due on or before March 1, 2008:

(C) 2007 Life, Accident and Health Quarterly Statement electronic filings and PDF filings, due on or before May 15, August 15, and November 15, 2007. A Texas stipulated premium company, unless specifically requested to do so by the department, is not required to file quarterly electronic data filings with the NAIC if it meets all three of the following conditions:

(i) it is authorized to write only life insurance on its certificate of authority;

(ii) it collected premiums in the prior calendar year of less than \$1 million; and

(iii) it had a profit from operations in the prior two calendar years;

(D) 2008 Life, Accident and Health Quarterly Statement electronic filings and PDF filings, due on or before May 15, August 15, and November 15, 2008. A Texas stipulated premium company, unless specifically requested to do so by the department, is not required to file quarterly electronic data filings with the NAIC if it meets all three of the following conditions:

(i) it is authorized to write only life insurance on its certificate

of authority:

(ii) it collected premiums in the prior calendar year of less than \$1 million; and

(iii) it had a profit from operations in the prior two calendar years.

(E) All annual and quarterly supplemental electronic filings together with the related PDF filings (except for Schedule SIS and Supplemental Compensation Exhibit which are filed by domestic insurers only with the department in paper copy) due on the dates specified in the forms and instructions.

(5) Statement of Actuarial Opinion required by paragraph (2)(I) of this subsection shall be prepared in accordance with the following:

(A) Unless exempted, the Statement of Actuarial Opinion, attached to either the 2007 Life, Accident and Health Annual Statement or the 2007 Health Annual Statement, should follow the applicable provisions of §§3.1601 - 3.1608 of this title (relating to Actuarial Opinion and Memorandum Regulation).

(B) For those companies exempted from §§3.1601 - 3.1608 of this title, instructions 1 - 12, established by the NAIC, must be followed.

(C) Any company required by §3.4505(b)(3)(I) of this title (relating to General Calculation Requirements for Basic Reserves and Premium Deficiency Reserves) to opine on the application of X factors, shall attach this opinion to the 2007 Life, Accident and Health Annual Statement or the 2007 Health Annual Statement, as applicable.

(6) The commissioner reserves the right to request paper copies of any paper or electronic filings made by foreign companies in their state of domicile or the NAIC.

(7) A foreign insurer that is classified as a commercially domiciled insurer under the Insurance Code §823.004 shall file an Analysis of Surplus (Texas Edition) for life, accident and health insurers with the department, on or before March 1, 2008.

(e) Requirements for property and casualty insurers. Each fire, fire and marine, general casualty, fire and casualty, or U.S. branch of an alien insurer, county mutual insurance company, mutual insurance company other than life, Lloyd's plan, reciprocal or inter insurance exchange, domestic risk retention group, life insurance company that is licensed to write workers' compensation, any farm mutual insurance company that filed a property and casualty annual statement for the 2006 calendar year or had gross written premiums in 2007 in excess of \$6 million, any Mexican casualty insurance company licensed under the Insurance Code Chapter 984, domestic joint underwriting association, the Texas Mutual Insurance Company, the Texas Windstorm Insurance Association, and the Texas FAIR Plan Association shall complete and file the following blanks, forms, and diskettes or electronic data filings as described in this subsection. The forms and reports identified in this subsection shall be completed in accordance with the "2007 Annual Statement Instructions, Property and Casualty," the "2007 Quarterly Statement Instructions, Property and Casualty," and the "2008 Quarterly Statement Instructions, Property and Casualty," as applicable. The electronic filings with the NAIC shall be in accordance with the NAIC data specifications and instructions

and shall include PDF format filing, as applicable. The filings for insurers described in this subsection are as follows:

(1) Domestic insurer reports and forms in paper copy to be filed with the department and the NAIC: 2007 Property and Casualty Quarterly Statements, due on or before May 15, August 15, and November 15, 2007.

(2) Domestic insurer reports and forms in paper copy to be filed only with the department as follows:

(A) 2007 Property and Casualty Annual Statement, due on or before March 1, 2008, including the printed investment schedule detail;

(B) 2008 Property and Casualty Quarterly Statements, due on or before May 15, August 15, and November 15, 2008;

(C) 2007 Combined Property/Casualty Annual Statement, due on or before May 1, 2008. This statement is required only for those affiliated insurers that wrote more than \$35 million in direct premiums as a group in calendar year 2007, as disclosed in Schedule T of the Annual Statement(s);

(D) All the paper copies of the annual and quarterly supplements prepared and filed on dates specified in the forms and instructions;

(E) The actuarial opinion submitted shall be prepared in accordance with the "2007 Annual Statement Instructions, Property and Casualty";

(F) Schedule SIS, due on or before March 1, 2008;

(G) Supplemental Compensation Exhibit, due on or before March 1, 2008;

(H) Texas Overhead Assessment Exemption Form (Texas Edition), due on or before March 1, 2008. This form is to be filed only by domestic insurance companies that have qualified pension contracts under the Insurance Code §401.151; otherwise, this form should not be filed;

(I) Texas Supplement for County Mutuals (Texas Edition) (required of Texas county mutual insurance companies only), due on or before March 1, 2008;

(J) Texas Supplemental "A" for County Mutuals (Texas Edition) (required of Texas county mutual insurance companies only), due on or before March 1, 2008;

(K) Analysis of Surplus (Texas Edition) for property and casualty insurers except Texas county mutual insurance companies, due on or before March 1, 2008;

(L) Actuarial Opinion Summary prepared in accordance with §7.9 of this title (relating to Examination of Actuarial Opinion for Property and Casualty Insurers);

(M) The Texas Windstorm Insurance Association shall complete and file the following:

(i) 2007 Property and Casualty Annual Statement, due on or before March 1, 2008;

(ii) 2007 Property and Casualty Quarterly Statements, due on or before May 15, August 15, and November 15, 2007;

(iii) 2008 Property and Casualty Quarterly Statements, due

on or before May 15, August 15, and November 15, 2008; and

(iv) Management's Discussion and Analysis, due on or before April 1, 2008.

(v) The Texas Windstorm Insurance Association is not required to file any reports with the NAIC.

(N) The Texas FAIR Plan Association shall complete and file the following:

(i) 2007 Property and Casualty Annual Statement, due on or before March 1, 2008;

(ii) 2007 Property and Casualty Quarterly Statements, due on or before May 15, August 15, and November 15, 2007;

(iii) 2008 Property and Casualty Quarterly Statements, due on or before May 15, August 15, and November 15, 2008;

(iv) Statement of Actuarial Opinion, due on or before March 1, 2008;

(v) Actuarial Opinion Summary prepared in accordance with §7.9 of this title; and

(vi) Management's Discussion and Analysis, due on or before April 1, 2008.

(vii) The Texas FAIR Plan Association is not required to file any reports with the NAIC.

(3) Foreign property and casualty insurers filing only electronically with

the NAIC and not filing a paper copy with the department shall file a signed jurat page with the department in lieu of filing the entire paper filing.

(4) Electronic filings by domestic and foreign insurers to be filed with the NAIC:

(A) 2007 Property and Casualty Annual Statement electronic filing and PDF filing, due on or before March 1, 2008;

(B) 2007 Property and Casualty Quarterly Statement electronic filings and PDF filings, due on or before May 15, August 15, and November 15, 2007;

(C) 2008 Property and Casualty Quarterly Statement electronic filings and PDF filings, due on or before May 15, August 15, and November 15, 2008;

(D) All annual and quarterly supplemental electronic filings together with the related PDF filings (except for electronic Schedule SIS and Supplemental Compensation Exhibit, required of domestic insurers only) due on the dates specified in the forms and instructions;

(E) Electronic combined insurance exhibit, due on or before May 1, 2008; and

(F) Combined annual statement electronic filing and PDF filing, due on or before May 1, 2008.

(5) The commissioner reserves the right to request paper copies of any paper or electronic filings made by foreign companies in their state of domicile or the NAIC.

(6) A foreign insurer that files an application with the department for

approval of a policyholder dividend shall file an Analysis of Surplus (Texas Edition) for property and casualty insurers with the application.

(7) A foreign insurer that is classified as a commercially domiciled insurer under the Insurance Code §823.004 shall file an Analysis of Surplus (Texas Edition) for property and casualty insurers with the department, on or before March 1, 2008.

(f) Requirements for fraternal benefit societies. Each fraternal benefit society shall complete and file the following blanks, forms, and electronic data filings for the three quarters for the 2007 calendar year, the 2007 calendar year, and the three quarters for the 2008 calendar year. The forms and reports identified in this subsection shall be completed in accordance with the "2007 Annual Statement Instructions, Fraternal," the "2007 Quarterly Statement Instructions, Fraternal," and the "2008 Quarterly Statement Instructions, Fraternal," as applicable. The electronic data filings with the NAIC shall be in accordance with the NAIC data specifications and instructions and shall include PDF format filing. The filings for insurers described in this subsection are as follows:

(1) Domestic insurer reports and forms in paper copy to be filed with the department and the NAIC: 2007 Fraternal Quarterly Statements, due on or before May 15, August 15, and November 15, 2007.

(2) Domestic insurer reports and forms in paper copy to be filed only with the department, as follows:

(A) 2007 Fraternal Annual Statement, including the printed investment schedule detail, due on or before March 1, 2008;

(B) 2007 Fraternal Annual Statement of the Separate Accounts
(required of companies maintaining separate accounts), due on or before March 1,
2008;

(C) 2008 Fraternal Quarterly Statements, due on or before May 15,
August 15, and November 15, 2008;

(D) All the paper copies of the annual and quarterly supplements
prepared and filed on dates specified in the forms and instructions;

(E) Management's Discussion and Analysis, due on or before April
1, 2008;

(F) Statement of Actuarial Opinion, due on or before March 1,
2008.

(G) Supplemental Compensation Exhibit, due on or before March
1, 2008;

(H) Texas Overhead Assessment Exemption Form (Texas Edition),
due on or before March 1, 2008. This form is to be filed only by domestic insurance
companies that have qualified pension contracts under the Insurance Code §401.151;
otherwise, this form should not be filed; and

(I) Analysis of Surplus (Texas Edition) for fraternal benefit
societies, due on or before March 1, 2008.

(3) Foreign fraternal insurers filing only electronically with the NAIC and
not filing a paper copy with the department shall file a signed jurat page with the
department in lieu of filing the entire paper filing.

(4) Electronic filings by domestic and foreign insurers to be filed with the

NAIC:

(A) 2007 Fraternal Annual Statement electronic filing and PDF filing, due on or before March 1, 2008;

(B) 2007 Fraternal Annual Statement of the Separate Accounts electronic filing and PDF filing, due on or before March 1, 2008;

(C) 2007 Fraternal Quarterly Statement electronic filings and PDF filings, due on or before May 15, August 15, and November 15, 2007;

(D) 2008 Fraternal Quarterly Statement electronic filings and PDF filings, due on or before May 15, August 15, and November 15, 2008; and

(E) All annual and quarterly supplemental electronic filings together with the related PDF filings (except for the Supplemental Compensation Exhibit) due on the dates specified in the forms.

(5) Statement of Actuarial Opinion required by paragraph (2)(F) of this subsection shall be prepared in accordance with the following:

(A) Unless exempted, the Statement of Actuarial Opinion, attached to the 2008 Fraternal Annual Statement, should follow the applicable provisions of §§3.1601 - 3.1608 of this title.

(B) For those companies exempted from §§3.1601 - 3.1608 of this title, instructions 1 - 12, established by the NAIC, must be followed.

(C) Any company required by §3.4505(b)(3)(I) of this title to opine on the application of X factors, shall attach this opinion to the 2007 Fraternal Annual

Statement, as applicable.

(6) The commissioner reserves the right to request paper copies of any paper or electronic filings made by foreign companies in their state of domicile or the NAIC.

(7) A foreign insurer that is classified as a commercially domiciled insurer under the Insurance Code §823.004 shall file an Analysis of Surplus (Texas Edition) for fraternal benefit societies with the department on or before March 1, 2008.

(g) Requirements for title insurers. Each title insurance company shall complete and file the following blanks and forms for the three quarters of the 2007 calendar year, the 2007 calendar year, and the three quarters of the 2008 calendar year. The reports and forms identified in this subsection shall be completed in accordance with the "2007 Annual Statement Instructions, Title," the "2007 Quarterly Statement Instructions, Title," and the 2008 Quarterly Statement Instructions, Title," as applicable. The electronic version of the filings with the NAIC identified in this subsection shall be in accordance with the NAIC data specifications and instructions and shall include PDF format filing. The filings for insurers described in this subsection are as follows:

(1) Domestic insurer reports and forms in paper copy to be filed with the department and the NAIC: 2007 Title Quarterly Statements, due on or before May 15, August 15, and November 15, 2007.

(2) Domestic insurer reports and forms in paper copy to be filed only with the department as follows:

(A) 2007 Title Annual Statement, including printed investment

schedule details, due on or before March 1, 2008;

(B) 2008 Title Quarterly Statements, due on or before May 15, August 15, and November 15, 2008;

(C) All the paper copies of the annual and quarterly supplements prepared and filed on dates described in the forms and instructions;

(D) Management's Discussion and Analysis, due on or before April 1, 2008;

(E) Statement of Actuarial Opinion, due on or before March 1, 2008;

(F) Supplemental Compensation Exhibit, due on or before March 1, 2008;

(G) Schedule SIS, due on or before March 1, 2008;

(H) Texas Overhead Assessment Exemption Form (Texas Edition), due on or before March 1, 2008. This form is to be filed only by domestic insurance companies that have qualified pension contracts under the Insurance Code §401.151; otherwise, this form should not be filed; and

(I) Analysis of Surplus (Texas Edition) for title companies, due on or before March 1, 2008.

(3) Foreign companies filing electronically with the NAIC and not filing a paper copy with the department shall file a signed jurat page with the department in lieu of filing the entire paper filing.

(4) Electronic filings with the NAIC by domestic and foreign insurers:

(A) 2007 Title Annual Statement electronic filings and PDF filings, due on or before March 1, 2008;

(B) 2007 Title Quarterly Statement electronic filings and PDF filings, due on or before May 15, August 15, and November 15, 2007;

(C) 2008 Title Quarterly Statement electronic filings and PDF filings, due on or before May 15, August 15, and November 15, 2008;

(D) All annual and quarterly supplemental electronic filings together with the related PDF filings (except for Schedule SIS and Supplemental Compensation Exhibit which are only filed by domestic insurers with the department in paper copy) due on the dates specified in the forms and instructions;

(E) Management Discussion and Analysis, due on or before April 1, 2008; and

(F) Statement of Actuarial Opinion, due on or before March 1, 2008.

(5) The commissioner reserves the right to request paper copies of any paper or electronic filings made by foreign companies in their state of domicile or the NAIC.

(6) A foreign insurer that is classified as a commercially domiciled insurer under the Insurance Code §823.004 shall file an Analysis of Surplus (Texas Edition) for title insurers on or before March 1, 2008.

(h) Requirements for health maintenance organizations. Each health maintenance organization licensed pursuant to the Insurance Code Chapter 843 shall

complete the 2007 Quarterly Statements, the 2007 Health Annual Statement, and the 2008 Quarterly Statements. Insurers that are subject to life insurance statutes and are permitted or allowed to do the business of health maintenance organizations shall file the Texas HMO supplement forms as part of their annual and quarterly statement filings. The forms and reports required in this subsection shall be completed in accordance with the "2007 Annual Statement Instructions, Health," and the 2007 Quarterly Statement Instructions, Health," and the 2008 Quarterly Statement Instructions, Health," as applicable. The Texas supplemental forms required in this subsection and provided by the department shall be completed in accordance with the instructions on the forms. The Statement of Actuarial Opinion shall include the additional requirements of the department set forth in paragraph (2)(D) of this subsection. The electronic data filings with the NAIC shall be in accordance with NAIC data specifications and instructions and shall include PDF format filing. The Texas specific electronic filings regarding HMO data requested by the department shall be filed in accordance with the instructions provided by the department. The filings for insurers described in this subsection are as follows:

(1) Domestic and foreign insurer reports and forms in paper copy to be filed with the department and the NAIC: 2007 Health Quarterly Statements, due on or before May 15, August 15, and November 15, 2007. With each quarterly filing, include an up-to-date and completed Schedule E – Part 3 – Special Deposits, utilizing the format from the 2006 Health Annual Statement.

(2) Domestic and foreign insurer reports and forms in paper copy to be

filed only with the department:

(A) 2007 Health Annual Statement, including printed investment schedule detail, due on or before March 1, 2008;

(B) 2008 Health Quarterly Statements, due on or before May 15, August 15, and November 15, 2008. With each quarterly filing, include an up-to-date and completed Schedule E – Part 3 – Special Deposits, utilizing the format from the 2007 Health Annual Statement;

(C) Management's Discussion and Analysis, due on or before April 1, 2008; and

(D) Statement of Actuarial Opinion, due on or before March 1, 2008. In addition to the requirements set forth in the "2007 Annual Statement Instructions, Health," the department requires that the actuarial opinion include the following:

(i) The Statement of Actuarial Opinion must include assurance that an actuarial report and underlying actuarial work papers supporting the actuarial opinion will be maintained at the company and available for examination for seven years. The foregoing must be available by May 1 of the year following the year end for which the opinion was rendered or within two weeks after a request from the commissioner. The suggested wording used will depend on whether the actuary is employed by the company or is a consulting actuary. The wording for an actuary employed by the company should be similar to the following: "An actuarial report and any underlying actuarial work papers supporting the findings expressed in this

Statement of Actuarial Opinion will be retained for a period of seven years in the administrative offices of the company and available for regulatory examination.” The wording for a consulting actuary retained by the company should be similar to the following: “An actuarial report and any underlying actuarial work papers supporting the findings expressed in this Statement of Actuarial Opinion have been provided to the company to be retained for a period of seven years in the administrative offices of the company and available for regulatory examination.”

(ii) Under the scope paragraph requirements of section 5 of the "2007 Annual Statement Instructions, Health," relating to the Actuarial Certification, the department requires that the actuarial opinion specifically list the premium deficiency reserve as an item and disclose the amount of such reserve.

(3) Domestic insurer reports and forms to be filed with the department:

(A) Supplemental Compensation Exhibit in paper copy only, due on or before March 1, 2008;

(B) Texas Overhead Assessment Exemption Form (Texas Edition) in paper copy only, due on or before March 1, 2008. This form is to be filed only by domestic insurance companies that have qualified pension contracts under the Insurance Code §401.151; otherwise, this form should not be filed;

(C) Texas HMO Supplement Annual (Texas Edition), in paper copy and electronic filing, containing annual data for calendar year 2007, to be completed according to the instructions provided by the department, due on or before March 1, 2008.

(D) Texas HMO Supplement Quarterly (Texas Edition), in paper copy and electronic filings;

(i) containing quarterly statement data for calendar-year 2007, to be completed according to the instructions provided by the department, due on or before May 15, August 15, and November 15, 2007; and

(ii) containing quarterly statement data for calendar-year 2008, to be completed according to the instructions provided by the department, due on or before May 15, August 15, and November 15, 2008.

(4) Electronic filings with the NAIC by domestic and foreign insurers:

(A) 2007 Health Annual Statement electronic filing, and PDF filing, due on or before March 1, 2008;

(B) 2007 Health Quarterly statement electronic filing and PDF filing, due on or before May 15, August 15, and November 15, 2007;

(C) 2008 Health Quarterly Statement electronic filing and PDF filing, due on or before May 15, August 15, and November 15, 2008;

(D) All annual and quarterly supplemental electronic filings together with the related PDF filings (except for Schedule SIS and Supplemental Compensation Exhibit which are only filed by domestic insurers with the department in paper copy) due on the dates specified in the forms and instructions;

(E) Statement of Actuarial Opinion, due on or before March 1, 2008; and

(F) Management Discussion and Analysis, due on or before April

1, 2008.

(i) Requirements for farm mutual insurers not subject to the provisions of subsection (e) of this section. Farm mutual insurance companies not subject to subsection (e) of this section shall file the following blanks and forms for the 2007 calendar year with the department only, on or before March 1, 2008:

(1) Annual Statement (Texas Edition);

(2) Texas Overhead Assessment Exemption Form (Texas Edition). This form is to be filed only by domestic insurance companies that have qualified pension contracts under the Insurance Code §401.151; otherwise, this form should not be filed; and

(3) Statement of Actuarial Opinion, unless exempted under §7.31 of this title (relating to Annual Statement Instructions for Farm Mutual Insurance Companies).

(i) Requirements for statewide mutual assessment associations, local mutual aid associations, mutual burial associations and exempt associations. Each statewide mutual assessment association, local mutual aid association, mutual burial association and exempt association shall complete and file the following blanks and forms for the 2007 calendar year with the department only, on or before April 1, 2008:

(1) Annual Statement (Texas Edition) (exempt companies are required to complete all pages except lines 22, 23, 24, 25, and 26 on page 3, the special instructions at the bottom of page 3, and pages 4 - 7);

(2) Texas Overhead Assessment Exemption Form (Texas Edition). This form is to be filed only by domestic insurance companies that have qualified pension

contracts under the Insurance Code §401.151; otherwise, this form should not be filed;

(3) Release of Contributions Form (Texas Edition);

(4) 3-1/2 Percent Chamberlain Reserve Table (Reserve Valuation) (Texas Edition);

(5) Reserve Summary (1956 Chamberlain Table 3-1/2 Percent) (Texas Edition);

(6) Inventory of Insurance in Force by Age of Issue or Reserving Year (Texas Edition); and

(7) Summary of Inventory of Insurance in Force by Age and Calculation of Net Premiums (Texas Edition).

(k) Requirements for nonprofit legal service corporations. Each nonprofit legal service corporation doing business as authorized by a certificate of authority issued under the Insurance Code Chapter 961 shall complete and file the following blanks and forms for the 2007 calendar year with the department only. An actuarial opinion is not required. The following forms are to be filed on or before March 1, 2008:

(1) Annual Statement (Texas Edition); and

(2) Texas Overhead Assessment Exemption Form (Texas Edition). This form is to be filed only by domestic insurance companies that have qualified pension contracts under the Insurance Code §401.151; otherwise, this form should not be filed.

(l) Requirements for Mexican casualty insurance companies. Each Mexican casualty insurance company doing business as authorized by a certificate of authority issued under the Insurance Code Chapter 984, shall complete and file the following

blanks and forms for the 2007 calendar year with the department only. All submissions shall be printed or typed in English and all monetary values shall be clearly designated in United States dollars. The form identified in paragraph (1) of this subsection shall be completed to the extent specified in paragraph (1) of this subsection and in accordance with the "2007 Annual Statement Instructions, Property and Casualty." An actuarial opinion is not required. It is the express intent of this subsection that it shall not repeal or otherwise modify or amend any department rule or the Insurance Code. The following blanks or forms are to be filed on or before March 1, 2008:

(1) 2007 Property and Casualty Annual Statement; provided, however, only pages 1 - 4, and 104 (Schedule T) are required to be completed;

(2) A copy of the balance sheet and the statement of profit and loss from the Mexican financial statement (printed or typed in English);

(3) A copy of the official documents issued by the Comision Nacional de Seguros y Fianzas approving the 2007 annual statement; and

(4) A copy of the current license to operate in the Republic of Mexico.

(m) Other financial reports. Nothing in this section prohibits the department from requiring any insurer or other regulated entity from filing other financial reports with the department.

9. CERTIFICATION. This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas on _____, 2007.

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