

CHAPTER 23. PREPAID LEGAL SERVICE
28 TAC §§23.1 - 23.7

INTRODUCTION. The Commissioner of Insurance adopts the repeal of 28 TAC Chapter 23, consisting of §§23.1 - 23.7, relating to prepaid legal services regulated by the Texas Department of Insurance. "Prepaid legal services" include both for-profit legal services, which were removed from TDI's regulation by Senate Bill 597, 78th Legislature, 2003 (SB 597), and nonprofit legal services, which were removed from TDI's regulation by Senate Bill 1623, 86th Legislature, 2019 (SB 1623). The repeal is necessary because these bills made 28 TAC §§23.1 - 23.7 obsolete.

The repeal is adopted without changes to the proposed repeal published in the December 11, 2020, issue of the *Texas Register* (45 TexReg 8841). TDI adopts §§23.1 - 23.7.

REASONED JUSTIFICATION. The repeal of 28 TAC Chapter 23 is necessary to remove sections made obsolete by SB 1623, which states that nonprofit legal services corporations are not in the practice of insurance. In addition, for-profit legal services corporations were removed from TDI's regulation by SB 597. The proposed repeal removes any references to "prepaid legal services," which would include both nonprofit and for-profit legal services corporations, to reflect current law.

SUMMARY OF COMMENTS. TDI did not receive any comments on the proposed repeal.

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STATUTORY AUTHORITY. The Commissioner adopts the repeal of 28 TAC §§23.1 - 23.7 under Occupations Code Chapter 953, as added by SB 597; Occupations Code §953.003; Insurance Code §§961.002 - 961.004, as amended by SB 1623; and Insurance Code §36.001.

Occupations Code Chapter 953, as added by SB 597, transferred regulation of for-profit legal services from TDI to the Texas Department of Licensing and Regulation.

Insurance Code §§961.002 - 961.004 as amended by SB 1623, has nonprofit legal services removed from TDI's regulation.

Insurance Code §36.001 provides that the Commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

TEXT.**§23.1. Scope and Definitions.****§23.2. Procedures for Issuance of a Certificate of Authority for Chapter 23 Corporations.****§23.3. General Provisions for Chapter 23 Corporations.****§23.4. Authorized Insurers.****§23.5. Licensing of Agents.****§23.6. Forms, Rates, and Advertising.****§23.7. Appendices A through G.**

CERTIFICATION. This agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

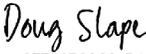
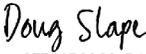
Issued at Austin, Texas, on April 5, 2021.

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James Person, General Counsel
Texas Department of Insurance

The Commissioner adopts the repeal of 28 TAC §§23.1 - 23.7.

Commissioner of Insurance

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By: 
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Doug Slape
Chief Deputy Commissioner
Tex. Gov't Code §601.002
Commissioner's Order No. 2018-5528