

**Chapter 7. Corporate and Financial Regulation**  
**Subchapter M. Regulatory Fees**  
**28 TAC §7.1301 and ~~§7.1302~~**

**INTRODUCTION.** The Texas Department of Insurance (TDI) proposes to amend 28 TAC §7.1301, concerning regulatory fees, and repeal §7.1302, concerning billing system, to be consistent with the proposed repeal and amendment of certain existing sections and adoption of new sections in 28 TAC Chapter 3, Subchapter A, Submission Requirements for Filings and Departmental Actions Related to Such Filings. The Chapter 3 proposal is published separately in this issue of the *Texas Register*.

**EXPLANATION.** Amending §7.1301 and repealing §7.1302 are necessary to conform to the proposed repeal, amendment, and addition of new sections in Chapter 3, Subchapter A. As proposed, the applicability of Chapter 3, Subchapter A, is expanded to include filings by health maintenance organizations (HMOs). The fee amounts for HMO filings addressed in §7.1301 will be replaced with fee amounts specified in proposed §3.13. Existing §3.7, which references the billing system in §7.1302, is proposed for repeal. Proposed new §3.13 requires filing fees to be paid through the electronic funds transfer system provided within the System for Electronic Rates & Forms Filing (SERFF). This change eliminates the need for the electronic billing system; thus, §7.1302 is proposed for repeal.

Descriptions of the proposed amendments to the sections follow.

**Section 7.1301. Regulatory Fees.** The proposed amendments to subsection (g) revise paragraph (4) and delete paragraph (5) to remove the existing provisions that specify a fee of \$100 for an evidence of coverage that requires approval, and a fee of \$50 for a filing that is required by rule but that does not require approval. Subsection (g)(4) is amended to reference filing fees specified in §3.13 for a filing governed by Chapter 3, Subchapter A. Subchapter A applies to form, rate advertising, network, group eligibility,

and informational filings for life and health products, and as proposed, also applies to HMO products. As proposed separately in this edition of the *Texas Register*, §3.13 requires a fee of \$100 for form and rate filings (including HMO evidence of coverage forms and their associated schedules of charges), subject to certain exceptions, and no fee for other types of filings (such as network filings). This change will result in a cost savings to issuers, as described in the Public Benefit and Cost Note section for Chapter 3, Subchapter A. In addition, TDI proposes nonsubstantive changes throughout §7.1301 to conform to agency style and usage guidelines, and to add titles to Insurance Code references.

**Repeal of §7.1302.** TDI proposes to repeal §7.1302, which establishes TDI's internal billing system. This change aligns with the proposed repeal of existing §3.7, and proposed new §3.13, which requires issuers to pay filing fees previously governed by §7.1302 through the SERFF EFT system. This change will increase efficiency for TDI and issuers by reducing the administrative work involved in creating, processing, and paying invoices.

**FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT.** Rachel Bowden, director of the Regulatory Initiatives Office in the Life and Health Division, has determined that during each year of the first five years the sections as proposed are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering them, other than that imposed by statute. Ms. Bowden made this determination because the sections as proposed do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed sections.

Ms. Bowden does not anticipate a measurable effect on local employment or the local economy as a result of this proposal.

**PUBLIC BENEFIT AND COST NOTE.** For each year of the first five years the sections as proposed are in effect, Ms. Bowden expects that administering them will have the public benefit of ensuring that TDI's rules conform to the proposed changes in Chapter 3, Subchapter A, relating to Submission Requirements for Filing and Departmental Actions Related to Such Filings. Chapter 3, Subchapter A, is also proposed for repeal and replacement, and its publication coincides with the publication of the proposed amendments to §7.1301 and the proposed repeal of §7.1302.

For each of the first five years the sections as proposed are in effect, Ms. Bowden also expects that the public benefit anticipated as a result of administration and enforcement of the proposed amendments to §7.1301 and the proposed repeal of §7.1302 will be increased efficiency in the filing process, both for filers and for TDI, resulting in increased speed-to-market for product filings. Currently, filers that fail to pay fees have their filings put "on hold" until delinquent fees are paid, consistent with §7.1302(f) and (g). The updated filing fee process will avoid such holds. In addition, Ms. Bowden expects that administering the sections as proposed will have the public benefit of ensuring that TDI's rules are accurate, consistent, and transparent by reflecting updated Insurance Code references and correct state agency names and by addressing and eliminating errors in punctuation, grammar, and typography.

Ms. Bowden expects that the sections as proposed will not increase the cost of compliance for stakeholders because, as explained in the proposal for Chapter 3, the amendments result in a decrease in filing fees. Based on filing data for 2022 and 2023, TDI estimates an annual cost savings of \$10,000 - \$17,000 associated with the changes to fees for HMO filings that are addressed in §7.1301.

**ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.** TDI has determined that the sections as proposed will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

**EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045.** TDI has determined that this proposal does not impose a possible cost on regulated persons. Instead, the proposal results in a cost savings, as explained in the Public Benefit and Cost Note section. Therefore, no additional rule amendments are required under Government Code §2001.0045

**GOVERNMENT GROWTH IMPACT STATEMENT.** TDI has determined that for each year of the first five years that the sections as proposed are in effect, the proposed rule:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will decrease fees paid to the agency;
- will not create a new regulation;
- will expand, limit, or repeal an existing regulation;
- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

**TAKINGS IMPACT ASSESSMENT.** TDI 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. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

**REQUEST FOR PUBLIC COMMENT.** TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on November 4, 2024. Send your comments to [ChiefClerk@tdi.texas.gov](mailto:ChiefClerk@tdi.texas.gov) or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

The commissioner of insurance will also consider written and oral comments on the proposal in a public hearing under Docket No. 2850 at 2:00 p.m., central time, on November 7, 2024, in Room 2.035 of the Barbara Jordan State Office Building, 1601 Congress Avenue, Austin, Texas 78701.

### **Subchapter M. Regulatory Fees. 28 TAC §7.1301**

**STATUTORY AUTHORITY.** TDI proposes amendments to §7.1301 under Insurance Code §§843.154, 1153.006, 1701.053, and 36.001.

Insurance Code §843.154 provides that the commissioner, within the limits provided by the section, prescribe the fees to be charged under Insurance Code §843.154.

Insurance Code §1153.006 provides that TDI set a fee not to exceed \$200 for a form or schedule filed under Insurance Code Chapter 1153.

Insurance Code §1701.053 provides that TDI collect a fee in an amount determined by the commissioner for the filing of the form of a document under Insurance Code Chapter 1701.

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

**CROSS-REFERENCE TO STATUTE.** Section 7.1301 implements Insurance Code §§843.154, 1153.006, and 1701.053.

**TEXT.**

**§7.1301. Regulatory Fees.**

(a) Regulated entities subject to fees. The regulated entities subject to the fees imposed by this section include all authorized insurers writing any class of insurance in this state that [which] are regulated by Insurance Code Title 2, concerning Texas Department of Insurance; Title 6, concerning Organization of Insurers and Related Entities; Title 7, concerning Life Insurance and Annuities; Title 8, concerning Health Insurance and Other Health Coverages; Title 9, concerning Provisions Applicable to Life and Health Coverages; Title 10, concerning Property and Casualty Insurance; Title 11, concerning Title Insurance; and Title 12, concerning Other Coverage [Titles 2 and 6—12]. For filings and other actions received by the Texas Department of Insurance (department) on and after the effective date of this section, the [~~Texas Department of Insurance~~ (department)] will charge these entities fees in amounts in accordance with the provisions of this section. Filings or other actions received by the department before the effective date of this section will be governed by this subchapter as it existed immediately prior to that date.

(b) Fees for insurers with annual gross premium receipts less than \$450,000. As provided in Insurance Code §202.004, concerning Reduced Fees for Certain Insurers, any insurer to which Insurance Code Chapter 202, concerning Fees, applies and whose gross premium receipts are less than \$450,000 according to its annual statement for the preceding year ending December 31, is required to pay only one-half the amount of the fees required to be paid under subsection (d) or subsection (e) of this section. The fees will be collected at the higher rate unless the applicant can provide the department with satisfactory documentation that gross premium receipts were less than \$450,000.

(c) Fees for specified filings under ~~[pursuant to]~~ Insurance Code Chapter 1701, concerning Policy Forms. Fees for specified filings under ~~[pursuant to]~~ Insurance Code Chapter 1701 are set forth in and governed by Chapter 3, Subchapter A of this title (relating to Submission Requirements for Filings and Departmental Actions Related to Such Filings).

(d) Fees for authorized insurers writing classes of insurance in this state that are regulated by Insurance Code Titles 2 and 6 - 12. For the following filings and actions, the fees are as follows.

(1) For classes of insurance for which statutory authority exists for collecting annual statement fees, the fee for filing annual statements is \$250 unless otherwise specified.

(2) For filing amendments to certificate of authority if charter is not amended, the fee is \$0.

(3) For reservation of name, the fee is \$0.

(4) For renewal of reservation of name, the fee is \$0.

(5) For filing application for admission of a foreign or alien insurance company, including issuance of certificate of authority, the fee is \$0.

(6) For filing original charter, including issuance of certificate of authority, the fee is \$0.

(7) For filing amendment to charter, including issuance of certificate of authority, if a hearing is held, the fee is \$0.

(8) For filing amendment to charter, including issuance of certificate of authority, if a hearing is not held, the fee is \$0.

(9) For filing designation of attorney for service of process or amendment to that [thereto], the fee is \$0.

(10) For filing a total reinsurance agreement, the fee is \$0.

(11) For filing a partial reinsurance agreement, the fee is \$0.

(12) For filing a direct reinsurance agreement under [pursuant to] Insurance Code Chapter 884, Subchapter K, concerning Direct Reinsurance Agreements, the fee is \$0.

(13) For filing for approval of reinsurance agreement under [pursuant to] Insurance Code Chapter 828, concerning Purchase of Stock for Total Assumption Reinsurance, the fee is \$0.

(14) For filing for approval of merger under [pursuant to] Insurance Code Chapter 824, concerning Merger and Consolidation of Stock Insurance Corporations, the fee is \$0.

(15) For accepting a security deposit, excluding deposits made under [pursuant to] Insurance Code §425.002, concerning Certain Insurers: Deposit of Securities, Money, or Property in Amount of Legal Reserves, the fee is \$0.

(16) For substitution/amendment of a security deposit, excluding deposits made under [pursuant to] Insurance Code §425.002, the fee is \$0.

(17) For certification of statutory deposit, the fee is \$0.

(18) For filing notice of intent to relocate the books/records under [~~pursuant to~~] Insurance Code Chapter 803, concerning Location of Books, Records, Accounts, and Offices Outside of This State, the fee is \$0.

(19) For filing restated articles of incorporation for domestic/foreign companies, the fee is \$0.

(20) For filing a statement under [~~pursuant to~~] Insurance Code Chapter 823, Subchapter D, concerning Control of Domestic Insurer; Acquisition or Merger, and Subchapter E, concerning Acquisition Statement, [~~Subchapters D and E~~] for the first \$9,900,000 of the purchase price or consideration, the fee is \$0.

(21) For filing a statement under [~~pursuant to~~] Insurance Code Chapter 823, Subchapters D and E, if the purchase price or consideration exceeds \$9,900,000, the fee is \$0.

(22) For filing registration statement under [~~pursuant to~~] Insurance Code Chapter 823, Subchapter B, concerning Registration, the fee is \$0.

(23) For filing for review under [~~pursuant to~~] Insurance Code Chapter 823, Subchapter C, concerning Transactions of Registered Insurer, or Chapter 884, Subchapter L, concerning Direct Reinsurance Agreements with Mutual Assessment Companies, the fee is \$0.

(24) For filing for an exemption under [~~pursuant to~~] Insurance Code §823.164, concerning Exemptions from Subchapter, the fee is \$0.

(e) Other fees established by Insurance Code Chapter 202. For the following filings, the fee is as follows.

(1) For filing joint control agreement, the fee is \$0.

(2) For filing substitution/amendment to the joint control agreement, the fee is \$0.

(3) For filing a change in attorney in fact, the fee is \$0.

(f) Administrative procedures.

(1) When a reinsurance agreement or merger agreement is filed with the department, as enumerated in subsection (d)(10) - (14) of this section, the appropriate fee will be determined based on the ceding or merged company.

(2) The fee relating to reinsurance transactions entered into under ~~[pursuant to]~~ Insurance Code Chapter 823, Subchapter C, and subsection (d)(23) of this section will be ~~[determined]~~ based on the ceding company.

(3) When an amendment to a reinsurance agreement between affiliated insurers is filed with the department, as mentioned in paragraph (1) of this subsection, the appropriate fee will be based on the ceding company.

(4) An amendment to the charter would constitute any change in the original charter, including ~~[, but not limited to,]~~ name change, home office change, increase in capital, conversion, and increase in lines.

(5) The fee relating to affixing the official seal and certifying to the seal will be applied to all requests for certification, irrespective of requesting party.

(6) The fees for filing an acquisition statement under ~~[pursuant to]~~ Insurance Code Chapter 823, Subchapters D and E, and subsection (d)(20) and (21) of this section will apply to and be collected from the applicant whenever:

(A) the applicant is a regulated entity subject to this section; or

(B) the company being acquired is a regulated entity subject to this section.

(g) Fees under ~~[pursuant to]~~ the Texas Health Maintenance Organization Act, Insurance Code Chapter 843, concerning Health Maintenance Organizations. For the following filings and actions, the fees are as follows.

(1) For filing original application for certificate of authority, the fee is \$0.

(2) For filing annual report, the fee is \$250.

(3) For all examinations made on behalf of the State of Texas by the department or under its authority, the fee will be an amount the commissioner certifies to be just and reasonable.

(4) For a filing governed by Chapter 3, Subchapter A of this title, fees are set forth in and governed by §3.13 of this title (relating to Filing Fees). [~~filing evidence of coverage which requires approval, the fee is \$100.~~]

~~[(5) For filing required by rule but which does not require approval, the fee is \$50.]~~

(h) Fees for filings under [~~pursuant to~~] Insurance Code Chapter 1153, concerning Credit Life Insurance and Credit Accident and Health Insurance. Fees for filings under [~~pursuant to~~] Insurance Code Chapter 1153 are set forth in and governed by Chapter 3, Subchapter A of this title.

(i) Fee for filing an annual statement under Insurance Code Chapter 841, concerning Life, Health, or Accident Insurance Companies. The fee for filing an annual statement is \$250.

**Subchapter M. Regulatory Fees.  
28 TAC §7.1302**

**STATUTORY AUTHORITY.** TDI proposes the repeal of §7.1302 under Insurance Code §§843.154, 1153.006, 1701.053, and 36.001.

Insurance Code §843.154 provides that the commissioner, within the limits provided by the section, prescribe the fees to be charged under Insurance Code §843.154.

Insurance Code §1153.006 provides that TDI set a fee for a form or schedule filed under Insurance Code Chapter 1153.

Insurance Code §1701.053 provides that TDI collect a fee in an amount determined by the commissioner for the filing of the form of a document under Insurance Code Chapter 1701.

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

**CROSS-REFERENCE TO STATUTE.** The proposed repeal of §7.1302 implements Insurance Code §§843.154, 1153.006, and 1701.053.

**TEXT.**

**§7.1302. Billing System.**

**CERTIFICATION.** This agency certifies that legal counsel has reviewed the proposal and found it to be within the agency's legal authority to adopt.

Issued in Austin, Texas, on September 19, 2024.

Signed by:  
*Jessica Barta*  
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Jessica Barta, General Counsel  
Texas Department of Insurance