

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

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Texas State Board of Examiners of Marriage and Family Therapists

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## TITLE 28. INSURANCE

### PART 1. TEXAS DEPARTMENT OF INSURANCE

#### CHAPTER 3. LIFE, ACCIDENT, AND HEALTH INSURANCE AND ANNUITIES

##### SUBCHAPTER RR. VALUATION MANUAL

###### 28 TAC §3.9901

The Commissioner of Insurance adopts amended 28 TAC §3.9901, relating to the adoption of a valuation manual for reserving and related requirements. The amendments are adopted without changes to the proposed text published in the December 28, 2018, issue of the *Texas Register* (43 TexReg 8552). The department adopts §3.9901 without changes to the proposed text.

**REASONED JUSTIFICATION.** The amended section is necessary to implement the provisions of Senate Bill 1654, because Insurance Code §425.073 requires the Commissioner to adopt a valuation manual that is substantially similar to the valuation manual adopted by the National Association of Insurance Commissioners (NAIC).

Under Insurance Code §425.073 the Commissioner must adopt the valuation manual, and any changes to it, by rule.

Under Insurance Code §425.073(c), when the NAIC adopts changes to the valuation manual, the department must adopt substantially similar changes. This subsection also requires that the Commissioner determine that the NAIC's changes were approved by an affirmative vote representing at least three-fourths of the members of the NAIC voting, but not less than a majority of the total membership, and by NAIC members representing jurisdictions totaling greater than 75 percent of the direct written premiums as reported in the most recently available life insurance and accident and health annual statements, health annual statements, and fraternal annual statements.

The department originally adopted the valuation manual in §3.9901 on December 29, 2016, in compliance with Insurance Code §425.073. On August 7, 2018, and September 10, 2018, the NAIC adopted changes to the valuation manual with a vote meeting the requirements set out in Insurance Code §425.073(c). On October 31, 2018, the Commissioner issued Commissioner's Order No. 2018-5690, making the determination that the NAIC vote met the §423.073(c) requirements.

The valuation manual amendments proposed to be adopted by the Commissioner provide updated reserving and reporting requirements for the valuation manual that are substantially similar to changes adopted by the NAIC.

Section 3.9901 as amended adopts an updated valuation manual, as required by Insurance Code §425.073.

**SUMMARY OF COMMENTS.** The department did not receive any comments on the proposed amendment.

**STATUTORY AUTHORITY.** The Commissioner adopts the amended 28 TAC §3.9901 under Insurance Code §425.073 and Insurance Code §36.001.

Section 425.073 provides that the Commissioner must adopt changes to the valuation manual that are substantially similar to the changes to the valuation manual adopted by the NAIC, and it provides that after a valuation manual has been adopted by the Commissioner by rule, any changes to the valuation manual must be adopted by rule.

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

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

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## TITLE 43. TRANSPORTATION

### PART 10. TEXAS DEPARTMENT OF MOTOR VEHICLES

#### CHAPTER 217. VEHICLE TITLES AND REGISTRATION

##### SUBCHAPTER D. NONREPAIRABLE AND SALVAGE MOTOR VEHICLES

###### 43 TAC §217.84

The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 217, Vehicle Titles and Registration, Subchapter D, Nonrepairable and Salvage Motor Vehicles, §217.84, Application for Nonrepairable or Salvage Vehicle Title, without changes to the proposed text as published in the October 26, 2018, issue of the *Texas Register* (43 TexReg 7107). The rule will not be republished.

**EXPLANATION OF AMENDMENTS**

The amendments to §217.84 delete requirements for applications for nonrepairable or salvage vehicle titles to make the rule consistent with Transportation Code, §501.097, and lessen the burden on insurance companies making application under §501.0925.

The amendments delete certain required statements when making application for a nonrepairable or salvage title. Specifically, the amendment deletes the requirement to state that a vehicle was: subject to a total loss claim paid by an insurance company; or an export only motor vehicle; or sold, transferred, or released to the former owner of the vehicle; or sold, transferred, or released to a buyer at a casual sale by a salvage vehicle dealer, insurance company, or salvage pool operator. These specific requirements, formerly a part of Transportation Code, §501.097 were removed by the Texas legislature in House Bill 2357, 82nd Regular Session, effective January 12, 2012.

The amendments simplify the application process for insurance companies making application under Transportation Code, §501.0925, by replacing the requirement for an insurance company to produce documents evidencing payment of a loss claim, such as an electronic check, cancelled check, or screen shot of payment from an insurance company's database, with a certification that the insurance company paid a loss claim for the vehicle that was accepted.

#### COMMENT

The department received a comment from Copart in support of the proposed amendments. Copart believes the amendments will help the department and insurers become more efficient in processing titles on paid insurance claims.

#### STATUTORY AUTHORITY

The amendments are adopted under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; and more specifically, Transportation Code, §501.0041, which provides the department may adopt rules to administer Transportation Code, Chapter 501, Certificate of Title Act.

#### CROSS REFERENCE TO STATUTE

Transportation Code, Chapter 501.

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

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## CHAPTER 219. OVERSIZE AND OVERWEIGHT VEHICLES AND LOADS

## SUBCHAPTER G. RECORDS AND INSPECTIONS

### 43 TAC §219.101

The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 219, Oversize and Overweight Vehicles and Loads, Subchapter G, Records and Inspections, §219.101, Investigations and Inspections of Records, with changes to the proposed text as published in the October 26, 2018, issue of the *Texas Register* (43 TexReg 7109). The rule will be republished.

#### EXPLANATION OF AMENDMENTS

The department conducted a rule review in compliance with Government Code, §2001.039. Notice of the department's readoption of Chapter 219 is published in the Review of Agency Rules section of this issue of the *Texas Register*.

As a result of the review, the department has amended §219.101. An amendment to §219.101(c) gives the department the flexibility to send the notice regarding an inspection or investigation of records by email. Section 219.101 currently authorizes the department to send the notice by certified mail or facsimile. If the person has not provided the department with an address or facsimile number, the department will send the notice to an address or facsimile number verified by the department. The department may verify an address or facsimile number by using a reliable method, such as using a reputable source for public records or by verifying a recent communication with the person via the address or facsimile number.

The department made changes to the proposed text to keep certified mail as a method of designating the time and location of the inspection or investigation, clarifying that the designation is for the time and location, and stating how the department determines the address or facsimile number for the person.

#### COMMENTS

No comments on the proposed amendments were received.

#### STATUTORY AUTHORITY

The amendments are adopted under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles (board) with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department; and more specifically, Transportation Code, §623.002, which authorizes the board to adopt rules that are necessary to implement and enforce Transportation Code, Chapter 623.

#### CROSS REFERENCE TO STATUTE

Transportation Code, Chapter 623, Subchapter N.

§219.101. *Investigations and Inspections of Records.*

##### (a) Inspections.

(1) A person shall give an inspector access to the person's premises to conduct inspections or investigations of an alleged violation of this chapter or Transportation Code, Chapters 621, 622, or 623. The person shall provide adequate workspace with reasonable working conditions and shall allow the inspector to copy and verify records.

(2) The inspector will conduct inspections and investigations during normal business hours unless mutual arrangements have been made otherwise.