

INSURANCE CODE

TITLE 2. TEXAS DEPARTMENT OF INSURANCE

SUBTITLE A. ADMINISTRATION OF THE TEXAS DEPARTMENT OF INSURANCE

CHAPTER 38. DATA COLLECTION AND REPORTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 38.001. INQUIRIES. (a) In this section, "authorization" means a permit, certificate of registration, or other authorization issued or existing under this code.

(b) The department may address a reasonable inquiry to any insurance company, including a Lloyd's plan or reciprocal or interinsurance exchange, or an agent or other holder of an authorization relating to:

(1) the person's business condition; or

(2) any matter connected with the person's transactions that the department considers necessary for the public good or for the proper discharge of the department's duties.

(c) A person receiving an inquiry under Subsection (b) shall respond to the inquiry in writing not later than the 15th day after the date the inquiry is received. If the department receives written notice from the person that additional time is required to respond to the inquiry, the department shall grant a 10-day extension of the time to respond to the inquiry.

(d) A response made under this section that is otherwise privileged or confidential by law remains privileged or confidential until introduced into evidence at an administrative hearing or in a court.

(e) The department shall maintain a record of all inquiries made by the department under this section.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1295 (H.B. 2614), Sec. 1, eff. September 1, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 398 (S.B. 183), Sec. 1, eff. September 1, 2013.

Sec. 38.002. UNDERWRITING GUIDELINES FOR PERSONAL AUTOMOBILE AND RESIDENTIAL PROPERTY INSURANCE; FILING; CONFIDENTIALITY. (a) In this section:

(1) "Insurer" means an insurance company, reciprocal or interinsurance exchange, mutual insurance company, capital stock company, county mutual insurance company, Lloyd's plan, or other legal entity engaged in the business of personal automobile insurance or residential property insurance in this state. The term includes:

(A) an affiliate as described by Section [823.003\(a\)](#) if that affiliate is authorized to write and is writing personal automobile insurance or residential property insurance in this state;

(B) the Texas Windstorm Insurance Association created and operated under Chapter [2210](#);

(C) the FAIR Plan Association under Chapter [2211](#);
and

(D) the Texas Automobile Insurance Plan Association under Chapter [2151](#).

(2) "Personal automobile insurance" means motor vehicle insurance coverage for the ownership, maintenance, or use of a private passenger, utility, or miscellaneous type motor vehicle, including a motor home, mobile home, trailer, or recreational vehicle, that is:

(A) owned or leased by an individual or individuals; and

(B) not primarily used for the delivery of goods, materials, or services, other than for use in farm or ranch operations.

(3) "Residential property insurance" means insurance coverage against loss to residential real property at a fixed location or tangible personal property provided in a homeowners policy, which includes a tenant policy, a condominium owners policy, or a residential fire and allied lines policy.

(4) "Underwriting guideline" means a rule, standard, guideline, or practice, whether written, oral, or electronic, that is used by an insurer or its agent to decide whether to accept or

reject an application for coverage under a personal automobile insurance policy or residential property insurance policy or to determine how to classify those risks that are accepted for the purpose of determining a rate.

(b) Each insurer shall file with the department a copy of the insurer's underwriting guidelines. The insurer shall update its filing each time the underwriting guidelines are changed. If a group of insurers files one set of underwriting guidelines for the group, they shall identify which underwriting guidelines apply to each company in the group.

(c) The office of public insurance counsel may obtain a copy of each insurer's underwriting guidelines.

(d) The department or the office of public insurance counsel may disclose to the public a summary of an insurer's underwriting guidelines in a manner that does not directly or indirectly identify the insurer.

(e) Underwriting guidelines must be sound, actuarially justified, or otherwise substantially commensurate with the contemplated risk. Underwriting guidelines may not be unfairly discriminatory.

(f) The underwriting guidelines are subject to Chapter [552](#), Government Code.

Added by Acts 2003, 78th Leg., ch. 206, Sec. 8.01, eff. June 11, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. [2636](#)), Sec. 2B.004, eff. April 1, 2009.

Sec. 38.003. UNDERWRITING GUIDELINES FOR OTHER LINES; CONFIDENTIALITY. (a) This section applies to all underwriting guidelines that are not subject to Section [38.002](#).

(b) For purposes of this section, "insurer" means a reciprocal or interinsurance exchange, mutual insurance company, capital stock company, county mutual insurance company, Lloyd's plan, life, accident, or health or casualty insurance company, health maintenance organization, mutual life insurance company, mutual insurance company other than life, mutual, or natural

premium life insurance company, general casualty company, fraternal benefit society, group hospital service company, or other legal entity engaged in the business of insurance in this state. The term includes an affiliate as described by Section 823.003(a) if that affiliate is authorized to write and is writing insurance in this state.

(c) The department or the office of public insurance counsel may obtain a copy of an insurer's underwriting guidelines.

(d) Underwriting guidelines are confidential, and the department or the office of public insurance counsel may not make the guidelines available to the public.

(e) The department or the office of public insurance counsel may disclose to the public a summary of an insurer's underwriting guidelines in a manner that does not directly or indirectly identify the insurer.

(f) When underwriting guidelines are furnished to the department or the office of public insurance counsel, only a person within the department or the office of public insurance counsel with a need to know may have access to the guidelines. The department and the office of public insurance counsel shall establish internal control systems to limit access to the guidelines and shall keep records of the access provided.

(g) This section does not preclude the use of underwriting guidelines as evidence in prosecuting a violation of this code. Each copy of an insurer's underwriting guidelines that is used in prosecuting a violation is presumed to be confidential and is subject to a protective order until all appeals of the case have been exhausted. If an insurer is found, after the exhaustion of all appeals, to have violated this code, a copy of the underwriting guidelines used as evidence of the violation is no longer presumed to be confidential.

(h) A violation of this section is a violation of Chapter 552, Government Code.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999. Renumbered from Insurance Code Sec. 38.002 and amended by Acts 2003, 78th Leg., ch. 206, Sec. 8.01, eff. June 11, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 2B.005, eff. April 1, 2009.

SUBCHAPTER B. HEALTH BENEFIT PLAN PROVIDER REPORTING

Sec. 38.051. DEFINITION. In this subchapter, "health benefit plan provider" means an insurance company, group hospital service corporation, or health maintenance organization that issues:

(1) an individual, group, blanket, or franchise insurance policy, an insurance agreement, a group hospital service contract, or an evidence of coverage, that provides benefits for medical or surgical expenses incurred as a result of an accident or sickness; or

(2) a long-term care benefit plan, as defined by Section 1651.003.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 2B.006, eff. April 1, 2009.

Sec. 38.052. REQUIRED INFORMATION; RULES. (a) A health benefit plan provider shall submit information required by the department relating to the health benefit plan provider's:

- (1) loss experience;
- (2) overhead; and
- (3) operating expenses.

(b) The department may also request information about characteristics of persons covered by a health benefit plan provider, including information relating to:

- (1) age;
- (2) gender;
- (3) health status;
- (4) job classification; and
- (5) geographic distribution.

(c) A health benefit plan provider may not be required to submit information under this section more frequently than

annually.

(d) The commissioner shall adopt rules governing the submission of information under this subchapter.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER E. STATISTICAL DATA COLLECTION

Sec. 38.201. DEFINITION. In this subchapter, "designated statistical agent" means an organization designated or contracted with by the commissioner under Section 38.202.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 38.202. STATISTICAL AGENT. The commissioner may, for a line or subline of insurance, designate or contract with a qualified organization to serve as the statistical agent for the commissioner to gather data relevant for regulatory purposes or as otherwise provided by this code.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 38.203. QUALIFICATIONS OF STATISTICAL AGENT. To qualify as a statistical agent, an organization must demonstrate at least five years of experience in data collection, data maintenance, data quality control, accounting, and related areas.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 38.204. POWERS AND DUTIES OF STATISTICAL AGENT. (a) A designated statistical agent shall collect data from reporting insurers under a statistical plan adopted by the commissioner.

(b) The statistical agent may provide aggregate historical premium and loss data to its subscribers.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 38.205. DUTY OF INSURER. An insurer shall provide all premium and loss cost data to the commissioner or the designated statistical agent as the commissioner or agent requires.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 38.206. FEES. (a) A designated statistical agent may collect from a reporting insurer any fees necessary for the agent to recover the necessary and reasonable costs of collecting data from that reporting insurer.

(b) A reporting insurer shall pay the fee to the statistical agent for the data collection services provided by the statistical agent.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 38.207. RULES. The commissioner may adopt rules necessary to accomplish the purposes of this subchapter.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER F. DATA COLLECTING AND REPORTING RELATING TO MANDATED HEALTH BENEFITS AND MANDATED OFFERS OF COVERAGE

Sec. 38.251. APPLICABILITY. This subchapter applies to any issuer of a health benefit plan that is subject to this code that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document.

Added by Acts 2001, 77th Leg., ch. 852, Sec. 1, eff. Sept. 1, 2001.

Sec. 38.252. COLLECTION OF INFORMATION; REPORT. (a) The commissioner shall require a health benefit plan issuer to collect and report cost and utilization data for each mandated health benefit and mandated offer designated by the commissioner.

(b) The commissioner shall designate by rule:

(1) the issuers of health benefit plans that must collect and report data based on the annual dollar amounts of Texas premium collected by the health benefit plan issuer;

(2) the specific mandated health benefits and mandated offers of coverage for which data must be collected;

(3) a description of the data that must be collected;

(4) the beginning and ending dates of the reporting periods, which shall be no less than every two years;

(5) the date following the end of the reporting period by which the report shall be submitted to the commissioner;

(6) the detail and form in which the report shall be submitted; and

(7) any other reasonable requirements that the commissioner determines are necessary to determine the impact of mandated benefits and mandated offers of coverage for which data collection and reporting is required.

(c) The commissioner shall not require reporting of data:

(1) that could reasonably be used to identify a specific enrollee in a health benefit plan;

(2) in any way that violates confidentiality requirements of state or federal law applicable to an enrollee in a health benefit plan; or

(3) in which the health maintenance organization operating under Section 1367.053, Subchapter A, Chapter 1452, Subchapter B, Chapter 1507, Chapter 222, 251, or 258, as applicable to a health maintenance organization, Chapter 843, Chapter 1271, and Chapter 1272 does not directly process the claim or does not receive complete and accurate encounter data.

Added by Acts 2001, 77th Leg., ch. 852, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 2B.009, eff. April 1, 2009.

Sec. 38.253. MAINTENANCE OF INFORMATION. Each health benefit plan issuer shall maintain at its principal place of business all data collected pursuant to this subchapter, including information and supporting documentation that demonstrates that the report submitted to the commissioner is complete and accurate. Each health benefit plan issuer shall make this information and any supporting documentation available to the commissioner upon request.

Added by Acts 2001, 77th Leg., ch. 852, Sec. 1, eff. Sept. 1, 2001.

Sec. 38.254. UTILIZATION AND COST DATA TO COMMISSIONER.

(a) Upon request from the commissioner, the Texas Health and Human Services Commission shall provide to the commissioner data, including utilization and cost data, which is related to the mandate being assessed to the population covered by the Medicaid program, including a program administered under Chapter 32, Human Resources Code, and a program administered under Chapter 533, Government Code, even if the program is not necessarily subject to the mandate.

(b) The commissioner may utilize data as defined in Subsection (a) to determine the impact of mandated benefits and mandated offers of coverage for which data collection and reporting is requested.

Added by Acts 2001, 77th Leg., ch. 852, Sec. 1, eff. Sept. 1, 2001.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.002, eff. Sept. 1, 2003.

SUBCHAPTER G. DATA REPORTING BY CERTAIN LIABILITY INSURERS

Sec. 38.301. INSURER DATA REPORTING. (a) Each insurer that writes professional liability insurance policies for nursing institutions licensed under Chapter 242, Health and Safety Code, including an insurer whose rates are not regulated, shall, as a condition of writing those policies in this state, comply with a request for information from the commissioner under this section.

(b) The commissioner may require information in rate filings, special data calls, or informational hearings or by any other means consistent with this code applicable to the affected insurer that the commissioner believes will allow the commissioner to:

(1) determine whether insurers writing insurance coverage described by Subsection (a) are passing to insured nursing institutions on a prospective basis the savings that accrue as a result of the reduction in risk to insurers writing that coverage that will result from legislation enacted by the 77th Legislature, Regular Session, including legislation that:

(A) amended Article 5.15-1 to limit the exposure

of an insurer to exemplary damages for certain claims against a nursing institution; and

(B) amended Sections 32.021(i) and (k), Human Resources Code, added Section 242.050, Health and Safety Code, and repealed Section 32.021(j), Human Resources Code, to clarify the admissibility of certain documents in a civil action against a nursing institution; or

(2) prepare the report required of the commissioner under Section 38.252 or any other report the commissioner is required to submit to the legislature in connection with the legislation described by Subdivision (1).

(c) Information provided under this section is privileged and confidential to the same extent as the information is privileged and confidential under this code or any other law governing an insurer described by Subsection (a). The information remains privileged and confidential unless and until introduced into evidence at an administrative hearing or in a court of competent jurisdiction.

Added by Acts 2001, 77th Leg., ch. 1284, Sec. 4.01, eff. June 15, 2001. Renumbered from Insurance Code Sec. 38.251 by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.501, eff. Sept. 1, 2003.

Sec. 38.302. RECOMMENDATIONS TO LEGISLATURE. The commissioner shall assemble information and take other appropriate measures to assess and evaluate changes in the marketplace resulting from the implementation of the legislation described by Section 38.251 and shall report the commissioner's findings and recommendations to the legislature.

Added by Acts 2001, 77th Leg., ch. 1284, Sec. 4.01, eff. June 15, 2001. Renumbered from Insurance Code Sec. 38.252 by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.501, eff. Sept. 1, 2003.

SUBCHAPTER H. HEALTH CARE REIMBURSEMENT RATE INFORMATION

Sec. 38.351. PURPOSE OF SUBCHAPTER. The purpose of this subchapter is to authorize the department to:

(1) collect data concerning health benefit plan

reimbursement rates in a uniform format; and

(2) disseminate, on an aggregate basis for geographical regions in this state, information concerning health care reimbursement rates derived from the data.

Added by Acts 2007, 80th Leg., R.S., Ch. 997 (S.B. 1731), Sec. 8, eff. September 1, 2007.

Sec. 38.352. DEFINITION. In this subchapter, "group health benefit plan" means a preferred provider benefit plan as defined by Section 1301.001 or an evidence of coverage for a health care plan that provides basic health care services as defined by Section 843.002.

Added by Acts 2007, 80th Leg., R.S., Ch. 997 (S.B. 1731), Sec. 8, eff. September 1, 2007.

Sec. 38.353. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies to the issuer of a group health benefit plan, including:

- (1) an insurance company;
- (2) a group hospital service corporation;
- (3) a fraternal benefit society;
- (4) a stipulated premium company;
- (5) a reciprocal or interinsurance exchange; or
- (6) a health maintenance organization.

(b) Notwithstanding any provision in Chapter 1551, 1575, 1579, or 1601 or any other law, and except as provided by Subsection (e), this subchapter applies to:

- (1) a basic coverage plan under Chapter 1551;
- (2) a basic plan under Chapter 1575;
- (3) a primary care coverage plan under Chapter 1579;

and

- (4) basic coverage under Chapter 1601.

(c) Except as provided by Subsection (d), this subchapter applies to a small employer health benefit plan provided under Chapter 1501.

(d) This subchapter does not apply to:

- (1) standard health benefit plans provided under

Chapter 1507;

(2) children's health benefit plans provided under Chapter 1502;

(3) health care benefits provided under a workers' compensation insurance policy;

(4) Medicaid managed care programs operated under Chapter 533, Government Code;

(5) Medicaid programs operated under Chapter 32, Human Resources Code; or

(6) the state child health plan operated under Chapter 62 or 63, Health and Safety Code.

(e) The commissioner by rule may exclude a type of health benefit plan from the requirements of this subchapter if the commissioner finds that data collected in relation to the health benefit plan would not be relevant to accomplishing the purposes of this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 997 (S.B. 1731), Sec. 8, eff. September 1, 2007.

Sec. 38.354. RULES. The commissioner may adopt rules as provided by Subchapter A, Chapter 36, to implement this subchapter. Added by Acts 2007, 80th Leg., R.S., Ch. 997 (S.B. 1731), Sec. 8, eff. September 1, 2007.

Sec. 38.355. DATA CALL; STANDARDIZED FORMAT. (a) Each health benefit plan issuer shall submit to the department, at the time and in the form and manner required by the department, aggregate reimbursement rates by region paid by the health benefit plan issuer for health care services identified by the department.

(b) The department shall require that data submitted under this section be submitted in a standardized format, established by rule, to permit comparison of health care reimbursement rates. To the extent feasible, the department shall develop the data submission requirements in a manner that allows collection of reimbursement rates as a dollar amount and not by comparison to other standard reimbursement rates, such as Medicare reimbursement rates.

(c) The department shall specify the period for which reimbursement rates must be filed under this section.

(d) The department may contract with a private third party to obtain the data under this subchapter. If the department contracts with a third party, the department may determine the aggregate data to be collected and published under Section 38.357 if consistent with the purposes of this subchapter described in Section 38.351. The department shall prohibit the third party contractor from selling, leasing, or publishing the data obtained by the contractor under this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 997 (S.B. 1731), Sec. 8, eff. September 1, 2007.

Sec. 38.356. CONFIDENTIALITY OF DATA. Except as provided by Section 38.357, data collected under this subchapter is confidential and not subject to disclosure under Chapter 552, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 997 (S.B. 1731), Sec. 8, eff. September 1, 2007.

Sec. 38.357. PUBLICATION OF AGGREGATE HEALTH CARE REIMBURSEMENT RATE INFORMATION. The department shall provide to the Department of State Health Services for publication, for identified regions of this state, aggregate health care reimbursement rate information derived from the data collected under this subchapter. The published information may not reveal the name of any health care provider or health benefit plan issuer. The department may make the aggregate health care reimbursement rate information available through the department's Internet website.

Added by Acts 2007, 80th Leg., R.S., Ch. 997 (S.B. 1731), Sec. 8, eff. September 1, 2007.

Sec. 38.358. PENALTIES. A health benefit plan issuer that fails to submit data as required in accordance with this subchapter is subject to an administrative penalty under Chapter 84. For purposes of penalty assessment, each day the health benefit plan

issuer fails to submit the data as required is a separate violation.
Added by Acts 2007, 80th Leg., R.S., Ch. 997 (S.B. [1731](#)), Sec. 8,
eff. September 1, 2007.