

## Rules Update

### Adopted in 2015:

- Autism Spectrum Disorder - 28 TAC Chapter 21, Subchapter JJ
- Prior Authorization Forms - 28 TAC Chapter 19, Subchapter S
- Acquired Brain Injury - 28 TAC Chapter 21, Subchapter W
- Toll Free Notice - 28 TAC Chapter 1, Subchapter A
- Wellness Programs - 28 TAC Chapter 21, Subchapter MM
- Composite Premiums - 28 TAC Chapter 26, Subchapter A

### Under Development:

- Filing Fees - 28 TAC Chapter 3, Subchapter A - Reviewing rule to determine if fees should be simplified and EFT permitted.
- Billing Methods - 28 TAC Chapter 7, Subchapter M - Reviewing rule to determine if EFT should be mandatory for certain filings.
- Consumer Choice – 28 TAC Chapter 21, Subchapter AA - Updating for new mandates and marketing issues.
- Mandatory Benefit Notices - 28 TAC, Chapter 21, Subchapter M - Updating for new ovarian cancer mandate, proposed rule is expected to be published March, 2016.
- Mandated Benefits Data Collection - 28 TAC Chapter 21, Subchapter Z - Informal posting and stakeholder meeting to be announced.

### Under Development (continued):

- Out-of Network Dispute Resolution - Rule 28 TAC Chapter 21, Subchapter PP - Conforming to recent legislation.
- Individual Rule 28 TAC Chapter 3, Subchapter S - Stakeholder meeting held; working on informal but monitoring NAIC work on Models 170 and 171.

### Informal:

- Employer Rules - 28 TAC, Chapter 26, Subchapters A, C, D and E - Informal previously issued; staff anticipates a formal proposal this spring with adoption this summer/fall.
- HMO Rule - 28 TAC Chapter 11 - Informal previously issued; staff anticipates a formal proposal this spring with adoption this fall.

### Published in TexReg:

- Formulary Rule 28 TAC Chapter 21 Subchapter V - Formal hearing held February 24, 2016.
- Health Care Reimbursement Rate Information 28 TAC Chapter 21 Subchapter KK - Adoption order anticipated Spring, 2016.
- PEO Self-Funded Plans - Adoption order anticipated Spring, 2016.

## NAIC Activities

- Unclaimed Life Insurance Benefits (A) Working Group - Unclaimed Life Insurance and Annuities Model Act – Requires use of Social Security’s Death Master File (DMF) to identify deceased individuals whose deaths are likely to require insurers to pay benefits or proceeds to beneficiaries.
- Life Insurance Illustration Issues (A) Working Group - Index Universal Life Illustration Subgroup - considering updating the narrative summary of Section 7b of Model 582 which would minimize misleading illustrations.
- Contingent Deferred Annuity (A) Working Group - Evaluating the adequacy of existing laws and regulations with regard to CDA’s and whether additional solvency and consumer protection standards are required.
- Long-Term Care Pricing (B) Subgroup - The pricing subgroup is currently addressing the issue of large rate increases to small remaining blocks of business.

## Market Conduct Snapshot

### Accident/Health Compliance Issues:

- Primary focus - PPO Plans
- Denying claims based upon the date of receipt of the claim exceeding the 95 day time limit using the criterion that the claim must first be a clean claim.
- Quarterly Clean Claims Report (QCCR) - Based on claims release date rather than its electronic payment transmission date.
- QCCR - Did not report the number of clean claims received from non-institutional and institutional preferred providers.

### Life/Annuity Compliance Issues:

- Primary focus - Individual Annuities
- Replacement - Failure to notify not later than the fifth business day after the date of receipt of a completed application indicating replacement.
- Suitability - Failure to provide an annual report to senior management on the effectiveness of the supervision system.
- Suitability - Failure to establish standards for agent product training and maintaining compliance.

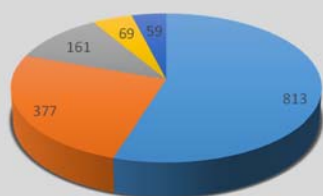
## Complaint Summary CY 2015

### Accident and Health

Total Complaints  
9,855

Confirmed Complaints  
1,185

#### A/H Confirmed Complaints Top 5 Reasons



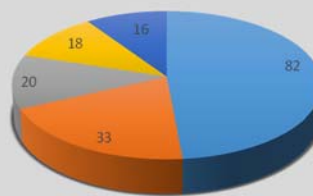
- Claim Handling
- Policyholder Service
- Underwriting
- Marketing and Sales
- Patient Protection Rules

### Life and Annuity

Total Complaints  
1,192

Confirmed Complaints  
123

#### L/A Confirmed Complaints Top 5 Reasons



- Policyholder Service
- Marketing and Sales
- Underwriting
- Claim Handling
- Agent Contracts