

**ADVISORY NO. 432**  
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**TOPIC:       INFORMAL WORKING DRAFT OF RULES RELATING  
              TO ADMINISTRATORS - 28 TAC §§7.1601 – 7.1618  
              INFORMAL COMMENTS DUE BY 3:00 P.M.,  
              MONDAY, OCTOBER 27, 2008**

The Texas Department of Insurance has prepared a second working draft of rules relating to the regulation of administrators under the Insurance Code Chapter 4151. HB 472, which was enacted by the 80th Legislature, addresses the regulation of administrators with delegated duties in the workers' compensation system of this state. The draft rule is intended to harmonize the regulation of all administrators under the Insurance Code Chapter 4151, including those administrators affected by HB 472. The Department posted the first working draft of rules relating to the regulation of administrators under the Insurance Code Chapter 4151 from November 26 to December 14, 2007.

This working draft of rules concerns the licensing, examination, contracting, reporting, and financial requirements, procedures, responsibilities, and obligations applicable to administrators under the Insurance Code Chapter 4151, as well as certain contracting and auditing requirements applicable to insurers. The current regulations, 28 TAC §§7.1601 – 7.1617, will be repealed and the draft rule is proposed for adoption in their place.

The Department invites your input on the attached working draft. You will have the opportunity to make formal comment after the rule is formally proposed and officially published in the *Texas Register*. The Department anticipates formal publication of the rule in November, 2008. The working draft may contain drafting notes and formatting that will be changed as necessary to comply with the *Texas Register* style.

To expedite the process, we encourage comments to the informal working draft be submitted electronically via email to the address below. We request that any informal comments be submitted by 3:00 p.m. on Monday, October 27, 2008.

Thank you for your interest and assistance in this process. A copy of the informal draft rules may be downloaded at:

[http://www.tdi.state.tx.us/rules/2008/documents/Chapter\\_7\\_Text.doc](http://www.tdi.state.tx.us/rules/2008/documents/Chapter_7_Text.doc).

Please feel free to contact Steve Tipton or Bobby Stokes to discuss these draft rules.

FLAHIVE, OGDEN & LATSON