

IV. Policymaking Structure

A. Complete the following chart providing information on your policymaking body members.

Texas Department of Insurance Exhibit 3: Policymaking Body			
Member Name	Term/Appointment Dates/ Appointed by	Qualification	City
Mike Geeslin, Commissioner of Insurance	2-year term/ February 1, 2007 to February 1, 2009/ Appointed by Governor Rick Perry	1) be a competent and experienced administrator; (2) be well informed and qualified in the field of insurance and insurance regulation; and (3) have at least five years of experience in the administration of business or government or as a practicing attorney or certified public accountant. Tex. Ins. Code §31.023.	Austin
Albert Betts, Commissioner of Workers' Compensation	2-year term/ February 1, 2007 to February 1, 2009/ Appointed by Governor Rick Perry	(1) be a competent and experienced administrator; (2) be well-informed and qualified in the field of workers' compensation; and (3) have at least five years of experience as an executive in the administration of business or government or as a practicing attorney, physician, or certified public accountant. Tex. Labor Code §402.00118.	Austin

B. Describe the primary role and responsibilities of your policymaking body.

The Commissioner of Insurance is the agency's chief executive and administrative officer appointed by the Governor as head of the Texas Department of Insurance (TDI). Texas Insurance Code, Chapter 31, charges TDI with regulating the business of insurance in Texas and administering the Workers' Compensation System of this state as provided by Title 5 of the Texas Labor Code. The Commissioner of Insurance is charged with administering and enforcing the Texas Insurance Code, other insurance laws of this state, and other laws granting jurisdiction or applicable to the agency and the Commissioner.

Texas Labor Code, Chapter 402, designates TDI as the agency to oversee the workers' compensation system in this state and establishes the Division of Workers' Compensation (DWC) as a division within TDI. DWC is part of TDI; however, unlike other divisions or areas, the Commissioner of Workers' Compensation has statutory authority to perform other activities such as: adopt rules; intervene in any judicial proceeding under Subchapter F or Subchapter G, Texas Labor Code; enter into contracts with the

federal government to perform occupational safety projects and apply for federal funds through any federal program relating to occupational safety; contract with a private or public entity to perform a duty or function of DWC; appoint advisory committees as the Commissioner of Workers' Compensation considers necessary; assess an administrative penalty for administrative violation; and enter a cease and desist order.

The Texas Labor Code, Chapter 402, provides that the Commissioner of Workers' Compensation is the division's chief executive and administrative officer. The Commissioner of Workers' Compensation has the powers and duties vested in the division. The Commissioner of Workers' Compensation shall conduct the daily operations of the division and otherwise implement division policy.

C. How is the chair selected?

The Texas Department of Insurance does not have a chair.

D. List any special circumstances or unique features about your policymaking body or its responsibilities.

The Commissioner of Insurance is TDI's chief executive and administrative officer appointed by the Governor as head of the Texas Department of Insurance. House Bill 7, enacted by the 79th Texas Legislature, Regular Session, created the Division of Workers' Compensation as a division within TDI (Texas Labor Code, Section 402.001). The DWC is administered by the Commissioner of Workers' Compensation, who is appointed by the Governor (Texas Labor Code, Sections 402.00111 and 402.00116).

E. In general, how often does your policymaking body meet? How many times did it meet in FY 2006? in FY 2007?

TDI does not have a policymaking body, such as a board or commission. TDI has a single commissioner as the chief executive officer and administrative head of the agency.

House Bill 7, enacted by the 79th Texas Legislature, Regular Session, created the Division of Workers' Compensation as a division within TDI (Texas Labor Code, Section 402.001). The DWC is administered by the Commissioner of Workers' Compensation, who is appointed by the governor (Texas Labor Code, Section 402.00111).

F. What type of training do members of your agency's policymaking body receive?

The Commissioner of Insurance receives training in the following areas pursuant to *Texas Insurance Code*, Section 31.028:

- (1) the legislation that created the department;
- (2) the programs operated by the department;
- (3) the role and functions of the department;
- (4) the rules of the department, with an emphasis on the rules that relate to disciplinary and investigatory authority;
- (5) the current budget for the department;

- (6) the results of the most recent formal audit of the department;
- (7) the requirements of:
 - (A) the open meetings law, Chapter 551, Government Code;
 - (B) the public information law, Chapter 552, Government Code;
 - (C) the administrative procedure law, Chapter 2001, Government Code; and
 - (D) other laws relating to public officials, including conflict of interest laws; and
- (8) any applicable ethics policies adopted by the department or the Texas Ethics Commission.

The Commissioner of Workers' Compensation receives training in the following areas pursuant to *Texas Labor Code*, Section 402.00127:

- (1) the legislation that created the division;
- (2) the programs operated by the division;
- (3) the role and functions of the division;
- (4) the rules of the commissioner of insurance relating to the division, with an emphasis on the rules that relate to disciplinary and investigatory authority;
- (5) the current budget for the division;
- (6) the results of the most recent formal audit of the division;
- (7) the requirements of:
 - (A) the open meetings law, Chapter 551, Government Code;
 - (B) the public information law, Chapter 552, Government Code;
 - (C) the administrative procedure law, Chapter 2001, Government Code; and
 - (D) other laws relating to public officials, including conflict-of-interest laws; and
- (8) any applicable ethics policies adopted by the division or the Texas Ethics Commission.

In addition, the Commissioner of Insurance and the Commissioner of Workers' Compensation may attend seminars on issues related to insurance and workers' compensation.

G. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.

The Commissioner of Insurance on behalf of the Texas Department of Insurance has adopted the following manuals, which set forth the agency's policies and procedures:

- Operations Manual
- Personnel Manual
- Computer Security Manual
- Employee Health, Safety and Risk Management Manual
- Open Records Manual
- Fraud Prevention Manual.

The TDI Manuals are updated and/or revised every two years following each legislation session. Following adoption by the Commissioner of Insurance, the TDI Manuals are made available to all employees on TDI's Intranet website, on TDI's agency shared drive of TDI computers, and a hard copy is maintained by program area supervisors. In addition, hard copies of the Manuals also are available for review in Human Resources. Employees are made aware through an agency-wide email that the TDI Manuals have been adopted. The employees are required to sign an acknowledgement form indicating that they understand they must comply with the policies in the manuals and that the manuals are accessible through the agency's shared network drives.

H. What information is regularly presented to your policymaking body to keep them informed of your agency's performance?

The Commissioner of Insurance and the Commissioner of Workers' Compensation receive regular briefings and reports from staff regarding performance, which include:

- quarterly information on the agency's budget, expenditure, performance measure, and revenue status, and on human resources and recruitment data
- written biweekly or monthly reports from each agency program, including activities and status of program initiatives
- monthly status of rulemaking efforts and contested cases
- regular meeting with program areas.

The information presented to the Commissioner of Insurance is augmented by meetings 1) between program area executive management and 2) between key program personnel that meet separate from executive management. This network of communication helps to foster intra-departmental communication at both strategic and tactical levels. These efforts in turn help to enhance the information presented to the Commissioners.

I. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?

In general, TDI uses the following methods to collect stakeholder feedback:

- daily telephone calls, mail, complaint submissions, and personal contacts
- dissemination of information to public and stakeholders (e.g., bulletins, articles, letters)
- formal and informal surveys
- guidance from working groups, advisory boards, task forces, and committees
- informational hearings to gather information on a particular topic
- formal and informal administrative rule comments
- compliance conferences, national and regional meetings of organizations.

Input from the public has resulted in process improvements, outreach efforts, publication development, rule changes, and legislative recommendations.

J. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart.

Texas Department of Insurance Exhibit 4: Subcommittees, Advisory Committees and Boards			
Name of Subcommittee or Advisory Committee	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
Agents Study Proposal Vendor Committee	The commissioner of insurance may appoint an advisory council. If an advisory council is appointed, the council must be	The advisory council may provide the commissioner of insurance with information	Tex. Ins. Code §4004.002.

(short term study)	composed of nine members, four of whom must be public members.	and assistance in the conduct of the continuing education program for agents licensed under this title.	
Building Code Advisory Committee	<p>Nine voting members and the commissioner of insurance or the commissioner's designee shall serve as an ex officio, nonvoting member of the advisory committee.</p> <p>The voting members of the advisory committee consists of the following:</p> <p>(1) three members who are representatives of the building industry who reside in catastrophe areas: (A) two of whom are residential builders; and (B) one of whom is a representative of the building supply industry;</p> <p>(2) three members who are representatives of the insurance industry: (A) one of whom is a member of the board of directors; and (B) two of whom are full-time employees of an insurer authorized to engage in the business of property and casualty insurance in this state that writes insurance in a catastrophe area; and</p> <p>(3) three members who are representatives of the public who reside in a catastrophe area, one of whom is a professional engineer licensed in this state.</p> <p>The voting members are appointed by the Commissioner of Insurance.</p>	The committee is established as an advisory committee to advise and make recommendations to the Commissioner of Insurance on building specifications and maintenance in the plan of operation.	Tex. Ins. Code §§2210.301-302.
Fire Detection and Alarm Devices Advisory Council	<p>7 members</p> <p>The advisory council is appointed by the commissioner and is composed of seven individuals as follows:</p> <p>(1) three individuals employed by any registered firm in the fire protection industry who have a minimum of three years experience in the sale, installation, maintenance, or manufacturing of fire alarm or fire detection devices;</p> <p>(2) two individuals who must either be experienced in the engineering of fire prevention services or be a member of a fire protection association;</p> <p>(3) one person experienced and employed by a municipality or county as a fire prevention officer; and</p> <p>(4) one person who is employed by any registered firm and who has at least three years experience in the operation of a central fire alarm monitoring station.</p>	The council shall periodically review rules implementing this article and recommend changes in the rules to the Commissioner of Insurance.	Tex. Ins. Code art. 5.43-2, §6

<p>Fire Extinguisher Advisory Council</p>	<p>The statute does not specify the number of council members.</p> <p>The commissioner may delegate the exercise of all or part of the commissioner's functions, powers, and duties under this article, except for the issuance of licenses, certificates, and permits, to a Fire Extinguisher Advisory Council whose members shall be appointed by the commissioner. The council shall assist in the review and formulation of rules adopted under this article and shall periodically review rules implementing this article and recommend changes in the rules to the commissioner. The members of the council shall be experienced and knowledgeable in one or more of the following areas: fire services, fire extinguisher manufacturing, fire insurance inspection or underwriting, fire extinguisher servicing, or be a member of a fire protection association or industrial safety association.</p>	<p>The council shall assist in the review and formulation of rules adopted under this article and shall periodically review rules implementing this article and recommend changes in the rules to the Commissioner of Insurance.</p>	<p>Tex. Ins. Code art. 5.43-1, §9</p>
<p>Fire Protection Sprinkler System Advisory Council</p>	<p>7 members</p> <p>The advisory council shall have seven members as follows:</p> <ol style="list-style-type: none"> (1) three individuals who have been actively engaged in the management of a fire protection sprinkler system business for not less than five years preceding their appointment; (2) one representative of the engineering section of the board's property division; (3) one volunteer fire fighter; and (4) one member from each of two fire departments of incorporated cities of this state. 	<p>The advisory council, in addition to other duties delegated by the Commissioner of Insurance, shall advise the State Fire Marshal concerning the practices in the fire protection sprinkler system industry and rules necessary to implement and administer this article and make recommendations to the State Fire Marshal regarding forms and procedures for certificates of registration and licenses.</p>	<p>Tex. Ins. Code art. 5.43-3, §6</p>
<p>Health Insurance Risk Pool Board of Directors</p>	<p>The board members are appointed by the Commissioner of Insurance and consist of nine members as follows:</p> <ol style="list-style-type: none"> (1) at least two, but not more than four, members must be individuals who are affiliated with a health benefit plan issuer authorized to write health benefit plans in this state; (2) at least two of the members must be individuals or the parents of individuals who are covered by the pool or are reasonably expected to qualify for coverage by the pool; and (3) the other members of the board may be selected from individuals such as: (A) a physician licensed to practice in this state 	<p>The pool is governed by a board of directors. In addition to the other powers granted to the pool under this chapter, the pool may exercise any of the authority that a health benefit plan issuer authorized to write health benefit plans in this state may exercise under the law of this state. Operation and management of the pool is governed by a plan of operation. The plan of operation includes the articles, bylaws, and operating rules of the pool</p>	<p>Tex. Ins. Code §1505.051.</p>

	by the Texas State Board of Medical Examiners; (B) a hospital administrator; (C) an advanced nurse practitioner; or (D) a representative of the public who is not employed by or affiliated with an insurance company or insurance plan, group hospital service corporation, or health maintenance organization.	that are adopted by the commissioner of insurance.	
Health Maintenance Organization Solvency Surveillance Committee	<p>The committee is composed of nine members appointed by the commissioner of insurance.</p> <p>Each member must be a health maintenance organization that holds a certificate of authority under this chapter or a public representative. If a member is a health maintenance organization or its holding company system, the commissioner shall appoint an officer or employee of the member to represent the member on the committee. No two individuals on the committee may be employees or officers of the same health maintenance organization or holding company system. Five of the members shall represent health maintenance organizations or their holding company systems. Of the health maintenance organization members, one shall represent a limited health care service plan and one shall represent a single health care service plan. The commissioner shall select the remaining health maintenance organization members after considering appropriate factors such as the varying categories of premium income and geographic location. A public representative may not: (1) be an officer, director, or employee of a health maintenance organization, a health maintenance organization agent, or any other business entity regulated by the commissioner; (2) be a person required to register under Chapter 305, Government Code; or (3) be related to a person described by Subdivision (1) or (2) within the second degree by affinity or consanguinity. Qualifications for membership, terms of office, and reimbursement of expenses shall be governed by the approved plan of operation required under Section 843.437.</p>	The Health Maintenance Organization Solvency Surveillance Committee exists under the direction of the commissioner. The committee shall perform its functions under a plan of operation. The committee shall assist and advise the commissioner regarding: the detection and prevention of insolvency problems in health maintenance organizations; and any health maintenance organization placed in rehabilitation, liquidation, supervision, or conservation.	Tex. Ins. Code §843.435-843.436.
Life, Accident, Health and Hospital Service Insurance	<p>Nine members appointed by the commissioner of insurance.</p> <p>The commissioner of insurance shall</p>	The Life, Accident, Health, and Hospital Service Insurance Guaranty Association is a nonprofit	Tex. Ins. Code §§463.053-463-058.

<p>Guaranty Association Board of Directors</p>	<p>appoint three board members from officers or employees of the 50 member insurers having the largest total direct premium income according to the most recent financial statement on file on the date of appointment. To give fair representation to member insurers, the commissioner shall appoint two board members from member insurers other than insurers described by subsection (b), considering the varying categories of premium income and geographical location. The commissioner shall appoint four board members who are public representatives.</p>	<p>legal entity existing to pay benefits and continue coverage.</p>	
<p>Property and Casualty Insurance Guaranty Association Board of Directors</p>	<p>The board of directors consists of nine individuals. Member insurers shall select five insurance industry board members, subject to the approval of the commissioner of insurance. Four board members must be public representatives appointed by the commissioner of insurance.</p>	<p>The purposes is to (1) provide a mechanism for the payment of covered claims under certain insurance policies to avoid excessive delay in payment; (2) avoid financial loss to claimants or policyholders because of an insurer's impairment; (3) assist in the detection and prevention of insurer insolvencies; and (4) provide an association to assess the cost of that protection among insurers.</p>	<p>Tex. Ins. Code §§462.051-462.055.</p>
<p>Public Insurance Adjusters Examination Advisory Committee</p>	<p>The advisory board is composed of nine members appointed by the commissioner of insurance as follows: (1) the presiding officer of the unauthorized practice of law committee of the State Bar of Texas; (2) three members who represent the public; (3) two members with knowledge and experience in the profession of insurance adjusting; (4) one member from a domestic insurer authorized to engage in business in this state; (5) one member from a foreign insurer authorized to engage in business in this state; and (6) one member who is an independent adjuster.</p>	<p>An advisory board shall make recommendations to the commissioner of insurance regarding: (1) the scope, time, and conduct of written examinations under Subchapter B; (2) the times and locations in this state where the examinations are held; and (3) any other matter the commissioner of insurance submits to the advisory board for a recommendation.</p>	<p>Tex. Ins. Code §4101.006.</p>
<p>Technical Advisory Committee on Claims Processing</p>	<p>The commissioner of insurance shall appoint a technical advisory committee on processing by insurers and health maintenance organizations of claims by physicians and other health care providers for medical care and health care services</p>	<p>The technical advisory committee shall advise the commissioner of insurance on technical aspects of coding of health care services and claims</p>	<p>Tex. Ins. Code §§1212.001-1212.003.</p>

	provided to patients.	development, submission, processing, adjudication, and payment, as well as the impact on those processes of contractual requirements and relationships, including relationships among employers, health benefit plans, insurers, health maintenance organizations, preferred provider organizations, electronic clearinghouses, physicians and other health care providers, third-party administrators, independent physician associations, and medical groups. The committee shall also advise the commissioner of insurance with respect to the implementation of the standardized coding and bundling edits and logic. The commissioner of insurance shall consult the technical advisory committee before adopting any rule related to the subjects described by subsection (a).	
Texas Health Coverage Awareness and Education Program Task Force	<p>The task force members are appointed by the commissioner of insurance. The task force is composed of:</p> <p>(1) one representative from each of the following groups or entities: (A) health benefit coverage consumers; (B) small employers; (C) employers generally; (D) insurance agents; (E) the office of public insurance counsel; (F) the Texas Health Insurance Risk Pool; (G) physicians; (H) advanced practice nurses; (I) hospital trade associations; and (J) medical units of institutions of higher education</p> <p>(2) a representative of the Health and Human Services Commission responsible for programs under Medicaid and the children's health insurance program; and</p> <p>(3) one or more representatives of health benefit plan issuers.</p>	The task force may make recommendations regarding the health coverage public awareness and education program. The department shall consult the task force regarding the content for the public service announcements, Internet website, and educational materials.	Tex. Ins. Code §§524.001-524.005.
Texas Health Reinsurance System Board of Directors	The board of directors of the system is composed of: (1) nine members appointed by the commissioner of insurance; and (2) the commissioner of insurance or the	The system has the general powers and authority granted under state law to an insurer or a health	Tex. Ins. Code §1501.303.

	<p>commissioner's designee, who serves as an ex officio member.</p> <p>Five of the appointed members must be representatives of reinsured health benefit plan issuers selected from individuals nominated by small employer health benefit plan issuers in this state according to procedures developed by the commissioner of insurance. Four of the appointed members must represent the public.</p>	<p>maintenance organization authorized to engage in business, except that the system may not directly issue a health benefit plan.</p>	
<p>Texas Self-Insurance Group Guaranty Fund Board of Directors</p>	<p>The board is composed of the following voting members:</p> <p>(1) three members elected as provided by Subsection (c), each of whom represents a different group certified under this chapter;</p> <p>(2) one member to represent wage earners designated by the commission;</p> <p>(3) one member designated by the commissioner of insurance; and</p> <p>(4) the public counsel of the office of public insurance counsel. The commissioner of insurance shall appoint the initial board members representing groups.</p>	<p>The Texas self-insurance group guaranty fund is a nonprofit association established to provide for the payment of workers' compensation insurance benefits for injured employees covered by a group declared insolvent under Section 407A.355.</p>	<p>Tex. Labor Code §§407A.452-407A.453.</p>
<p>Texas Surplus Lines Stamping Office</p>	<p>The board of directors consists of nine members appointed by the commissioner.</p> <p>Four members must represent the public and have a minimum of three years of experience in purchasing commercial insurance.</p>	<p>The stamping office shall conduct the following activities as provided in the plan of operation:</p> <p>(1) receive, record, and review each surplus lines insurance contract that a surplus lines agent is required to file with the office; (2) provide to the commissioner of insurance an evaluation of the eligibility of each surplus lines insurance contract and surplus lines insurer; (3) prepare monthly reports for the commissioner of insurance relating to surplus lines insurance obtained during the preceding month in a form prescribed by the commissioner; (4) prepare reports for the commissioner relating to surplus lines business; (5) collect from each surplus lines agent a stamping fee for the costs of operations to be paid by the insured and determined by the department in an amount not to exceed three-fourths</p>	<p>Tex. Ins. Code §981.152.</p>

		of one percent of gross premium resulting from surplus lines insurance contracts; (6) employ persons; (7) borrow money; (8) enter into contracts; (9) perform any other acts to facilitate or encourage compliance with this chapter and rules adopted under this chapter; and (10) provide any other service incidental or related to an office purpose.	
Title Insurance Guaranty Association Board of Directors	<p>The board of directors consists of nine individuals appointed by the commissioner of insurance.</p> <p>Three board members must be officers or employees of title insurance companies. Two board members must be officers or employees of agents. Four board members must be public representatives.</p>	The association shall perform its functions under a plan of operation. The plan of operation must, in addition to the other requirements of this chapter: (1) establish: (A) procedures for handling the assets of the association; (B) the amount and method of reimbursing board members; (C) regular places and times for board meetings; (D) procedures for maintaining records of all financial transactions of the association, its agents, and the board; and (E) procedures for determining the amount of guaranty fees, for collecting those fees, and for assessments.	Tex. Ins. Code §§2602.051-2602.057.

Texas Department of Insurance			
Statutorily Created Entities			
Board/Governing Body Members Appointed by the Commissioner of Insurance			
Name of Association Advisory Body	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
Fair Access to Insurance Requirements (FAIR) Plan Association Governing Committee	<p>11 members</p> <p>The governing committee is composed as follows: five members who represent the interests of insurers; four public members; and two members who are general property and casualty agents. The commissioner of insurance or designee by the commissioner serves as an ex officio member. Each member of the governing committee who represents the interests of insurers must be a</p>	The FAIR Plan Association is a nonprofit association that is administered by a governing committee of the association pursuant to a plan of operation. The Texas FAIR Plan Association provides residential property insurance to qualified consumers who are having	Tex. Ins. Code §§2211.052-2211.054.

	<p>full-time employee of an insurer.</p> <p>The members of the governing committee are appointed by the Commissioner of Insurance.</p>	<p>difficulty obtaining coverage from licensed insurance companies. Subject to the approval of the Commissioner of Insurance, the governing committee must develop the plan of operation and propose any amendments to the plan of operation, which must be adopted by the commissioner by rule. The commissioner is charged with the authority to supervise the association.</p>	
<p>Texas Automobile Insurance Plan Association Governing Committee</p>	<p>The governing committee is composed of 15 members selected as follows:</p> <p>(1) eight members who represent the interests of insurers, elected by the association members according to a method the members determine;</p> <p>(2) five public members, nominated by the office of public insurance counsel and selected by the commissioner of insurance; and</p> <p>(3) two members who are general property and casualty agents, as required by the plan of operation.</p>	<p>The purpose of the Association is to make automobile bodily injury and property damage liability insurance required by the Texas Motor Vehicle Safety Responsibility Act available to eligible applicants, subject to the rules of the Association. The association is administered by a governing committee under a plan of operation. The plan of operation must: (1) provide for the efficient, economical, fair, and nondiscriminatory administration of the association; and (2) provide a means by which insurance may be provided in accordance with Section 2151.102(a). Subject to the commissioner of insurance's approval, the governing committee may amend the plan of operation.</p>	<p>Tex. Ins. Code §§2151.051-2151.055.</p>
<p>Texas Medical Liability Insurance Underwriting Association Board of Directors</p>	<p>The association is governed by a board of directors composed of the following nine members:</p> <p>(1) five representatives of insurers that are required to be association members, elected by association members;</p> <p>(2) one physician, appointed by the Texas Medical Association or a successor to that association;</p> <p>(3) one representative of hospitals, appointed by the Texas Hospital Association or a successor to that association; and</p>	<p>The association provides medical liability insurance on a self-supporting basis.</p>	<p>Tex. Ins. Code §2203.052.</p>

	(4) two public members, appointed by the commissioner of insurance.		
Texas Windstorm Insurance Association Board of Directors	<p>The board of directors is composed of the following nine members:</p> <p>(1) five representatives of different insurers who are members of the association, elected by the members as provided by the plan of operation;</p> <p>(2) two public representatives who are nominated by the office of public insurance counsel and who, as of the date of the appointment: (A) reside in a catastrophe area; and (B) are policyholders of the association; and</p> <p>(3) two general property and casualty agents: (A) who have demonstrated experience in the association; and (B) whose principal offices, as of the date of the appointment, are located in a catastrophe area.</p>	<p>The plan of operation must:</p> <p>(1) provide for the efficient, economical, fair, and nondiscriminatory administration of the association; and</p> <p>(2) include: (A) a plan for the equitable assessment of the members of the association to defray losses and expenses; (B) underwriting standards; (C) procedures for accepting and ceding reinsurance; (D) procedures for determining the amount of insurance to be provided to specific risks; (E) time limits and procedures for processing applications for insurance; and (F) other provisions as considered necessary by the department to implement the purposes of this chapter.</p> <p>The plan of operation may provide for liability limits for an insured structure and for the corporeal movable property located in the structure.</p>	<p>Tex. Ins. Code §§2210.101-2210.105.</p>