

Amend **CSSB 14** by adding the following new ARTICLE to the bill, numbered appropriately, and renumbering existing ARTICLES and SECTIONS of the bill appropriately:

ARTICLE ____ . CAPTIVE AGENT PROVISION

SECTION ____ . Subchapter A, Chapter 21, Insurance Code, is amended by adding Article 21.14A to read as follows:

Art. 21.14A. POLICIES WRITTEN BY AN EXCLUSIVE OR CAPTIVE AGENT

Sec. 1. DEFINITIONS. In this article:

(1) "Agent" means a person who holds a general property and casualty license as that term is described by Section 2, Article 21.14, of this code, who places at least 70 percent of the number of policies sold by that agent in the voluntary market with one insurer or group of insurers under common ownership or control and with whom the agent has a contractual agreement, including an employment agreement.

(2) "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 authorized to write personal automobile insurance or residential property insurance in this state. The term includes an affiliate, as described by Section 823.003(a) of this code, if that affiliate is authorized to write and is writing personal automobile insurance or residential property insurance in this state. The term does not include:

(A) the Texas Windstorm Insurance Association under Article 21.49 of this code;

(B) the FAIR Plan Association under Article 21.49A of this code; or

(C) the Texas Automobile Insurance Plan Association under Article 21.81 of this code.

Sec. 2. ISSUANCE OF POLICY THROUGH OTHER INSURER. (a) If an insurer temporarily or permanently declines to issue new policies in this state in a particular line of insurance, an agent of that insurer may write new policies in that line of insurance through another insurer.

(b) An agent may write new polices in a line of insurance

under this section regardless of the terms of the contract between the insurer declining to issue new policies for that line of insurance and the agent of the insurer.