

Amend the Hardcastle amendment by striking Art. 21.49-2K and substituting the following:

Art. 21.49-2K. MIGRATION OF AUTO INSUREDS. (a) In order to prevent the circumvention of the state's rate regulation of personal automobile insurance through the migration of insureds from insurers subject to regulation to county mutual insurers, and notwithstanding any other law, a county mutual insurance company that is affiliated with an automobile insurer subject to Article 5.101 of this code may not write personal automobile insurance for any insured at a rate, including any applicable policy fee, that, after the application of any discount available to the insured, is lower than the highest rate allowed under the flexibility band for that classification and territory after the application of mandatory discounts and surcharges under department rules.

(b) Not later than the 60th day after the effective date of a benchmark rate, a county mutual insurance company shall make any filing necessary to comply with this section. The rates of the county mutual insurance company that are in effect on the effective date of the benchmark rate continue in effect until the filing is made.

(c) This section applies only to a rate applicable to new insurance policies that are delivered or issued for delivery to be effective on or after January 1, 2004 and to a renewal insurance policy that is delivered or issued for delivery to be effective on or after January 1, 2005. A county mutual insurance company writing risks within the flexibility bands on the effective date of this Act shall file with the commissioner of insurance a transition plan demonstrating the orderly transition for renewal policies. The commissioner of insurance may adopt reasonable rules necessary to implement the transition of renewal policies.

(d) This section does not apply to single interest insurance or insurance on mobile homes, motor homes, travel trailers, motorcycles, antique/classic, custom or specialty automobiles.