

Amend CSSB 14 as follows:

(1) In SECTION 3.09 of the bill, in added Section 13, Article 5.13-2, Insurance Code (page 48, lines 18-20, house committee printing), strike Subsection (e) and substitute the following:

(e) For purposes of this section, "nonstandard rates" means rates that are 30 percent or more above the standard rate index as determined by the commissioner under this section.

(2) In SECTION 3.09 of the bill, in added Section 13, Article 5.13-2, Insurance Code (page 48, line 26, through page 49, line 8, house committee printing), strike Subsections (g) and (h) and substitute the following:

(g) A county mutual insurance company, including a county mutual insurance company described by Subsection (f) of this section, that increases its aggregate rates by 10 percent or more in a 12-month period must secure prior approval from the commissioner in the manner provided by Article 5.142 of this code as it existed on of September 1, 2003. The 10 percent threshold described by this subsection shall be calculated by and applied to aggregate business accepted from each managing general agent, as defined by Article 21.07-3 of this code.

(h) A county mutual insurance company is not subject to Article 5.142 of this code or the rate filing requirements under this article for a policy issued for the minimum liability limits in accordance with Subchapter D, Chapter 601, Transportation Code.

(i) A personal automobile policy may not be transferred between a county mutual insurance company and any of its affiliates without prior consent of the policyholder.

(j) The commissioner by rule may designate other types of insurers that historically and as of the effective date of SB 14, Acts of the 78th Legislature, Regular Session, 2003, have served or are serving the high-risk, nonstandard market. An insurer designated by the commissioner as having served or serving the nonstandard market is governed by this section.