

Amend CSSB 14 (House Committee Printing) as follows:

(1) Insert the following new ARTICLE 4A to read as follows:

ARTICLE 4A. EXEMPTIONS FROM CERTAIN RATE REQUIREMENTS

SECTION 4A.01. Subchapter B, Chapter 5, Insurance Code, is amended by adding Article 5.13-2C to read as follows:

Art. 5.13-2C. EXEMPTIONS FROM RATE FILING AND APPROVAL REQUIREMENTS FOR CERTAIN INSURERS

Sec. 1. DEFINITIONS. In this article:

(1) "Credit score" has the meaning assigned by Article 21.49-2U of this code.

(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 residential property insurance in this state. The term includes an affiliate, as described by this code, if that affiliate is authorized to write residential property insurance.

(3) "Residential property insurance" means insurance coverage against loss to real or tangible personal property at a fixed location that is provided through a homeowners policy, including a tenants policy, a condominium owners policy, or a residential fire and allied lines policy.

Sec. 2. APPLICABILITY. (a) Except as provided by Subsection (b) of this section, this article applies only to an insurer that, during the calendar year preceding the date filing is otherwise required under Article 5.13-2 or Article 5.142 of this code, issued residential property insurance policies in this state that accounted for less than two percent of the total amount of premiums collected by insurers for residential property insurance policies issued in this state, more than 50 percent of which cover property:

(1) valued at less than \$100,000; and

(2) located in an area designated by the commissioner as underserved for residential property insurance under Article 5.35-3 of this code.

(b) If an insurer described by Subsection (a) of this section is a member of an affiliated insurance group, this article

applies to the insurer only if the total aggregate premium collected by the group accounts for less than two percent of the total amount of premiums collected by insurers for residential property insurance policies issued in this state.

Sec. 3. EXEMPTION. (a) Except as provided by Subsection (b) of this section, an insurer described by Section 2 of this article is exempt from the rate filing and approval requirements of Article 5.13-2 of this code, as effective on and after September 1, 2004.

(b) An insurer described by Section 2 of this article that proposes to increase the premium rates charged policyholders for a residential property insurance product by 10 percent or more than the amount the insurer charged policyholders for the same or an equivalent residential property insurance product during the preceding calendar year must file the insurer's proposed rates in accordance with Article 5.142 or Article 5.13-2 of this code, as applicable, and obtain approval of the proposed rates as provided by the applicable article.

(c) Articles 5.142 and 5.143 of this code do not apply to an insurer described by Section 2 of this article.

(2) Strike added Subchapter H, Chapter 911, Insurance Code.