

Amend CSSB 14 as follows:

(1) Strike SECTIONS 6.01-6.03 of the bill (page 56, line 8, through page 59, line 2), and substitute the following SECTIONS:

SECTION 6.01. (a) Effective June 1, 2003, Section 827.001, Insurance Code, is amended to read as follows:

Sec. 827.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

(1) "Insurer" means an insurance company or other legal entity authorized to engage in the business of insurance in this state, including a reciprocal or interinsurance exchange, a Lloyd's plan, a farm mutual insurance company, and a county mutual insurance company. The term includes an affiliate. The term does not include an eligible surplus lines insurer regulated under Chapter 981.

(2) "Rating[~~,"~~"rating] territory" means a rating territory established by the department.

(b) Until June 1, 2003, Subsection (a), Article 21.49-2C, Insurance Code, is amended by adding Subdivision (4) to read as follows:

(4) "Insurer" means an insurance company or other legal entity authorized to write insurance in this state, including a county mutual insurance company, a reciprocal or interinsurance exchange, a Lloyd's plan, and a farm mutual insurance company. This subdivision expires June 1, 2003.

SECTION 6.02. (a) Effective June 1, 2003, Section 827.002, Insurance Code, is amended to read as follows:

Sec. 827.002. EXEMPTION. This chapter does not apply to a transfer of business from an insurer to a company that:

(1) is within the same insurance group as [~~under common ownership with~~] the insurer; [~~and~~]

(2) is authorized to engage in the business of insurance in this state; and

(3) is not a reciprocal or interinsurance exchange, a Lloyd's plan, a county mutual insurance company, or a farm mutual insurance company.

(b) Until June 1, 2003, Subsection (b), Article 21.49-2C, Insurance Code, is amended to read as follows:

(b) This article does not apply to the transfer of the

business from an insurer to a company that is within the same insurance group as the insurer and is ~~[under common ownership]~~ admitted to do business in this state. This subsection expires June 1, 2003.

SECTION 6.03. (a) Effective June 1, 2003, Section 827.003, Insurance Code, is amended to read as follows:

Sec. 827.003. WITHDRAWAL PLAN REQUIRED. An ~~[authorized]~~ insurer shall file with the commissioner a plan for orderly withdrawal if the insurer proposes to:

(1) ~~[withdraw from writing a line of insurance in this state or]~~ reduce the insurer's total annual premium volume by 50 ~~[75]~~ percent or more; ~~[or]~~

(2) reduce the insurer's annual premium by 75 percent or more in a line of insurance in this state; or

(3) reduce in this state, or in any applicable ~~[, in a]~~ rating territory, the insurer's total annual premium volume in a ~~[personal]~~ line of personal automobile ~~[motor vehicle comprehensive]~~ or residential property insurance by 50 percent or more.

(b) Until June 1, 2003, Subsection (a)(1), Article 21.49-2C, Insurance Code, is amended to read as follows:

(1) This subdivision expires June 1, 2003. An ~~[authorized]~~ insurer shall file with the commissioner a plan for orderly withdrawal if the insurer proposes ~~[to withdraw from writing a line of insurance in this state or]~~ to reduce its total annual premium volume by 50 ~~[75]~~ percent or more, proposes to reduce the insurer's annual premium by 75 percent or more in a line of insurance in this state, or proposes, in a personal line of motor vehicle insurance ~~[comprehensive]~~ or residential property insurance, to reduce its total annual premium volume in a rating territory by 50 percent or more. The insurer's plan shall be constructed to protect the interests of the people of this state and shall indicate the date it intends to begin and complete its withdrawal plan and must contain provisions for:

(A) meeting the insurer's contractual obligations;

(B) providing service to its Texas policyholders

and claimants; and

(C) meeting any applicable statutory obligations, such as the payment of assessments to the guaranty fund and participation in any assigned risk plans or joint underwriting arrangements.

SECTION 6.04. (a) Effective June 1, 2003, Section 827.005, Insurance Code, is amended to read as follows:

Sec. 827.005. APPROVAL OF WITHDRAWAL PLAN. (a) Except as provided by Subsection (b), the ~~[The]~~ commissioner shall approve a withdrawal plan that adequately provides for meeting the requirements prescribed by Section 827.004(3).

(b) The commissioner may modify, restrict, or limit a withdrawal plan under this section as necessary if the commissioner finds that a line of insurance subject to the withdrawal plan is not offered in a quantity or manner to adequately cover the risks in this state or to adequately protect the residents of this state and policyholders in this state. The commissioner may by order set the date on which the insurer's withdrawal begins.

(c) A withdrawal plan is deemed approved if the commissioner:

(1) does not hold a hearing on the plan before the 61st ~~[31st]~~ day after the date the plan is filed with the commissioner; or

(2) does not deny approval before the 61st ~~[31st]~~ day after the date a hearing on the plan is held.

(b) Until June 1, 2003, Subsections (e) and (f), Article 21.49-2C, Insurance Code, are amended to read as follows:

(e) Except as provided by Subsection (f), the ~~[The]~~ commissioner shall approve the plan if it adequately provides for:

(1) meeting the insurer's contractual obligations;

(2) providing service to its Texas policyholders and claimants; and

(3) meeting any applicable statutory obligations, such as the payment of assessments to the guaranty fund and participation in any assigned risk plans or joint underwriting arrangements.

(f) The commissioner may modify, restrict, or limit a

withdrawal plan under this section as necessary if the commissioner finds that a line of insurance subject to the withdrawal plan is not offered in a quantity or manner to adequately cover the risks in this state or to adequately protect the residents of this state and policyholders in this state. The commissioner may by order set the date on which the insurer's withdrawal begins. The withdrawal plan shall be deemed approved if the commissioner has not held a hearing within 60 [~~30~~] days after the plan is filed with the commissioner or has not denied approval within 60 [~~30~~] days after the hearing. An insurer that withdraws from writing insurance in this state or that reduces its total annual premium volume by 75 percent or more in any year without receiving the commissioner's approval is subject to the civil penalties under Article 1.10 of this code.

SECTION 6.05. (a) Effective June 1, 2003, Section 827.008, Insurance Code, is amended to read as follows:

Sec. 827.008. RESTRICTION PLAN. (a) Before an insurer, in response to a catastrophic natural event that occurred during the preceding six months, may restrict writing new business in a rating territory in a [~~personal~~] line of personal automobile [~~comprehensive motor vehicle~~] or residential property insurance, the insurer must file a proposed restriction plan with the commissioner for the commissioner's review and approval [~~comment~~].

(b) The commissioner may modify, restrict, or limit a restriction plan under this section as necessary if the commissioner finds that a line of insurance subject to the restriction plan is not offered in this state in a quantity or manner to adequately cover the risks in this state or to adequately protect the residents of this state and policyholders in this state in light of the impact of the catastrophic natural event. The commissioner may by order set the date on which the insurer's restriction begins. [~~The commissioner's approval of a restriction plan filed under Subsection (a) is not required. An insurer that files a restriction plan may institute the plan on or after the 15th day after the date the plan is filed.~~]

(c) A [~~Notwithstanding Subsection (b), a~~] withdrawal plan must be filed and approved under Sections 827.003 and 827.004 if an

insurer's decision not to accept new business in a [~~personal~~] line of personal automobile [~~comprehensive motor vehicle~~] or residential property insurance results in a reduction of the insurer's total annual premium volume by 50 percent or more.

(b) Until June 1, 2003, Subsection (a)(2), Article 21.49-2C, Insurance Code, is amended to read as follows:

(2) If within six months after a catastrophic event of natural origin an insurer, in response to such catastrophic event, wishes to restrict its writing of new business in a personal automobile [~~line of comprehensive motor vehicle~~] or residential property insurance in a rating territory, it shall prepare and file a plan as to such proposed plan of restriction with the commissioner for the commissioner's review and approval [~~comment~~]. The commissioner may modify, restrict, or limit a restriction plan under this section as necessary if the commissioner finds that a line of insurance subject to the restriction plan is not offered in this state in a quantity or manner to adequately cover the risks in this state or to adequately protect the residents of this state and policyholders in this state in light of the impact of the catastrophic natural event. The commissioner may by order set the date on which the insurer's restriction begins. In [~~Approval of such plan is not required and the insurer may institute such plan 15 days after filing. However, in~~] the event of a conflict between Subsections (a)(1) and (a)(2), where not accepting new business may result in a withdrawal as defined in Subsection (a)(1), Subsection (a)(1) controls.

(2) Renumber SECTION 6.04 of the bill appropriately.

(3) Immediately following amended Article 21.49-2C(g), Insurance Code (page 60, between lines 9 and 10), insert the following new SECTION, appropriately numbered:

SECTION 6.0_. This article applies only to a reduction of a line of insurance or a withdrawal of a line of insurance by an insurer on or after the effective date of this article. A reduction of a line of insurance or a withdrawal of a line of insurance by an insurer before the effective date of this article is governed by the law as it existed immediately before the effective date of this article, and that law is continued in effect for that purpose.