

Amend SB 310 (House Committee Printing) as follows:

(1) On page 2, line 14, insert a new Subsection (3) to read as follows and renumber subsequent Subsections accordingly:

"(3) "Security" or "securities" has the meaning assigned by Section 4, The Securities Act (Article 581-4, Vernon's Texas Civil Statutes)."

(2) On page 3, line 16, strike "and".

(3) On page 3, line 22, insert the following after "insurance" and before the period:

":

(5) information on the insurer's losses from investments in securities, whether publicly or privately traded, including investments in the securities of companies required by any oversight agency to restate earnings within the 24 months preceding the effective date of this article, possessed and used by the insurer to determine premiums or underwriting for residential property insurance;

(6) information on the insurer's costs of reinsurance, including costs incurred subsequent to September 11, 2001, possessed and used by the insurer to determine premiums or underwriting for residential property insurance; and

(7) information on the effect of the hard and soft market cycles of the residential property insurance market possessed and used by the insurer to determine premiums or underwriting for residential property insurance"

(4) On page 6, line 2, insert Subsection (c) after the period to read as follows:

"(c) The report required under this section shall specifically address:

(1) insurers' securities investment performance, the effect of insurer investment losses in securities on insurers' profitability, and any impact of securities investment losses on residential property insurance premiums and underwriting standards, including an evaluation of the impacts on residential property insurance premiums and underwriting standards from insurer investments in the securities of companies required by any oversight agency to restate earnings within the 24 months preceding

the effective date of this article;

(2) insurers' costs for reinsurance after September 11, 2001, and any impact of reinsurance costs on residential property insurance premiums and underwriting standards; and

(3) hard and soft market cycles in the residential property insurance market and any impact of those cycles on residential property insurance premiums and underwriting standards."