

By: Van Arsdale

H.B. No. 3031

Substitute the following for H.B. No. 3031:

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C.S.H.B. No. 3031

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain lines of property and casualty insurance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article 5.13, Insurance Code, is amended to read as follows:

Art. 5.13. SCOPE OF SUBCHAPTER [~~SUB-CHAPTER~~]. (a) This subchapter [~~Sub-chapter~~] applies to every insurance company, corporation, interinsurance exchange, mutual, reciprocal, association, Lloyd's plan, [~~Lloyds~~] or other organization or insurer writing any of the characters of insurance business herein set forth, hereinafter called "Insurer"; provided that nothing in this entire subchapter [~~Sub-chapter~~] shall [~~ever~~] be construed to apply to any county or farm mutual insurance company or association, as regulated under Chapters 16 and 17 of this code [~~Code~~].

(b) This subchapter [~~Sub-chapter~~] applies to the writing of casualty insurance and the writing of fidelity, surety, and guaranty bonds, on risks or operations in this State except as herein stated.

(c) Except as provided by Article 5.13-2 of this code, this subchapter [~~This Sub-chapter~~] does not apply to the writing of motor vehicle, life, health, accident, professional liability, reinsurance, aircraft, fraternal benefit, fire, lightning,

1 tornado, windstorm, hail, smoke or smudge, cyclone, earthquake,
2 volcanic eruption, rain, frost and freeze, weather or climatic
3 conditions, excess or deficiency of moisture, flood, the rising of
4 the waters of the ocean or its tributaries, bombardment, invasion,
5 insurrection, riot, civil war or commotion, military or usurped
6 power, any order of a civil authority made to prevent the spread of
7 a conflagration, epidemic or catastrophe, vandalism or malicious
8 mischief, strike or lockout, water or other fluid or substance,
9 resulting from the breakage or leakage of sprinklers, pumps, or
10 other apparatus erected for extinguishing fires, water pipes or
11 other conduits or containers, or resulting from casual water
12 entering through leaks or opening in buildings or by seepage
13 through building walls, including insurance against accidental
14 injury of such sprinklers, pumps, fire apparatus, conduits or
15 container, workers' [~~workmen's~~] compensation, inland marine, ocean
16 marine, marine, or title insurance; nor does this subchapter
17 [~~Sub-chapter~~] apply to the writing of explosion insurance, except
18 insurance against loss from injury to person or property which
19 results accidentally from steam boilers, heaters or pressure
20 vessels, electrical devices, engines and all machinery and
21 appliances used in connection therewith or operation thereby.

22 (d) This subchapter [~~Sub-chapter~~] shall not be construed as
23 limiting in any manner the types or classes of insurance which may
24 be written by the several types of insurers under appropriate
25 statutes or their charters or permits.

26 (e) The regulatory power herein conferred is vested in the
27 commissioner [~~Board of Insurance Commissioners of the State of~~

1 ~~Texas. Within the Board, the Casualty Insurance Commissioner shall~~
2 ~~have primary supervision of regulation herein provided, subject~~
3 ~~however to the final authority of the entire Board].~~

4 SECTION 2. The heading of Article 5.13-2, Insurance Code,
5 is amended to read as follows:

6 Art. 5.13-2. RATES AND FORMS FOR CERTAIN [~~GENERAL LIABILITY~~
7 ~~AND COMMERCIAL~~] PROPERTY AND CASUALTY INSURANCE [~~COVERAGE~~].

8 SECTION 3. Sections 1 and 2, Article 5.13-2, Insurance
9 Code, are amended to read as follows:

10 Sec. 1. PURPOSE. This article governs the regulation of
11 insurance described by Section 2 of this article [~~general~~
12 ~~liability, commercial property, which shall include farm and ranch~~
13 ~~owners and farm and ranch policies, all commercial casualty, and~~
14 ~~medical professional liability insurance rates and forms. It does~~
15 ~~not govern automobile, fidelity, surety, or guaranty bonds]. The~~
16 purposes of this article are to:

17 (1) promote the public welfare by regulating insurance
18 rates to prohibit excessive, inadequate, or unfairly
19 discriminatory rates;

20 (2) promote availability of insurance;

21 (3) promote price competition among insurers to
22 provide rates and premiums that are responsive to competitive
23 market conditions;

24 (4) prohibit price-fixing agreements and other
25 anticompetitive behavior by insurers;

26 (5) regulate the insurance forms used for lines of
27 insurance subject to this article to ensure that they are not

1 unjust, unfair, inequitable, misleading, or deceptive; and

2 (6) provide regulatory procedures for the maintenance
3 of appropriate information reporting systems.

4 Sec. 2. SCOPE. (a) This article applies to all lines of the
5 following insurance written under policies or contracts of
6 insurance issued by an insurer authorized to engage in the business
7 of insurance in this state:

8 (1) general liability insurance;

9 (2) [~~r~~] commercial property insurance;

10 (3) personal and [~~,—all~~] commercial casualty
11 insurance, except as provided by Subsection (b) of this section;

12 (4) [~~,and~~] medical professional liability insurance;

13 (5) fidelity and surety bonds;

14 (6) personal umbrella insurance;

15 (7) personal liability insurance;

16 (8) guaranteed auto protection (GAP) insurance;

17 (9) involuntary unemployment insurance;

18 (10) financial guaranty insurance;

19 (11) inland marine insurance;

20 (12) rain insurance; and

21 (13) hail insurance on farm crops [~~written under~~
22 policies or contracts of insurance issued by a licensed insurer,
23 other than a fidelity, surety, or guaranty bond or an automobile
24 insurance policy].

25 (b) This article does not apply to a line of insurance
26 regulated under Subchapter A or C of this chapter.

27 (c) The commissioner shall adopt rules governing the manner

1 in which forms and rates for the various classifications of risks
2 insured under inland marine insurance, as determined by the
3 commissioner, are regulated.

4 SECTION 4. Section 3(2), Article 5.13-2, Insurance Code, is
5 amended to read as follows:

6 (2) "Insurer" means an insurer to which Article 5.13
7 of this code applies, but does not include the Texas Windstorm
8 Insurance Association or the Texas FAIR Plan Association. However,
9 the provisions of Sections 4, 5, 6, and 7 of this article shall not
10 apply to Lloyd's or reciprocals with respect to commercial property
11 insurance, and the provisions of Sections 4, 5, 6, 7, and 8 of this
12 article shall not apply to Lloyd's or reciprocals with respect to
13 inland marine insurance, rain insurance, or hail insurance on farm
14 crops.

15 SECTION 5. Article 5.52, Insurance Code, is amended to read
16 as follows:

17 Art. 5.52. PROVISIONS GOVERNING LIGHTNING, WINDSTORM,
18 HAIL, INVASION, RIOT, VANDALISM, STRIKES, LOCKOUTS AND OTHER
19 INSURANCE; "EXPLOSION" DEFINED. (a) The writing of insurance
20 against loss by lightning, tornado, windstorm, hail, smoke or
21 smudge, cyclone, earthquake, volcanic eruption, rain, frost and
22 freeze, weather or climatic conditions, excess or deficiency of
23 moisture, flood, the rising of the waters of the ocean or its
24 tributaries, bombardment, invasion, insurrection, riot, civil war
25 or commotion, military or usurped power, any order of a civil
26 authority made to prevent the spread of a conflagration, epidemic
27 or catastrophe, vandalism or malicious mischief, strike or lockout,

1 explosion, water or other fluid or substance, resulting from the
2 breakage or leakage of sprinklers, pumps, or other apparatus
3 erected for extinguishing fires, water pipes or other conduits or
4 containers, or resulting from casual water entering through leaks
5 or openings in buildings, or by seepage through building walls,
6 including insurance against accidental injury of such sprinklers,
7 pumps, fire apparatus, conduits or containers, and the rates to be
8 collected therefor in this State, and all matters pertaining to
9 such insurance except as hereinafter set out as to [~~inland~~] marine
10 insurance as defined by Article 5.53 of this code, [~~rain insurance~~
11 ~~and insurance against loss by hail on farm crops,~~] shall be governed
12 and controlled by the provisions of Articles 5.25 to 5.48,
13 inclusive, and also Articles 5.50 to 5.51, inclusive, of this
14 subchapter and Article 5.67 of Subchapter D of this Chapter, in the
15 same manner and to the same extent as fire insurance and fire
16 insurance rates are now affected by the provisions of said articles
17 of this code.

18 (b) Notwithstanding Subsection (a) of this section, rain
19 insurance and hail insurance on farm crops are governed by Article
20 5.13-2 of this code.

21 (c) The term "explosion" as used in this article [~~above~~]
22 shall not include insurance against loss of or damage to any
23 property of the insured, resulting from the explosion of or injury
24 to (a) any boiler, heater, or other fired pressure vessel; (b) any
25 unfired pressure vessel; (c) pipes or containers connected with any
26 of said boilers or vessels; (d) any engine, turbine, compressor,
27 pump, or wheel; (e) any apparatus generating, transmitting or using

1 electricity; (f) any other machinery or apparatus connected with or
2 operating by any of the previously named boilers, vessels or
3 machines; nor shall same include the making of inspections and
4 issuance of certificates of inspections upon any such boiler,
5 apparatus or machinery, whether insured or otherwise. Said term
6 shall include, but shall not be limited to (1) the explosion of
7 pressure vessels (except steam boilers of more than fifteen pounds
8 pressure) in buildings designed and used solely for residential
9 purposes by not more than four (4) families; (2) explosion of any
10 kind originating outside of the insured buildings or outside of the
11 building containing the property insured; (3) explosion of pressure
12 vessels which do not contain steam or which are not operated with
13 steam coils or steam jets; (4) electric disturbance causing or
14 concomitant with an explosion in public service or public utility
15 property.

16 SECTION 6. Article 5.53, Insurance Code, is amended to read
17 as follows:

18 Art. 5.53. APPLICATION TO [~~INLAND~~] MARINE INSURANCE [~~, RAIN~~
19 ~~INSURANCE, OR HAIL INSURANCE ON FARM CROPS, DEFINITIONS, RATES AND~~
20 ~~RATING PLANS FILED, POLICY FORMS, CHECKING OFFICES~~]. The
21 provisions of this article shall apply to all insurance which is now
22 or hereafter defined by statute, by rules of the commissioner
23 [~~ruling of the Board of Insurance Commissioners~~], or by lawful
24 custom, as [~~inland~~] marine insurance [~~, rain insurance, or insurance~~
25 ~~against loss by hail on farm crops~~]. None of the terms contained in
26 [~~this article and~~] Article 5.52 shall be deemed to include
27 insurance of vessels or craft, their cargoes, marine builder's

1 risk, marine protection and indemnity, or other risk commonly
2 insured under marine as distinguished from inland marine insurance
3 policies.

4 The [~~Whenever used in this article the~~] term "Marine
5 Insurance" shall mean and include insurance and reinsurance against
6 any and all kinds of loss or damage to the following subject matters
7 of insurance interest therein:

8 Marine Insurance. Hulls, vessels and craft of every kind,
9 aids to navigation, dry docks and marine railways, including marine
10 builders' and repairers' risks, and whether complete or in process
11 of or awaiting construction; also all marine protection and
12 indemnity risks; also all goods, freights, cargoes, merchandise,
13 effects, disbursements, profits, moneys, bullion, precious stones,
14 securities, choses in action, evidences of debt, valuable papers,
15 bottomry and respondentia interests, and all other kinds of
16 property and interests therein, in respect to, appertaining to or
17 in connection with any and all risks or perils of navigation,
18 transit or transportation on or under any seas, lakes, rivers, or
19 other waters or in the air, or on land in connection with or
20 incident to export, import or waterborne risks, or while being
21 assembled, packed, crated, baled, compressed or similarly prepared
22 for such shipment or while awaiting the same, or during any delays,
23 storage, transshipment or reshipment incident thereto, including
24 the insurance of war risks in respect to any or all of the aforesaid
25 subject matters of insurance.

26 [~~(a) As to all classes of insurance contained in this~~
27 ~~article, for which class rates or rating plans are customarily~~

1 ~~fixed by rating bureaus or associations of underwriters, rates or~~
2 ~~rating plans, together with applicable policy forms and~~
3 ~~endorsements, shall be filed by all authorized insurers writing~~
4 ~~such classes with the Board in such manner and form as it shall~~
5 ~~direct, and all rates on risks not falling within a recognized class~~
6 ~~fixed by any such bureau or association, together with applicable~~
7 ~~policy forms and endorsements, shall be similarly filed. Due~~
8 ~~consideration shall be given to past and prospective loss~~
9 ~~experience within and outside the State, including catastrophe~~
10 ~~hazard, to a reasonable margin for profit and contingencies, and to~~
11 ~~all other relevant factors within and outside the State.~~

12 ~~[(b) As soon as reasonably possible after the filing has~~
13 ~~been made, the Board shall in writing approve or disapprove the~~
14 ~~same; provided that any filing of class rates or rating plans,~~
15 ~~together with applicable policies and endorsements, shall be deemed~~
16 ~~approved unless disapproved within thirty (30) days; provided the~~
17 ~~Board may by official order postpone action for such further time~~
18 ~~not exceeding thirty (30) days, as it deems necessary for proper~~
19 ~~consideration, and provided further that rates on risks not falling~~
20 ~~within a recognized class fixed by a rating bureau or association of~~
21 ~~underwriters, together with applicable policies and endorsements,~~
22 ~~shall be deemed approved from the date of filing to the date of~~
23 ~~formal approval or disapproval. The Board may investigate rates~~
24 ~~not required to be filed under the provisions of this article and~~
25 ~~may require the filing of any particular rate, together with~~
26 ~~applicable policies and endorsements, not otherwise required to be~~
27 ~~filed.~~

1 ~~[(c) Any filing by an insurer of a rate less than an approved~~
2 ~~rate relative to any of the rates mentioned in sub-division (a) of~~
3 ~~this article may be used by such insurer after same shall have been~~
4 ~~approved by the Board, or after same shall have been on file with~~
5 ~~the Board without action for thirty (30) days.~~

6 ~~[(d) If at any time the Board finds that an approved filing~~
7 ~~no longer meets the requirements of this article, it may after~~
8 ~~hearing issue an order withdrawing its approval thereof.~~

9 ~~[(e) An insurer may satisfy its obligation to make such~~
10 ~~filings by becoming a member of, or a subscriber to, a licensed~~
11 ~~rating organization which makes such filings, and by authorizing~~
12 ~~the Board to accept such filings on its behalf. A corporation, an~~
13 ~~un-incorporated association, a partnership, or an individual,~~
14 ~~whether located within or outside the State, may be licensed as a~~
15 ~~rating organization in connection with any of the sorts of~~
16 ~~insurance mentioned in this article, subject to the conditions, not~~
17 ~~inconsistent herewith, prescribed by law for such organizations in~~
18 ~~connection with other kinds of insurance, provided two or more~~
19 ~~insurers have designated it to act for them as to any such class or~~
20 ~~classes of insurance in the manner prescribed herein. An insurer~~
21 ~~may belong or subscribe to rating bureaus or associations for other~~
22 ~~types of insurance.~~

23 ~~[(f) Insurers may, subject to the supervision of the Board,~~
24 ~~operate any checking office or offices deemed necessary or~~
25 ~~advisable.~~

26 ~~[(g) The writing of inland marine insurance, rain insurance~~
27 ~~and insurance against loss by hail on farm crops, shall be governed~~

1 ~~by the provisions of Articles 5.25 to 5.48, inclusive, and also~~
2 ~~Articles 5.50 to 5.51, inclusive, of this subchapter and Article~~
3 ~~5.67 of Subchapter D. of this chapter, in the same manner and to the~~
4 ~~same extent as fire insurance and fire insurance rates are now~~
5 ~~affected by the provisions of said articles, except that wherever~~
6 ~~in any of said articles reference is made to making, fixing,~~
7 ~~prescribing, determination or promulgation by the Board of rates or~~
8 ~~policy forms or endorsements, the provisions of this article shall~~
9 ~~control. Notwithstanding any other provision of this subchapter,~~
10 ~~the flexible rating program created under Subchapter M of this~~
11 ~~chapter does not apply to this article.~~

12 [~~(h)~~] The provisions of Chapter 5 of this code, other than
13 this article, shall not apply to marine insurance as defined [~~other~~
14 ~~than inland marine insurance governed~~] by this article.

15 SECTION 7. Section 1(a), Article 5.53-A, Insurance Code, is
16 amended to read as follows:

17 (a) Any company licensed to engage in the business of fire
18 insurance and its allied lines, or inland marine insurance, or
19 both, is authorized to write home warranty insurance or home
20 protection insurance in this state.

21 SECTION 8. Subsections (a), (b), (c), (d), (f), (g), (h),
22 (i), (j), (k), (l), and (m), Article 5.97, Insurance Code, are
23 amended to read as follows:

24 (a) The department [~~State Board of Insurance~~] may take
25 action on filings for standard and uniform rates, rating plans,
26 manual rules, classification plans, statistical plans, and policy
27 and endorsement forms, or any modification of any of these for the

1 lines of insurance regulated in Subchapter B, Chapter 5, of this
2 code [~~and for the regulated lines of insurance in Article 5.53 and~~
3 ~~Article 5.53-A of this code~~] under the procedure specified in this
4 article.

5 (b) Any interested person may initiate proceedings before
6 the commissioner [~~board~~] with respect to any matter specified in
7 Section (a) of this article by filing a petition with the department
8 [~~State Board of Insurance~~] that includes the following:

9 (1) specific identification of the matter that is
10 proposed to be adopted, approved, amended, or repealed;

11 (2) the wording of the matter proposed to be adopted,
12 approved, amended, or repealed; and

13 (3) justification for the proposed action in
14 sufficient particularity to inform the commissioner [~~board~~] and any
15 interested person of the petitioner's reasons and arguments.

16 (c) A copy of each petition initiating a proceeding shall be
17 marked with the date it was received by the department [~~State Board~~
18 ~~of Insurance~~] and shall be made available for public inspection at
19 the office of the chief clerk of the department [~~board~~] throughout
20 the period the petition is pending. Except for emergency matters
21 acted on under Section (j) of this article, the commissioner
22 [~~board~~] may not act on a petition until it has been available for
23 public inspection for at least 15 days after the date of filing and
24 notice has been given in accordance with this section. Not later
25 than the 10th day before the date the commissioner [~~board~~] takes
26 action on any rule, rating plan, classification plan, statistical
27 plan, or policy or endorsement form under this article, the

1 department [~~board~~] shall publish in the Texas Register [~~a notice of~~
2 ~~the meeting or hearing at which the action will be taken. The~~
3 ~~notice must include~~] a brief summary of the substance of the
4 proposed rule, rating plan, classification plan, statistical plan,
5 or policy or endorsement form, and a statement that the full text of
6 the rule, rating plan, classification plan, statistical plan, or
7 policy or endorsement form is available for review in the office of
8 the chief clerk of the department [~~State Board of Insurance~~].

9 (d) Any interested person may request [~~the board to hold~~] a
10 hearing before the commissioner [~~it~~] acts on a pending petition.
11 Except as provided by Article 5.97A of this code, the commissioner
12 [~~board~~] has discretion whether or not to hold such a hearing.

13 (f) The commissioner may [~~board shall~~] hold a hearing to
14 consider the proposal or may [~~shall~~] enter an order implementing or
15 denying the proposal. If the commissioner [~~board~~] denies a
16 proposal, the commissioner [~~it~~] shall specify the reasons for the
17 denial in the commissioner's [~~its~~] order.

18 (g) On its own motion, the department [~~board~~] may initiate a
19 proceeding with respect to any matter specified in Section (a) of
20 this article.

21 (h) If a hearing is scheduled to consider a proposal, the
22 department [~~board~~] shall publish notice in the Texas Register not
23 less than 10 days before the hearing and shall state the time,
24 place, and legal authority for the hearing and the matters to be
25 considered.

26 (i) After entering an order with respect to any matter
27 specified in Section (a) of this article, the department [~~board~~]

1 shall file a notice of the commissioner's [~~its~~] action for
2 publication in the adopted rule section of the Texas Register. In
3 addition, before the effective date of the action, the department
4 [~~board~~] shall cause notice of the order to be mailed to the
5 applicant, to all insurers writing the affected line of insurance
6 in this state, and to all other persons who have made timely written
7 request for notification. Failure to mail this notice will not
8 invalidate any action taken.

9 (j) The commissioner's [~~board's~~] action takes effect 15 days
10 after the date that notice of the action is published in the Texas
11 Register or on a later specified date. If the commissioner [~~board~~]
12 finds that an imminent peril to the public health, safety, or
13 welfare, or a requirement of state or federal law requires the
14 commissioner's [~~its~~] action to be effective before the end of the
15 15-day period, the commissioner [~~it~~] may take emergency action to
16 be effective at an earlier time. The commissioner's [~~board's~~]
17 action on an emergency matter may be effective for 120 days, and
18 renewable once for a period not exceeding 60 days immediately
19 following the 120-day period. The permanent adoption of an
20 identical change is not precluded.

21 (k) Any person aggrieved by an order of the commissioner
22 [~~board~~] is entitled to redress as provided by [~~Article 5.15,~~]
23 Article 5.23[~~, Article 5.53, or Article 5.53-A~~] of this code[~~,~~
24 ~~whichever is applicable to the line of insurance addressed in the~~
25 ~~order~~].

26 (l) Chapters 2001 and 2002, Government Code, do [~~The~~
27 ~~Administrative Procedure and Texas Register Act (Article 6252-13a,~~

1 ~~Vernon's Texas Civil Statutes), does]~~ not apply to commissioner or
2 department [~~board~~] action taken under this article.

3 (m) The department [~~board~~] or the office of public insurance
4 counsel may require that a person who has filed a petition under
5 Subsection (b) of this article or who has otherwise presented
6 materials to the department [~~board~~] in connection with a proceeding
7 under this article provide additional information to the department
8 [~~board~~] or office, including any statistical, actuarial, or other
9 information on which the petition or other materials were based.

10 SECTION 9. Subsection (c), Article 21.28-E, Insurance Code,
11 is amended to read as follows:

12 (c) The provisions of this article shall not apply to marine
13 insurance as defined [~~other than inland marine insurance governed~~]
14 by Article 5.53.

15 SECTION 10. Sections 4(b)(4) and (5), Article 21.49-3,
16 Insurance Code, are amended to read as follows:

17 (4) After the initial year of operation, rates, rating
18 plans, and rating rules, and any provision for recoupment should be
19 based upon the association's loss and expense experience, together
20 with such other information based upon such experience as the
21 department [~~board~~] may deem appropriate. The resultant premium
22 rates shall be on an actuarially sound basis and shall be calculated
23 to be self-supporting.

24 (5) In the event that sufficient funds are not
25 available for the sound financial operation of the association, in
26 addition to assessments paid pursuant to the plan of operation in
27 accordance with Section 3(c)(2) of this article and contributions

1 from the policyholder's stabilization reserve fund, all members
2 shall, on a basis authorized by the department [~~board~~], as long as
3 the department [~~board~~] deems it necessary, contribute to the
4 financial requirements of the association in the manner provided
5 for in Section 5. Any assessment or contribution shall be
6 reimbursed to the members with interest at a rate to be approved by
7 the department [~~board~~]. Pending recoupment or reimbursement of
8 assessments or contributions paid to the association by a member,
9 the unrepaid balance of such assessments and contributions may be
10 reflected in the books and records of the insurer as an admitted
11 asset of the insurer for all purposes, including exhibition in
12 annual statements pursuant to Section 862.001 [~~Article 6.12~~] of
13 this code.

14 SECTION 11. Section 5(a), Article 21.55, Insurance Code, is
15 amended to read as follows:

- 16 (a) This article does not apply to:
- 17 (1) workers' compensation insurance;
 - 18 (2) mortgage guaranty insurance;
 - 19 (3) title insurance;
 - 20 (4) fidelity, surety, or guaranty bonds;
 - 21 (5) marine insurance as defined [~~other than inland~~
22 ~~marine insurance governed~~] by Article 5.53 of this code; or
 - 23 (6) a guaranty association created and operating under
24 Article 9.48 of this code.

25 SECTION 12. Article 21.56(e), Insurance Code, is amended to
26 read as follows:

- 27 (e) The provisions of this article shall not apply to marine

1 insurance as defined [~~other than inland marine insurance governed~~
2 by Article 5.53 of this code.

3 SECTION 13. Article 21.79E, Insurance Code, is amended to
4 read as follows:

5 Art. 21.79E. CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE.
6 Any insurer authorized to write any form of casualty insurance in
7 this state shall also be authorized to write group or individual
8 credit involuntary unemployment insurance indemnifying a debtor
9 for installment or other periodic payments on the indebtedness
10 while the debtor is involuntarily unemployed, including policy
11 forms and endorsements which define involuntary unemployment to
12 provide coverage and a premium charge for interruption or reduction
13 of a debtor's income during periods of leave (paid or otherwise)
14 authorized by the Federal Family and Medical Leave Act of 1993 (29
15 U.S.C. Section 2601 et seq.), as amended, or other state or federal
16 laws. Such insurance may be written alone or in conjunction with
17 credit life insurance, credit accident and health insurance, or
18 both, in policies issued by any authorized insurer, but not in
19 contravention of the Texas Free Enterprise and Antitrust Act of
20 1983 (Chapter 15, Business & Commerce Code). Rates and forms for
21 such insurance may be made and filed in accordance with Article
22 5.13-2 [~~Articles 5.14 and 5.15~~] of this code.

23 SECTION 14. The following laws are repealed:

- 24 (1) Articles 5.14, 5.15, and 5.15B, Insurance Code;
25 (2) Article 5.97(e), Insurance Code; and
26 (3) Section 4(b)(2), Article 21.49-3, Insurance Code.

27 SECTION 15. This Act takes effect September 1, 2003.