

Amend CSHB 3540 by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill accordingly:

ARTICLE \_\_\_\_ . PREMIUM TAX CREDITS FOR CERTAIN INSURERS

SECTION \_\_\_\_ .01. Section 19, Article 21.49, Insurance Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) An insurer may not claim a credit under Subsection (b) of this section until the insurer provides to the comptroller a certificate from the commissioner stating that:

(1) the insurer has fully complied for the preceding five years with the rate standards of Article 1.02 of this code and Section 4, Article 5.13-2 of this code, to the extent applicable, with respect to rates for homeowners insurance; or

(2) the insurer has fully refunded all premiums collected in excess of those permitted under Article 1.02 of this code or Section 4, Article 5.13-2 of this code, plus interest on the excess premiums as described by Subsections (d) and (e) of this section.

(d) An insurer shall pay interest on excess premiums as described by Subsection (c)(2) of this section at a rate that is equal to the sum of:

(1) the prime rate, as published in The Wall Street Journal on the first day of each calendar year that is not a Saturday, Sunday, or a legal holiday; and

(2) six percent.

(e) Interest on excess premiums described by Subsection (c)(2) of this section accrues beginning on the date the insurer first charged the rate that was not permitted under Article 1.02 of this code or Section 4, Article 5.13-2 of this code, as determined by the commissioner, until the date the insurer refunds the excess premiums.