

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	—	(Y/N)
ADOPTED AS AMENDED	—	(Y/N)
ADOPTED W/O OBJECTION	—	(Y/N)
FAILED TO ADOPT	—	(Y/N)
WITHDRAWN	—	(Y/N)
OTHER	—	

1 Committee/Subcommittee hearing bill: Regulatory Affairs
 2 Committee

3 Representative Raburn offered the following:

4

5 **Amendment**

6 Remove lines 41-76 and insert:

7 policyholders and are either rated "A-" or higher, by A.M. Best
 8 Company, or "A'" or higher, by Demotech:

9 (a) A reserve with respect to unearned premiums for
 10 policies written or title liability assumed in reinsurance
 11 before July 1, 1999, equal to the reserve established on June
 12 30, 1999, for those unearned premiums with such reserve being
 13 subsequently released as provided in subsection (2). For
 14 domestic title insurers subject to this section, such amounts
 15 shall be calculated in accordance with state law in effect at
 16 the time the associated premiums were written or assumed and as
 17 amended before July 1, 1999.

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18 (b) A total amount equal to 30 cents for each \$1,000 of
19 net retained liability for policies written or title liability
20 assumed in reinsurance on or after July 1, 1999, with such
21 reserve being subsequently released as provided in subsection
22 (2). For the purpose of calculating this reserve, the total of
23 the net retained liability for all simultaneous issue policies
24 covering a single risk shall be equal to the liability for the
25 policy with the highest limit covering that single risk, net of
26 any liability ceded in reinsurance.

27 (c) On or after January 1, 2014, for title insurers that
28 are members of an insurance holding company system having \$1
29 billion or more in surplus as to policyholders and are either
30 rated "A-" or higher, by A.M. Best Company, or "A" or higher,
31 by Demotech; or for title insurers holding \$50 million or more
32 in surplus as to policyholders as of the previous year end, a
33 minimum of 6.5 percent of the total of the following:

34 1. Direct premiums written; and

35 2. Premiums for reinsurance assumed, plus other income,
36 less premiums for reinsurance ceded as displayed in Schedule P
37 of the title insurer's most recent annual statement filed with
38 the office with such reserve being subsequently released as
39 provided in subsection (2). Title insurers with less than \$50
40 million in surplus as to policyholders that are not members of
41 an insurance holding company system holding \$1 billion or more
42 in surplus as to policyholders and are either rated "A-" or

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43 | higher, by A.M. Best Company, or "A" or higher, by Demotech,
44 | must continue to record unearned premium reserve in