

SUBSTITUTE FOR
HOUSE BILL NO. 5823

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding chapter 17.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 17

RISK MANAGEMENT AND OWN RISK AND SOLVENCY ASSESSMENT

SEC. 1701. AS USED IN THIS CHAPTER:

(A) "INSURANCE GROUP" MEANS, FOR THE PURPOSE OF CONDUCTING AN ORSA, INSURERS AND AFFILIATES INCLUDED WITHIN AN INSURANCE HOLDING COMPANY SYSTEM.

(B) "INSURER" MEANS THAT TERM AS DEFINED IN SECTION 106. INSURER ALSO INCLUDES A FRATERNAL BENEFIT SOCIETY AS THAT TERM IS DEFINED IN SECTION 8164. INSURER DOES NOT INCLUDE AGENCIES, AUTHORITIES, OR INSTRUMENTALITIES OF THE UNITED STATES, ITS

1 POSSESSIONS AND TERRITORIES, THE COMMONWEALTH OF PUERTO RICO, THE
2 DISTRICT OF COLUMBIA, OR A STATE OR POLITICAL SUBDIVISION OF A
3 STATE.

4 (C) "OWN RISK AND SOLVENCY ASSESSMENT" OR "ORSA" MEANS A
5 CONFIDENTIAL INTERNAL ASSESSMENT, APPROPRIATE TO THE NATURE, SCALE,
6 AND COMPLEXITY OF AN INSURER OR INSURANCE GROUP, CONDUCTED BY THAT
7 INSURER OR INSURANCE GROUP, OF THE MATERIAL AND RELEVANT RISKS
8 ASSOCIATED WITH THE INSURER OR INSURANCE GROUP'S CURRENT BUSINESS
9 PLAN, AND THE SUFFICIENCY OF CAPITAL RESOURCES TO SUPPORT THOSE
10 RISKS.

11 (D) "ORSA GUIDANCE MANUAL" MEANS THE OWN RISK AND SOLVENCY
12 ASSESSMENT GUIDANCE MANUAL AS ADOPTED AND PRESCRIBED BY THE
13 DIRECTOR. A CHANGE IN THE ORSA GUIDANCE MANUAL IS EFFECTIVE ON THE
14 JANUARY 1 FOLLOWING THE CALENDAR YEAR IN WHICH THE CHANGES HAVE
15 BEEN ADOPTED AND PRESCRIBED BY THE DIRECTOR.

16 (E) "ORSA SUMMARY REPORT" MEANS A CONFIDENTIAL HIGH-LEVEL
17 SUMMARY OF AN INSURER OR INSURANCE GROUP'S ORSA.

18 SEC. 1703. AN INSURER SHALL MAINTAIN A RISK MANAGEMENT
19 FRAMEWORK TO ASSIST THE INSURER WITH IDENTIFYING, ASSESSING,
20 MONITORING, MANAGING, AND REPORTING ON ITS MATERIAL AND RELEVANT
21 RISKS. THIS REQUIREMENT MAY BE SATISFIED IF THE INSURANCE GROUP OF
22 WHICH THE INSURER IS A MEMBER MAINTAINS A RISK MANAGEMENT FRAMEWORK
23 APPLICABLE TO THE OPERATIONS OF THE INSURER.

24 SEC. 1705. SUBJECT TO SECTION 1709, AN INSURER, OR THE
25 INSURANCE GROUP OF WHICH THE INSURER IS A MEMBER, SHALL REGULARLY
26 CONDUCT AN ORSA CONSISTENT WITH A PROCESS COMPARABLE TO THE ORSA
27 GUIDANCE MANUAL. THE ORSA SHALL BE CONDUCTED NO LESS THAN ANNUALLY

1 BUT ALSO AT ANY TIME WHEN THERE ARE SIGNIFICANT CHANGES TO THE RISK
2 PROFILE OF THE INSURER OR THE INSURANCE GROUP OF WHICH THE INSURER
3 IS A MEMBER.

4 SEC. 1707. (1) UPON THE DIRECTOR'S REQUEST, AND NO MORE THAN
5 ONCE EACH YEAR, AN INSURER SHALL SUBMIT TO THE DIRECTOR AN ORSA
6 SUMMARY REPORT, OR ANY COMBINATION OF REPORTS THAT TOGETHER CONTAIN
7 THE INFORMATION AS DESCRIBED IN THE ORSA GUIDANCE MANUAL,
8 APPLICABLE TO THE INSURER, THE INSURANCE GROUP OF WHICH IT IS A
9 MEMBER, OR BOTH. NOTWITHSTANDING ANY REQUEST FROM THE DIRECTOR, IF
10 THE INSURER IS A MEMBER OF AN INSURANCE GROUP, THE INSURER SHALL
11 SUBMIT A REPORT REQUIRED BY THIS SUBSECTION IF THE DIRECTOR IS THE
12 LEAD STATE REGULATOR OF THE INSURANCE GROUP IN ACCORDANCE WITH THE
13 PROCEDURES, AS ADOPTED BY THE DIRECTOR, WITHIN THE NATIONAL
14 ASSOCIATION OF INSURANCE COMMISSIONERS FINANCIAL ANALYSIS HANDBOOK.

15 (2) A REPORT REQUIRED UNDER SUBSECTION (1) MUST INCLUDE A
16 SIGNATURE OF THE INSURER OR INSURANCE GROUP'S CHIEF RISK OFFICER OR
17 OTHER EXECUTIVE HAVING RESPONSIBILITY FOR THE OVERSIGHT OF THE
18 INSURER'S ENTERPRISE RISK MANAGEMENT PROCESS ATTESTING TO THE BEST
19 OF HIS OR HER BELIEF AND KNOWLEDGE THAT THE INSURER APPLIES THE
20 ENTERPRISE RISK MANAGEMENT PROCESS DESCRIBED IN THE ORSA SUMMARY
21 REPORT AND THAT A COPY OF THE REPORT HAS BEEN PROVIDED TO THE
22 INSURER'S BOARD OF DIRECTORS OR APPROPRIATE COMMITTEE OF THE
23 INSURER'S BOARD OF DIRECTORS.

24 (3) AN INSURER MAY COMPLY WITH SUBSECTION (1) BY PROVIDING THE
25 MOST RECENT AND SUBSTANTIALLY SIMILAR REPORT PROVIDED BY THE
26 INSURER OR ANOTHER MEMBER OF AN INSURANCE GROUP OF WHICH THE
27 INSURER IS A MEMBER TO A COMMISSIONER OF ANOTHER STATE OR TO A

1 SUPERVISOR OR REGULATOR OF A FOREIGN JURISDICTION, IF THAT REPORT
2 PROVIDES INFORMATION THAT IS COMPARABLE TO THE INFORMATION
3 PRESCRIBED BY THE ORSA GUIDANCE MANUAL. A REPORT IN A LANGUAGE
4 OTHER THAN ENGLISH MUST BE ACCOMPANIED BY A TRANSLATION OF THAT
5 REPORT INTO THE ENGLISH LANGUAGE.

6 SEC. 1709. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5),
7 AN INSURER IS EXEMPT FROM THE REQUIREMENTS OF THIS CHAPTER, IF BOTH
8 OF THE FOLLOWING APPLY:

9 (A) THE INSURER HAS ANNUAL DIRECT WRITTEN AND UNAFFILIATED
10 ASSUMED PREMIUM, INCLUDING INTERNATIONAL DIRECT AND ASSUMED PREMIUM
11 BUT EXCLUDING PREMIUMS REINSURED WITH THE FEDERAL CROP INSURANCE
12 CORPORATION AND FEDERAL FLOOD PROGRAM, LESS THAN \$500,000,000.00.

13 (B) THE INSURANCE GROUP OF WHICH THE INSURER IS A MEMBER HAS
14 ANNUAL DIRECT WRITTEN AND UNAFFILIATED ASSUMED PREMIUM, INCLUDING
15 INTERNATIONAL DIRECT AND ASSUMED PREMIUM BUT EXCLUDING PREMIUMS
16 REINSURED WITH THE FEDERAL CROP INSURANCE CORPORATION AND FEDERAL
17 FLOOD PROGRAM, LESS THAN \$1,000,000,000.00.

18 (2) IF AN INSURER QUALIFIES FOR EXEMPTION UNDER SUBSECTION
19 (1) (A) BUT THE INSURANCE GROUP OF WHICH THE INSURER IS A MEMBER
20 DOES NOT QUALIFY FOR EXEMPTION UNDER SUBSECTION (1) (B), THE ORSA
21 SUMMARY REPORT THAT MAY BE REQUIRED UNDER SECTION 1707 MUST INCLUDE
22 EVERY INSURER WITHIN THE INSURANCE GROUP. THIS REQUIREMENT MAY BE
23 SATISFIED BY THE SUBMISSION OF MORE THAN 1 ORSA SUMMARY REPORT FOR
24 ANY COMBINATION OF INSURERS IF THE COMBINATION OF REPORTS INCLUDES
25 EVERY INSURER WITHIN THE INSURANCE GROUP.

26 (3) IF AN INSURER DOES NOT QUALIFY FOR EXEMPTION UNDER
27 SUBSECTION (1) (A) BUT THE INSURANCE GROUP OF WHICH IT IS A MEMBER

1 QUALIFIES FOR EXEMPTION UNDER SUBSECTION (1) (B), THE ONLY ORSA
2 SUMMARY REPORT THAT MAY BE REQUIRED UNDER SECTION 1707 IS THE
3 REPORT APPLICABLE TO THE INSURER.

4 (4) SUBJECT TO SUBSECTION (5), AN INSURER THAT DOES NOT
5 QUALIFY FOR EXEMPTION UNDER SUBSECTION (1) MAY APPLY TO THE
6 DIRECTOR FOR A WAIVER FROM THE REQUIREMENTS OF THIS CHAPTER BASED
7 UPON UNIQUE CIRCUMSTANCES. IN DECIDING WHETHER TO GRANT THE
8 INSURER'S REQUEST FOR A WAIVER, THE DIRECTOR MAY CONSIDER THE TYPE
9 AND VOLUME OF BUSINESS WRITTEN, OWNERSHIP AND ORGANIZATIONAL
10 STRUCTURE, AND ANY OTHER FACTOR THE DIRECTOR CONSIDERS RELEVANT TO
11 THE INSURER OR INSURANCE GROUP OF WHICH THE INSURER IS A MEMBER. IF
12 THE INSURER IS PART OF AN INSURANCE GROUP WITH INSURERS DOMICILED
13 IN MORE THAN 1 STATE, THE DIRECTOR SHALL COORDINATE WITH THE LEAD
14 STATE COMMISSIONER AND WITH THE OTHER DOMICILIARY COMMISSIONERS IN
15 CONSIDERING WHETHER TO GRANT THE INSURER'S REQUEST FOR A WAIVER.

16 (5) NOTWITHSTANDING THE EXEMPTION PROVIDED IN SUBSECTION (1),
17 THE DIRECTOR MAY REQUIRE 1 OR MORE OF THE FOLLOWING:

18 (A) THE DIRECTOR MAY REQUIRE THAT AN INSURER MAINTAIN A RISK
19 MANAGEMENT FRAMEWORK, CONDUCT AN ORSA, AND FILE AN ORSA SUMMARY
20 REPORT BASED ON UNIQUE CIRCUMSTANCES INCLUDING, BUT NOT LIMITED TO,
21 THE TYPE AND VOLUME OF BUSINESS WRITTEN, OWNERSHIP AND
22 ORGANIZATIONAL STRUCTURE, FEDERAL AGENCY REQUESTS, AND
23 INTERNATIONAL SUPERVISOR REQUESTS.

24 (B) THE DIRECTOR MAY REQUIRE THAT AN INSURER MAINTAIN A RISK
25 MANAGEMENT FRAMEWORK, CONDUCT AN ORSA, AND FILE AN ORSA SUMMARY
26 REPORT IF THE DIRECTOR DETERMINES 1 OR MORE OF THE FOLLOWING:

27 (i) THE INSURER HAS RISK-BASED CAPITAL FOR A COMPANY ACTION

1 LEVEL EVENT.

2 (ii) THE INSURER MEETS 1 OR MORE OF THE CONDITIONS DESCRIBED IN
3 SECTION 436.

4 (iii) THE OPERATION OF THE INSURER IS HAZARDOUS TO
5 POLICYHOLDERS, CREDITORS, OR THE PUBLIC UNDER SECTION 436A.

6 (iv) THE INSURER EXHIBITS QUALITIES OF A TROUBLED INSURER.

7 (6) IF AN INSURER THAT QUALIFIES FOR AN EXEMPTION UNDER
8 SUBSECTION (1) SUBSEQUENTLY NO LONGER QUALIFIES FOR THAT EXEMPTION
9 BECAUSE OF AN INCREASE IN PREMIUM AS REFLECTED IN THE INSURER'S
10 MOST RECENT ANNUAL STATEMENT OR IN THE MOST RECENT ANNUAL
11 STATEMENTS OF THE INSURERS WITHIN THE INSURANCE GROUP OF WHICH THE
12 INSURER IS A MEMBER, THE INSURER HAS 1 YEAR FOLLOWING THE YEAR THE
13 PREMIUM EXCEEDED THE LIMITATION PROVIDED IN SUBSECTION (1) TO
14 COMPLY WITH THIS CHAPTER.

15 SEC. 1711. (1) SUBJECT TO SUBSECTION (2), AN INSURER SHALL
16 PREPARE AN ORSA SUMMARY REPORT UNDER SECTION 1707 CONSISTENT WITH
17 THE ORSA GUIDANCE MANUAL PRESCRIBED BY THE DIRECTOR. THE INSURER
18 SHALL MAINTAIN AND MAKE AVAILABLE TO THE DIRECTOR DOCUMENTATION AND
19 SUPPORTING INFORMATION RELATING TO THE ORSA SUMMARY REPORT.

20 (2) THE DIRECTOR SHALL REVIEW AN ORSA SUMMARY REPORT AND ANY
21 ADDITIONAL REQUESTS FOR INFORMATION USING SIMILAR PROCEDURES USED
22 IN THE ANALYSIS AND EXAMINATION OF MULTISTATE OR GLOBAL INSURERS
23 AND INSURANCE GROUPS.

24 SEC. 1713. (1) DOCUMENTS, MATERIALS, OR OTHER INFORMATION,
25 INCLUDING THE ORSA SUMMARY REPORT, IN THE POSSESSION OR CONTROL OF
26 THE DIRECTOR THAT ARE OBTAINED BY, CREATED BY, OR DISCLOSED TO THE
27 DIRECTOR OR ANY OTHER PERSON UNDER THIS CHAPTER ARE CONSIDERED

1 PROPRIETARY AND TO CONTAIN TRADE SECRETS. THE DOCUMENTS, MATERIALS,
2 OR OTHER INFORMATION ARE CONFIDENTIAL AND PRIVILEGED, ARE NOT
3 SUBJECT TO DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA
4 442, MCL 15.231 TO 15.246, ARE NOT SUBJECT TO SUBPOENA, AND ARE NOT
5 SUBJECT TO DISCOVERY OR ADMISSIBLE IN EVIDENCE IN A PRIVATE CIVIL
6 ACTION. HOWEVER, THE DIRECTOR MAY USE THE DOCUMENTS, MATERIALS, OR
7 OTHER INFORMATION IN THE FURTHERANCE OF ANY REGULATORY OR LEGAL
8 ACTION BROUGHT AS A PART OF THE DIRECTOR'S OFFICIAL DUTIES. THE
9 DIRECTOR SHALL NOT OTHERWISE MAKE THE DOCUMENTS, MATERIALS, OR
10 OTHER INFORMATION PUBLIC WITHOUT THE PRIOR WRITTEN CONSENT OF THE
11 INSURER TO WHICH IT PERTAINS.

12 (2) THE DIRECTOR OR ANY PERSON WHO RECEIVED DOCUMENTS,
13 MATERIALS, OR OTHER ORSA-RELATED INFORMATION, THROUGH EXAMINATION
14 OR OTHERWISE, WHILE ACTING UNDER THE AUTHORITY OF THE DIRECTOR OR
15 WITH WHOM THE DOCUMENTS, MATERIALS, OR OTHER INFORMATION ARE SHARED
16 UNDER THIS ACT SHALL NOT TESTIFY IN A PRIVATE CIVIL ACTION
17 CONCERNING CONFIDENTIAL DOCUMENTS, MATERIALS, OR INFORMATION
18 DESCRIBED IN SUBSECTION (1).

19 (3) THE DIRECTOR MAY DO ALL OF THE FOLLOWING:

20 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, ON
21 REQUEST, SHARE DOCUMENTS, MATERIALS, OR OTHER ORSA-RELATED
22 INFORMATION, INCLUDING THE CONFIDENTIAL AND PRIVILEGED DOCUMENTS,
23 MATERIALS, OR INFORMATION DESCRIBED IN SUBSECTION (1), INCLUDING
24 PROPRIETARY AND TRADE SECRET DOCUMENTS AND MATERIALS WITH OTHER
25 STATE, FEDERAL, AND INTERNATIONAL FINANCIAL REGULATORY AGENCIES,
26 INCLUDING MEMBERS OF A SUPERVISORY COLLEGE DESCRIBED IN CHAPTER 13,
27 WITH THE NAIC AND WITH ANY THIRD-PARTY CONSULTANTS DESIGNATED BY

1 THE DIRECTOR. THE DIRECTOR SHALL NOT SHARE DOCUMENTS, MATERIALS, OR
2 OTHER ORSA-RELATED INFORMATION DESCRIBED IN THIS SUBDIVISION UNLESS
3 THE RECIPIENT AGREES IN WRITING TO MAINTAIN THE CONFIDENTIALITY AND
4 PRIVILEGED STATUS OF THE ORSA-RELATED DOCUMENTS, MATERIALS, OR
5 OTHER INFORMATION AND HAS VERIFIED IN WRITING THE LEGAL AUTHORITY
6 TO MAINTAIN CONFIDENTIALITY.

7 (B) SUBJECT TO THIS SUBDIVISION, RECEIVE DOCUMENTS, MATERIALS,
8 OR OTHER ORSA-RELATED INFORMATION, INCLUDING OTHERWISE CONFIDENTIAL
9 AND PRIVILEGED DOCUMENTS, MATERIALS, OR INFORMATION, INCLUDING
10 PROPRIETARY AND TRADE-SECRET INFORMATION OR DOCUMENTS, FROM
11 REGULATORY OFFICIALS OF OTHER FOREIGN OR DOMESTIC JURISDICTIONS,
12 INCLUDING MEMBERS OF A SUPERVISORY COLLEGE DESCRIBED IN CHAPTER 13,
13 AND FROM THE NAIC. THE DIRECTOR SHALL MAINTAIN AS CONFIDENTIAL OR
14 PRIVILEGED ANY DOCUMENTS, MATERIALS, OR INFORMATION RECEIVED WITH
15 NOTICE OR THE UNDERSTANDING THAT IT IS CONFIDENTIAL OR PRIVILEGED
16 UNDER THE LAWS OF THE JURISDICTION THAT IS THE SOURCE OF THE
17 DOCUMENT, MATERIAL, OR INFORMATION.

18 (4) THE DIRECTOR SHALL ENTER INTO A WRITTEN AGREEMENT WITH THE
19 NAIC OR A THIRD-PARTY CONSULTANT GOVERNING SHARING AND USE OF
20 INFORMATION PROVIDED UNDER THIS CHAPTER. THE WRITTEN AGREEMENT MUST
21 DO ALL OF THE FOLLOWING:

22 (A) SPECIFY PROCEDURES AND PROTOCOLS REGARDING THE
23 CONFIDENTIALITY AND SECURITY OF INFORMATION SHARED WITH THE NAIC OR
24 A THIRD-PARTY CONSULTANT UNDER THIS CHAPTER, INCLUDING PROCEDURES
25 AND PROTOCOLS FOR SHARING BY THE NAIC WITH OTHER STATE REGULATORS
26 FROM STATES IN WHICH THE INSURANCE GROUP HAS DOMICILED INSURERS.

27 (B) CONTAIN A STATEMENT THAT THE RECIPIENT AGREES IN WRITING

1 TO MAINTAIN THE CONFIDENTIALITY AND PRIVILEGED STATUS OF THE ORSA-
2 RELATED DOCUMENTS, MATERIALS, OR OTHER INFORMATION AND HAS VERIFIED
3 IN WRITING THE LEGAL AUTHORITY TO MAINTAIN CONFIDENTIALITY.

4 (C) SPECIFY THAT THE DIRECTOR OWNS THE INFORMATION SHARED WITH
5 THE NAIC OR A THIRD-PARTY CONSULTANT UNDER THIS CHAPTER AND THAT
6 THE NAIC'S OR THIRD-PARTY CONSULTANT'S USE OF THE INFORMATION IS
7 SUBJECT TO THE DIRECTION OF THE DIRECTOR.

8 (D) PROHIBIT THE NAIC OR THIRD-PARTY CONSULTANT FROM STORING
9 THE INFORMATION SHARED UNDER THIS CHAPTER IN A PERMANENT DATABASE
10 AFTER THE UNDERLYING ANALYSIS IS COMPLETED.

11 (E) REQUIRE PROMPT NOTICE TO BE GIVEN TO AN INSURER WHOSE
12 CONFIDENTIAL INFORMATION IN THE POSSESSION OF THE NAIC OR THIRD-
13 PARTY CONSULTANT UNDER THIS CHAPTER IS SUBJECT TO A REQUEST OR
14 SUBPOENA TO THE NAIC OR THIRD-PARTY CONSULTANT FOR DISCLOSURE OR
15 PRODUCTION.

16 (F) REQUIRE THE NAIC OR THIRD-PARTY CONSULTANT TO CONSENT TO
17 INTERVENTION BY AN INSURER IN ANY JUDICIAL OR ADMINISTRATIVE ACTION
18 IN WHICH THE NAIC OR THIRD-PARTY CONSULTANT MAY BE REQUIRED TO
19 DISCLOSE CONFIDENTIAL INFORMATION ABOUT THE INSURER SHARED WITH THE
20 NAIC OR THIRD-PARTY CONSULTANT UNDER THIS CHAPTER.

21 (G) FOR AN AGREEMENT INVOLVING A THIRD-PARTY CONSULTANT,
22 PROVIDE FOR THE INSURER'S WRITTEN CONSENT.

23 (5) THE SHARING OF INFORMATION AND DOCUMENTS BY THE DIRECTOR
24 UNDER THIS CHAPTER IS NOT A DELEGATION OF REGULATORY AUTHORITY OR
25 RULE-MAKING, AND THE DIRECTOR IS SOLELY RESPONSIBLE FOR THE
26 ADMINISTRATION, EXECUTION, AND ENFORCEMENT OF THIS CHAPTER.

27 (6) THE DISCLOSURE OR SHARING OF DOCUMENTS, PROPRIETARY AND

1 TRADE-SECRET MATERIALS, OR OTHER ORSA-RELATED INFORMATION TO THE
2 DIRECTOR OR OTHER PERSON UNDER THIS CHAPTER IS NOT A WAIVER OF AN
3 APPLICABLE PRIVILEGE OR CLAIM OF CONFIDENTIALITY.

4 (7) DOCUMENTS, MATERIALS, OR OTHER INFORMATION IN THE
5 POSSESSION OR CONTROL OF THE NAIC OR THIRD-PARTY CONSULTANTS UNDER
6 THIS CHAPTER ARE CONFIDENTIAL AND PRIVILEGED, ARE NOT SUBJECT TO
7 DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL
8 15.231 TO 15.246, ARE NOT SUBJECT TO SUBPOENA, AND ARE NOT SUBJECT
9 TO DISCOVERY OR ADMISSIBLE IN EVIDENCE IN A PRIVATE CIVIL ACTION.

10 SEC. 1715. AN INSURER THAT DOES NOT, WITHOUT JUST CAUSE,
11 TIMELY FILE AN ORSA SUMMARY REPORT AS REQUIRED IN THIS CHAPTER
12 SHALL PAY A CIVIL FINE OF \$1,000.00 FOR EACH DAY'S DELAY, TO BE
13 RECOVERED BY THE DIRECTOR AND PAID INTO THE GENERAL FUND. THE
14 MAXIMUM CIVIL FINE UNDER THIS SECTION IS \$75,000.00. THE DIRECTOR
15 MAY REDUCE THE PENALTY IF THE INSURER DEMONSTRATES TO THE DIRECTOR
16 THAT THE PENALTY WOULD CAUSE A FINANCIAL HARDSHIP TO THE INSURER.

17 Enacting section 1. This amendatory act does not take effect
18 unless House Bill No. 5792 of the 97th Legislature is enacted into
19 law.