

HOUSE BILL No. 5823

September 17, 2014, Introduced by Rep. Lund and referred to the Committee on Insurance.

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,

1 AUTHORITIES, OR INSTRUMENTALITIES OF THE UNITED STATES, ITS
2 POSSESSIONS AND TERRITORIES, THE COMMONWEALTH OF PUERTO RICO, THE
3 DISTRICT OF COLUMBIA, OR A STATE OR POLITICAL SUBDIVISION OF A
4 STATE.

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

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

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

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

25 SEC. 1705. SUBJECT TO SECTION 1709, AN INSURER, OR THE
26 INSURANCE GROUP OF WHICH THE INSURER IS A MEMBER, SHALL REGULARLY
27 CONDUCT AN ORSA CONSISTENT WITH A PROCESS COMPARABLE TO THE ORSA

1 GUIDANCE MANUAL. THE ORSA SHALL BE CONDUCTED NO LESS THAN ANNUALLY
2 BUT ALSO AT ANY TIME WHEN THERE ARE SIGNIFICANT CHANGES TO THE RISK
3 PROFILE OF THE INSURER OR THE INSURANCE GROUP OF WHICH THE INSURER
4 IS A MEMBER.

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

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

26 (3) AN INSURER MAY COMPLY WITH SUBSECTION (1) BY PROVIDING THE
27 MOST RECENT AND SUBSTANTIALLY SIMILAR REPORT PROVIDED BY THE

1 INSURER OR ANOTHER MEMBER OF AN INSURANCE GROUP OF WHICH THE
2 INSURER IS A MEMBER TO A COMMISSIONER OF ANOTHER STATE OR TO A
3 SUPERVISOR OR REGULATOR OF A FOREIGN JURISDICTION, IF THAT REPORT
4 PROVIDES INFORMATION THAT IS COMPARABLE TO THE INFORMATION
5 PRESCRIBED BY THE ORSA GUIDANCE MANUAL. A REPORT IN A LANGUAGE
6 OTHER THAN ENGLISH MUST BE ACCOMPANIED BY A TRANSLATION OF THAT
7 REPORT INTO THE ENGLISH LANGUAGE.

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

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

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

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

1 (3) IF AN INSURER DOES NOT QUALIFY FOR EXEMPTION UNDER
2 SUBSECTION (1) (A) BUT THE INSURANCE GROUP OF WHICH IT IS A MEMBER
3 QUALIFIES FOR EXEMPTION UNDER SUBSECTION (1) (B), THE ONLY ORSA
4 SUMMARY REPORT THAT MAY BE REQUIRED UNDER SECTION 1707 IS THE
5 REPORT APPLICABLE TO THE INSURER.

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

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

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

26 (B) THE DIRECTOR MAY REQUIRE THAT AN INSURER MAINTAIN A RISK
27 MANAGEMENT FRAMEWORK, CONDUCT AN ORSA, AND FILE AN ORSA SUMMARY

1 REPORT IF THE DIRECTOR DETERMINES 1 OR MORE OF THE FOLLOWING:

2 (i) THE INSURER HAS RISK-BASED CAPITAL FOR A COMPANY ACTION
3 LEVEL EVENT.

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

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

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

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

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

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

26 SEC. 1713. (1) DOCUMENTS, MATERIALS, OR OTHER INFORMATION,
27 INCLUDING THE ORSA SUMMARY REPORT, IN THE POSSESSION OR CONTROL OF

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

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

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

22 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, ON
23 REQUEST, SHARE DOCUMENTS, MATERIALS, OR OTHER ORSA-RELATED
24 INFORMATION, INCLUDING THE CONFIDENTIAL AND PRIVILEGED DOCUMENTS,
25 MATERIALS, OR INFORMATION DESCRIBED IN SUBSECTION (1), INCLUDING
26 PROPRIETARY AND TRADE SECRET DOCUMENTS AND MATERIALS WITH OTHER
27 STATE, FEDERAL, AND INTERNATIONAL FINANCIAL REGULATORY AGENCIES,

1 INCLUDING MEMBERS OF A SUPERVISORY COLLEGE DESCRIBED IN CHAPTER 13,
2 WITH THE NAIC AND WITH ANY THIRD-PARTY CONSULTANTS DESIGNATED BY
3 THE DIRECTOR. THE DIRECTOR SHALL NOT SHARE DOCUMENTS, MATERIALS, OR
4 OTHER ORSA-RELATED INFORMATION DESCRIBED IN THIS SUBDIVISION UNLESS
5 THE RECIPIENT AGREES IN WRITING TO MAINTAIN THE CONFIDENTIALITY AND
6 PRIVILEGED STATUS OF THE ORSA-RELATED DOCUMENTS, MATERIALS, OR
7 OTHER INFORMATION AND HAS VERIFIED IN WRITING THE LEGAL AUTHORITY
8 TO MAINTAIN CONFIDENTIALITY.

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

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

24 (A) SPECIFY PROCEDURES AND PROTOCOLS REGARDING THE
25 CONFIDENTIALITY AND SECURITY OF INFORMATION SHARED WITH THE NAIC OR
26 A THIRD-PARTY CONSULTANT UNDER THIS CHAPTER, INCLUDING PROCEDURES
27 AND PROTOCOLS FOR SHARING BY THE NAIC WITH OTHER STATE REGULATORS

1 FROM STATES IN WHICH THE INSURANCE GROUP HAS DOMICILED INSURERS.

2 (B) CONTAIN A STATEMENT THAT THE RECIPIENT AGREES IN WRITING
3 TO MAINTAIN THE CONFIDENTIALITY AND PRIVILEGED STATUS OF THE ORSA-
4 RELATED DOCUMENTS, MATERIALS, OR OTHER INFORMATION AND HAS VERIFIED
5 IN WRITING THE LEGAL AUTHORITY TO MAINTAIN CONFIDENTIALITY.

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

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

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

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

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

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

1 ADMINISTRATION, EXECUTION, AND ENFORCEMENT OF THIS CHAPTER.

2 (6) THE DISCLOSURE OR SHARING OF DOCUMENTS, PROPRIETARY AND
3 TRADE-SECRET MATERIALS, OR OTHER ORSA-RELATED INFORMATION TO THE
4 DIRECTOR OR OTHER PERSON UNDER THIS CHAPTER IS NOT A WAIVER OF AN
5 APPLICABLE PRIVILEGE OR CLAIM OF CONFIDENTIALITY.

6 (7) DOCUMENTS, MATERIALS, OR OTHER INFORMATION IN THE
7 POSSESSION OR CONTROL OF THE NAIC OR THIRD-PARTY CONSULTANTS UNDER
8 THIS CHAPTER ARE CONFIDENTIAL AND PRIVILEGED, ARE NOT SUBJECT TO
9 DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL
10 15.231 TO 15.246, ARE NOT SUBJECT TO SUBPOENA, AND ARE NOT SUBJECT
11 TO DISCOVERY OR ADMISSIBLE IN EVIDENCE IN A PRIVATE CIVIL ACTION.

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

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