

Amendment No. 15

COMMITTEE/SUBCOMMITTEE ACTION

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WITHDRAWN	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

1 Committee/Subcommittee hearing bill: Insurance & Banking
 2 Subcommittee

3 Representative Edwards offered the following:

4

5 **Amendment**

6 Remove lines 1310-1332 and insert:

7 (6) An association which holds a license under this part
 8 ~~and which does not hold any other license under this chapter~~ may
 9 allow its premiums for service warranties written under this
 10 part to exceed the ratio to net assets limitations of this
 11 section if the association meets all of the following:

12 (a) Maintains net assets of at least \$750,000.

13 (b) Utilizes a contractual liability insurance policy
 14 approved by the office which:

15 1. Reimburses the service warranty association for 100
 16 percent of its claims liability and is issued by an insurer that
 17 maintains a policyholder surplus of at least \$100 million; or

18 2. Complies with the requirements of subsection (3) and is
 19 issued by an insurer that maintains a policyholder surplus of at
 20 least \$200 million.

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21 (c) The insurer issuing the contractual liability
22 insurance policy:

23 ~~1. Maintains a policyholder surplus of at least \$100~~
24 ~~million.~~

25 ~~1.2.~~ Is rated "A" or higher by A.M. Best Company or an
26 equivalent rating by another national rating service acceptable
27 to the office.

28 ~~3. Is in no way affiliated with the warranty association.~~

29 ~~2.4.~~ In conjunction with the warranty association's filing
30