

Amend CSHB 2095 as follows:

(1) In SECTION 1 of the bill, in added Section 407A.053(c), Labor Code (page 4, line 23, Senate committee printing), strike "not to exceed \$300,000" and substitute "equal to the greater of \$300,000 or 25 percent of the group's total incurred liabilities for workers' compensation".

(2) In SECTION 1 of the bill, in added Subchapter H, Chapter 407A, Labor Code (page 9, between lines 10 and 11, Senate committee printing), insert the following new Sections 407A.356 and 407A.357:

Sec. 407A.356. GUARANTY MECHANISM. (a) In the event of a liquidation under Section 407A.355, after exhausting the security required under Section 407A.053 and levying an assessment against the members of an insolvent group under Section 407A.355(g), the commissioner shall levy an assessment against all groups as necessary to ensure prompt payment of:

(1) benefits; and

(2) expenses related to payment of benefits.

(b) The assessment under this section on each group shall be based on the proportion that the premium of each group bears to the total premium of all groups.

(c) The commissioner may exempt a group from assessment under this section on a determination that the payment of the assessment would render the group insolvent.

(d) The assessment under this section does not relieve any member of an insolvent group of its joint and several liability.

(e) Subject to Section 407A.357(d), this section expires on creation of the Texas Group Self-Insurance Guaranty Association under Section 407A.357.

Sec. 407A.357. TEXAS GROUP SELF-INSURANCE GUARANTY ASSOCIATION; ADVISORY COMMITTEE. (a) Subject to Subsection (d), the Texas Group Self-Insurance Guaranty Association shall be established not later than January 1, 2006, based on recommendations from the guaranty association advisory committee established under Subsection (b). The guaranty association shall provide for the payment of workers' compensation insurance benefits and expenses related to payment of those benefits for the injured employees of an insolvent group.

(b) The guaranty association advisory committee is composed of the following voting members:

(1) three members who represent different groups under this chapter, subject to Subsection (c);

(2) one commission member who represents wage earners;

(3) one member designated by the commissioner; and

(4) the public counsel of the office of public insurance counsel.

(c) If three groups under this chapter have not been established by July 1, 2004, the advisory committee shall include representatives of any certified groups, and the commissioner shall choose the remaining voting members under Subsection (b)(1):

(1) from members of a bona fide trade association in this state that is eligible for and has applied for a certificate of approval; or

(2) if an association described by Subdivision (1) does not exist as of July 1, 2004, from any association in this state representing employers in the same or a similar business that has been in existence for at least five years for purposes other than obtaining insurance coverage.

(d) If the advisory committee under this section recommends that a guaranty association not be created, the guaranty mechanism under Section 407A.356 continues in effect.