

Amend HB 1977 as follows:

(1) On page 1, between lines 9 and 10, insert the following:

SECTION 2. Section 1506.251, Insurance Code, is amended by adding Subsection (c) to read as follows:

(c) The regular assessment is the amount determined by the board under Section 1506.252 and recovered from health benefit plan issuers under Section 1506.253.

SECTION 3. Subchapter F, Chapter 1506, Insurance Code, is amended by adding Section 1506.2523 to read as follows:

Sec. 1506.2523. ANNUAL REPORT TO BOARD: GROSS PREMIUMS.

(a) Each health benefit plan issuer shall report to the board the gross premiums collected for the preceding calendar year for health benefit plans.

(b) For purposes of this section, gross health benefit plan premiums do not include premiums collected for:

(1) coverage under a Medicare supplement benefit plan subject to Chapter 1652;

(2) coverage under a small employer health benefit plan subject to Subchapters A-H, Chapter 1501; or

(3) coverage or insurance listed in Section 1506.002(b).

SECTION 4. Section 1506.253(b), Insurance Code, is amended to read as follows:

(b) The board shall use the total number of enrolled individuals reported by all health benefit plan issuers under Section 1506.2522 as of the preceding December 31 to ~~[to]~~ compute the amount of a health benefit plan issuer's assessment, if any, in accordance with this subsection. The ~~[the]~~ board shall allocate ~~[+~~

~~[(1) divide]~~ the total amount to be assessed based on ~~[by]~~ the total number of enrolled individuals covered by excess loss, stop-loss, or reinsurance policies and on the total number of other enrolled individuals as determined ~~[reported by all health benefit plan issuers]~~ under Section 1506.2522. To compute the amount of a health benefit plan issuer's assessment:

(1) for the issuer's enrolled individuals covered by an excess loss, stop-loss, or reinsurance policy, the board shall:

(A) divide the allocated amount to be assessed by

the total number of enrolled individuals covered by excess loss, stop-loss, or reinsurance policies, as determined under Section 1506.2522, [as of the preceding December 31] to determine the per capita amount; and

(B) multiply the number of a health benefit plan issuer's enrolled individuals covered by an excess loss, stop-loss, or reinsurance policy, as determined under Section 1506.2522, by the per capita amount to determine the amount assessed to that health benefit plan issuer; and

(2) for the issuer's enrolled individuals not covered by excess loss, stop-loss, or reinsurance policies, the board, using the gross health benefit plan premiums reported for the preceding calendar year by health benefit plan issuers under Section 1506.2523, shall:

(A) divide the gross premium collected by a health benefit plan issuer by the gross premium collected by all health benefit plan issuers; and

(B) multiply the allocated amount to be assessed by the fraction computed under Paragraph (A) [~~number of enrolled individuals reported by the health benefit plan issuer under Section 1506.2522 as of the preceding December 31 by the per capita amount~~] to determine the amount assessed to that health benefit plan issuer.

SECTION 5. Subchapter F, Chapter 1506, Insurance Code, is amended by adding Section 1506.259 to read as follows:

Sec. 1506.259. TAX CREDIT. (a) A health benefit plan issuer is entitled to a credit against its premium tax under Chapter 222 for the portion of the issuer's regular assessment, determined by the board during the preceding calendar year under Section 1506.253, for non-federally eligible individuals who qualify for pool coverage under Section 1506.152(a)(3), as determined by the pool as of December 31 of the preceding calendar year.

(b) The premium tax credit under this section applies to the premium tax due in the calendar year following the calendar year in which the regular assessment is determined by the pool.

(c) The premium tax credit under this section is limited to the premium tax liability due for the calendar year before the

application of any available premium tax prepayments and guaranty association assessment credits. Any credit that exceeds the premium tax liability for a calendar year may not be carried forward to future years or applied to prior years.

(d) Available credit against premium tax allowed under this section may be transferred or assigned among health benefit plan issuers if:

(1) a merger, acquisition, or total assumption of reinsurance among the issuers occurs; or

(2) the commissioner by order approves the transfer or assignment.

(2) On page 1, line 10, strike "SECTION 2" and substitute "SECTION 6".

(3) On page 1, strike line 13 and substitute the following:

SECTION 7. The change in law made by this Act to Section 1506.253, Insurance Code, applies to an assessment under Subchapter F, Chapter 1506, Insurance Code, for a calendar year or portion of a calendar year beginning on the effective date of this Act. An assessment for any portion of a calendar year before the effective date of this Act is governed by the law in effect during the period for which the assessment is made, and the former law is continued in effect for that purpose.

SECTION 8. A health benefit plan issuer may apply a tax credit under Section 1506.259, Insurance Code, as added by this Act, beginning with the first premium tax payment that is due on or after January 1, 2008.

SECTION 9. This Act takes effect June 30, 2007, if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary to take effect on that date, this Act takes effect September 30, 2007.