

Amend CSHB 2960 as follows:

(1) On page 4, line 5, strike "2210.052(a)" and substitute "2210.052(a), (c),".

(2) On page 4, between lines 14 and 15, insert the following:

(c) Each member's participation in the association shall be determined annually in the manner provided by the plan of operation. For purposes of determining participation in the association, two or more members that are subject to common ownership or that operate in this state under common management or control shall be treated as a single member. ~~[The determination shall also include the net direct premiums of an affiliate that is under that common management or control, including an affiliate that is not authorized to engage in the business of property insurance in this state.]~~

(3) On page 7, line 7, strike "The association" and substitute "Notwithstanding any other provision of this section, the association".

(4) On page 7, lines 9-11, strike "to fund losses and may pay expenses of the association with other funding available as provided in any subsection of this section".

(5) Strike page 8, line 9 through page 9, line 5, and substitute the following:

Sec. 2210.061. ELIGIBLE SURPLUS LINES INSURERS. (a) An eligible surplus lines insurer may not be a member of the association and is not subject to assessment as a member of the association.

(b) Each surplus lines agent placing property insurance through an eligible surplus lines insurer shall collect from the policyholder and shall remit to the association a surplus lines policy fee on all premiums collected after January 1, 2008, for all insurance written by the surplus lines agent for a policy from an eligible surplus lines insurer for all risks on real property and contents in first tier coastal counties. By procuring or selling insurance on property in this state through an eligible surplus lines insurer, each surplus lines agent described by this subsection agrees to be subject to the provisions of this chapter,

and to collect and remit the surplus lines policy fee described by this section.

(c) The surplus lines policy fee shall be five percent of the total policy premium, but the fee may not be considered premium and is not subject to premium taxes or commissions. Failure to pay the surplus lines policy fee shall be treated as a failure to pay premium. For purposes of this subsection, "total policy premium" includes taxes and commissions.

(d) Not later than the 20th day after the last day of each calendar quarter, each surplus lines agent placing insurance through an eligible surplus lines insurer shall remit directly to the association all surplus lines policy fees collected in the preceding quarter.

(6) On page 9, strike lines 20-22 and substitute the following:

(b) Three members must be employed by or affiliated with, other than as agents, [+

(7) On page 9, strike lines 25-26 and substitute the following:

(c) Two members must be [~~, elected by the members as provided by the plan of~~

(8) On page 34, line 4, between "(d)" and "The service fees", insert the following:

The premium surcharge shall apply to all insurance policies for all property and casualty lines other than workers' compensation, accident and health, and medical malpractice.

(9) On page 37, line 4, strike "for calendar year 2008" and substitute "for calendar years 2007 and 2008".

(10) On page 38, strike lines 25-27 and substitute the following:

SECTION 38. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately 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 for immediate effect, this Act takes effect September 1, 2007.

(b) The change in law made by this Act to Sections 2210.251,

2210.252, 2210.254, and 2210.255, Insurance Code, takes effect September 1, 2008.

(11) On page 39, strike lines 1-2.