

By: Smithee

H.B. No. 3695

A BILL TO BE ENTITLED

AN ACT

relating to the operation of the FAIR Plan Association.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2211.104(c), Insurance Code, is amended to read as follows:

(c) The insurer shall compute the amount of the surcharge under Subsection (b) as a ~~uniform~~ percentage of the premium on each policy described by Subsection (b). The percentage must be equal to one-third of the ratio of the amount of the participating insurer's assessment or service fee payment to the amount of the insurer's direct earned premiums, as reported to the department in the insurer's financial statement for the calendar year preceding the year in which the assessment or service fee payment is made so that, over the three-year period, the aggregate of all surcharges by the insurer under this section is at least equal to the amount of the assessment or service fee payment.

SECTION 2. Section 2211.156 is repealed.

SECTION 3. This Act takes effect September 1, 2013.