

Amend CSSB 900 (house committee report) as follows:

(1) Add the following appropriately numbered SECTION and renumber the subsequent SECTIONS accordingly:

SECTION _____. Sections 2210.355(b), (c), and (i), Insurance Code, are amended to read as follows:

(b) In adopting rates under this chapter, the association must:

(1) comply with the rate standards under Subchapter B, Chapter 2251; and

(2) consider [~~following must be considered:~~

~~(1) the past and prospective loss experience within and outside this state of hazards for which insurance is made available through the plan of operation, if any;~~

~~(2) expenses of operation, including acquisition costs;~~

~~(3) a reasonable margin for profit and contingencies;~~

~~(4)] payment of public security obligations for [Class 1] public securities issued under this chapter, including the additional amount of any debt service coverage determined by the association to be required for the issuance of marketable public securities[~~, and~~~~

~~(5) all other relevant factors, within and outside this state].~~

(c) The commissioner must certify that overall rates for coverage under this chapter are actuarially sufficient before the association assesses members under this chapter [~~Rates must be reasonable, adequate, not unfairly discriminatory, and nonconfiscatory as to any class of insurer].~~

(i) The association may establish rating territories and may vary rates among the territories [~~as provided by this subsection. A rating territory that subdivides a county may be used only if the rate for any subdivision in the county is not more than:~~

~~(A) five percent higher than the rate used by the association in 2009 in any other subdivision in the county;~~

~~(B) six percent higher than the rate used by the association in 2010 in any other subdivision in the county;~~

~~(C) seven percent higher than the rate used by~~

~~the association in 2011 in any other subdivision in the county, and
[(D) eight percent higher than the rate used by
the association in 2012 in any other subdivision in the county.]~~

(2) On page 25, between lines 4 and 5, insert the following appropriately numbered subdivisions and renumber the subsequent subdivisions accordingly:

- () Sections 2210.355(d), (e), (f), and (h);
- () Section 2210.359, Insurance Code;