

CHAPTER 127

S.B. No. 494

AN ACT

relating to the assessments for the Texas Catastrophe Property Insurance Association.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subsection (c), Section 5, Texas Catastrophe Property Insurance Pool Act, as amended (Article 21.49, Insurance Code), is amended to read as follows:

(c) All members of the Association shall participate in its writings, expenses, profits and losses in the proportion that the net direct premiums of such member written in this State during the preceding calendar year bears to the aggregate net direct premiums

written in this State by all members of the Association, as furnished to the Association by the Board after review of annual statements, other reports and other statistics the Board shall deem necessary to provide the information herein required and which the Board is hereby authorized and empowered to obtain from any member of the Association, provided, however, that a member shall, in accordance with the plan of operation, be entitled to receive credit for similar insurance voluntarily written in the area designated by the Board and its participation in the writings in the Association shall be reduced in accordance with the provisions of the plan of operation. Each member's participation in the Association shall be determined annually in the manner provided in the plan of operation. For purposes of determining participation in the Association, two or more members having a common ownership or operating in this State under common management or control shall be treated as if they constituted a single member *and also shall include the net direct premiums, as defined by this article, of any affiliated insurance company that is under such common management or control including affiliated insurance companies that are not authorized to transact property insurance in this State.* Any insurer authorized to write and engaged in writing any insurance, the writing of which required such insurer to be a member of the Association, who becomes authorized to engage in writing such insurance after the effective date of this Act shall become a member of the Association on the 1st day of January immediately following such authorization and the determination of such insurer's participation in the Association shall be made as of the date of such membership in the same manner as for all other members of the Association.

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on April 29, 1987, by the following vote: Yeas 29, Nays 0. Passed the House on May 7, 1987, by the following vote: Yeas 140, Nays 0, one present not voting.

Approved May 20, 1987.

Effective May 20, 1987.