

INSURANCE CODE

TITLE 10. PROPERTY AND CASUALTY INSURANCE

SUBTITLE D. FIRE INSURANCE AND ALLIED LINES,
INCLUDING RESIDENTIAL PROPERTY INSURANCE

CHAPTER 2007. ASSESSMENT FOR RURAL FIRE PROTECTION

Sec. 2007.001. APPLICABILITY OF CHAPTER. This chapter applies only to an insurer that:

(1) is authorized to engage in business in this state, including a stock company, mutual insurance company, farm mutual insurance company, county mutual insurance company, Lloyd's plan, and reciprocal or interinsurance exchange; and

(2) writes a policy of:

(A) homeowners insurance;

(B) fire insurance;

(C) farm and ranch owners insurance;

(D) private passenger automobile physical damage insurance;

(E) commercial automobile physical damage insurance; or

(F) commercial multiple peril insurance.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2007.002. ASSESSMENT. The comptroller shall assess against all insurers to which this chapter applies amounts for each state fiscal year necessary, as determined by the commissioner, to collect a combined total equal to the lesser of:

(1) the total amount that the General Appropriations Act appropriates from the volunteer fire department assistance fund account in the general revenue fund for that state fiscal year other than appropriations for contributions to the Texas Emergency Services Retirement System made under Section 614.104(d), Government Code; or

(2) \$30 million.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 932 (H.B. 3315), Sec. 20, eff. June 15, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 835 (H.B. 7), Sec. 9, eff. June 14, 2013.

Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 24, eff. September 1, 2015.

Sec. 2007.003. DETERMINATION OF ASSESSMENT. (a) In this section, "net direct premium" means the gross direct premium written and reported by an insurer on annual financial statements on:

(1) an insurance policy described by Section 2007.001(2), other than a commercial multiple peril policy; and

(2) the nonliability portion of a commercial multiple peril policy.

(b) Each insurer shall pay a portion of the assessment in the proportion that the insurer's net direct premiums for the period for which the assessment is made bear to the aggregate net direct premiums written in this state by all insurers for that period.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2007.004. DATES OF ASSESSMENT AND PAYMENT. (a) The comptroller shall assess insurers under this chapter on or before September 1 of each year.

(b) An insurer shall pay the amount of the insurer's assessment on or after the 60th day after the date the comptroller assesses the insurer.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2007.005. RECOVERY OF ASSESSMENT. An insurer may recover an assessment under this chapter by:

(1) reflecting the assessment as an expense in a rate filing required under this code; or

(2) charging the insurer's policyholders.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2007.006. NOTICE TO POLICYHOLDERS. (a) An insurer that recovers an assessment by charging the insurer's policyholders under Section 2007.005 shall provide notice to each policyholder regarding the amount of the assessment being recovered.

(b) The notice may be included on:

- (1) a declarations page;
- (2) a renewal certificate; or
- (3) a billing statement.

(c) The commissioner by rule may adopt a form for providing the notice.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2007.007. VOLUNTEER FIRE DEPARTMENT ASSISTANCE FUND. The comptroller shall credit assessments collected under this chapter to the volunteer fire department assistance fund created under Section 614.104, Government Code.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2007.008. RULES; COOPERATION. (a) The comptroller and the commissioner shall adopt rules as necessary to implement this chapter.

(b) The comptroller and the department shall cooperate as necessary to implement this chapter.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.