

ending on September 30. This aggregate figure shall be the amount of recoupment used in determining whether the member has recouped the assessment paid by it on the preceding December 31; however, the aggregate figure for the four quarters ending September 30, 1977, shall be determined by multiplying the sum of the figures reported for the quarters ending April 30, 1977, June 30, 1977, and September 30, 1977, by 1 33 1/3 percent. If the assessment paid on the preceding December 31 exceeds the recoupment, the difference is the net unrealized recoupment. If the recoupment exceeds that assessment, the difference is the gross surplus recoupment. The amount of the recoupment shall not be considered premium income subject to the State premium tax.]

[(g) Each member shall keep separate and detailed records of any expenses actually incurred that are directly attributable to the collection of the recoupment authorized under subsection (f). Upon verification, and if relevant, these expenses shall be considered as appropriate cost items by the Insurance Commissioner in any subsequent rate filing by the member.]

(E) THE INSURANCE COMMISSIONER SHALL PROMPTLY REVIEW THE ASSESSMENT ALLOCATION PERCENTAGE CALCULATED BY THE ASSOCIATION. UNLESS THE COMMISSIONER FINDS THE COMPUTATION TO BE INACCURATE, THE COMMISSIONER SHALL AUTHORIZE EACH MEMBER TO SURCHARGE EACH POLICY OF MOTOR VEHICLE LIABILITY AND PHYSICAL DAMAGE INSURANCE WRITTEN OR RENEWED IN THIS STATE, FOR A PERIOD OF ONE YEAR COMMENCING THE NEXT ENSUING JULY 1, BY THE SAME PERCENTAGE AS THE ASSESSMENT ALLOCATION PERCENTAGE. THIS SURCHARGE SHALL BE COMPUTED BY APPLYING THE ASSESSMENT ALLOCATION PERCENTAGE TO THE PREMIUM AT THE INCEPTION OR RENEWAL OF THE POLICY, AND SHALL NOT BE SUBJECT TO CHANGE OR REFUND FOR ANY REASON. SURCHARGES SHALL NOT BE CONSIDERED PREMIUM INCOME FOR PURPOSES OF THE STATE PREMIUM TAX OR THE PAYMENT OF COMMISSIONS.

IN THE EVENT THAT A POLICYHOLDER FAILS TO PAY THE ASSESSMENT SURCHARGE WHEN DUE, THE MEMBER MAY CANCEL THE POLICY IN ACCORDANCE WITH THE POLICY TERMS FOR NONPAYMENT OF PREMIUM.

(F) EACH MEMBER OF THE ASSOCIATION SHALL APPLY AND COLLECT THE ANY ASSESSMENT SURCHARGE PURSUANT TO SUBSECTIONS (D) AND (E). EACH MEMBER OF THE ASSOCIATION SHALL REPORT QUARTERLY TO THE ASSOCIATION PURSUANT TO §§ 243A AND 243M. AN OFFICER OF EACH MEMBER SHALL CERTIFY, IN THE MANNER REQUIRED BY THE ASSOCIATION'S BOARD OF DIRECTORS, THAT THE ANY AMOUNTS COLLECTED AND PAID ARE A TRUE AND ACCURATE ACCOUNTING OF ITS POLICY SURCHARGES.

~~(G) --ASSESSMENT--MONEY--RECEIVED--BY--THE--FUND--DURING--THE--APPLICABLE--CALENDAR--YEAR--SHALL--BE--CONSIDERED--AS--A--DIRECT CONTRIBUTION--TO--SURPLUS--FOR--ANNUAL--STATEMENT--PURPOSES--IN--THE--EVENT--THAT--THE--AGGREGATE--AMOUNT--OF--SURCHARGES--RECEIVED--BY--THE--ASSOCIATION--MEMBER--COMPANIES--DURING--THE--APPLICABLE--RECOUPMENT--YEAR--EXCEEDS--OR--IS--LESS--THAN--THE--MEMBER'S--ASSESSMENT--CONTRIBUTION--FOR--WHICH--THE--SURCHARGES--WERE--COLLECTED,--THE--NEXT--YEAR'S--ASSESSMENT--CONTRIBUTION--SHALL--BE--INCREASED--OR--DECREASED--ACCORDINGLY.~~