

THIS STATE ON A SURPLUS LINE BASIS AS DETERMINED BY THE COMMISSIONER.

601.

(A) (1) THERE IS A COMMERCIAL CASUALTY UNDERWRITING ASSOCIATION CONSISTING OF ALL INSURERS LICENSED TO WRITE IN THIS STATE, ON A DIRECT BASIS, COMMERCIAL CASUALTY INSURANCE POLICIES.

(2) EVERY INSURER LICENSED TO WRITE IN THIS STATE, ON A DIRECT BASIS, COMMERCIAL CASUALTY INSURANCE POLICIES SHALL:

(I) BE A MEMBER OF THE ASSOCIATION; AND

(II) REMAIN A MEMBER AS A CONDITION OF ITS AUTHORITY TO TRANSACT COMMERCIAL CASUALTY INSURANCE IN THIS STATE.

(3) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, OTHER INSURERS MAY BECOME MEMBER INSURERS WITH THE APPROVAL OF THE COMMISSIONER.

(B) (1) THE ASSOCIATION IS NOT A DEPARTMENT, UNIT, AGENCY, OR INSTRUMENTALITY OF THE STATE.

(2) ALL DEBTS, CLAIMS, OBLIGATIONS, AND LIABILITIES INCURRED BY THE ASSOCIATION SHALL BE THE DEBTS, CLAIMS, OBLIGATIONS, AND LIABILITIES OF THE ASSOCIATION ONLY AND NOT OF THE STATE, ITS AGENCIES, INSTRUMENTALITIES, OFFICERS, OR EMPLOYEES.

(3) THE ASSOCIATION MONEYS MAY NOT BE CONSIDERED PART OF THE GENERAL FUND OF THE STATE.

(4) THE STATE MAY NOT BUDGET FOR OR PROVIDE GENERAL FUND APPROPRIATIONS TO THE ASSOCIATION.

(5) THE DEBTS, CLAIMS, OBLIGATIONS, AND LIABILITIES OF THE ASSOCIATION MAY NOT BE CONSIDERED TO BE A DEBT OF THE STATE OR PLEDGE OF ITS CREDIT.

(C) THE ASSOCIATION MAY:

(1) ESTABLISH A PROGRAM OF OPERATION, SUBJECT TO APPROVAL BY THE COMMISSIONER;

(2) ISSUE POLICIES OF INSURANCE AND;

(3) CEDE REINSURANCE ON RISKS WRITTEN BY INSURERS IN CONFORMITY WITH THE PROGRAM.

(D) EACH MEMBER INSURER SHALL PARTICIPATE IN THE EXPENSES AND LOSSES OF THE ASSOCIATION IN THE PROPORTION THAT THE MEMBER INSURER'S PREMIUMS WRITTEN BEAR TO THE AGGREGATE PREMIUMS WRITTEN BY ALL MEMBERS OF THE ASSOCIATION.