

policy, and shall not be subject to change or refund for any reason. Recoupment charges shall not be considered premium income for purposes of the State premium tax or the payment of commissions.

(2) In the event that a policyholder fails to pay the assessment recoupment charge when due, the member may cancel the policy in accordance with the policy terms for nonpayment of premium.

(3) (i) Each member company shall elect on or before June 30 of each year whether or not to recoup its share of the [assessment] ASSESSMENTS for the immediately preceding year by imposing a recoupment charge on each of the company's COMMERCIAL policyholders OR PRIVATE PASSENGER AUTOMOBILE POLICYHOLDERS, OR BOTH, WHERE APPROPRIATE.

(ii) If on or before June 30 a company does not elect to recoup its share of an assessment, it shall be deemed to have recouped that assessment and to have waived its option to impose a recoupment charge on its policyholders under subparagraph (iii) of this paragraph.

(iii) If a company elects to recoup its share of an assessment on or before June 30, it must clearly identify any recoupment charge imposed on its policyholders by including the following statement on the premium billing of each policyholder: "Recoupment of MAIF assessment, \$_____". No other statement may accompany this premium billing.

(iv) Nothing in this paragraph shall deny any company the right to:

1. Absorb [the] AN annual assessment; or
2. Recover all or part of the annual [assessment] ASSESSMENTS as costs in rate filings made under this article, in which event the MAIF assessment shall be identified on any premium billing to the policyholder.

(f) Each member of the association shall apply and collect any assessment surcharge pursuant to subsections (d) and (e). POLICYHOLDERS SHALL RECEIVE ANY SURPLUS RECOUPMENT CREDITS AND MAY BE CHARGED FOR ANY RECOUPMENT SHORTFALL THAT THEIR RESPECTIVE MEMBER COMPANY RECEIVES FROM OR IS SURCHARGED BY THE INDUSTRY AUTOMOBILE INSURANCE ASSOCIATION. Each member of the association shall report quarterly to the association pursuant to § 243A and this section. An officer of each member shall certify, in the manner required by the association's board of directors, that any amounts collected and paid are a true and accurate accounting of its policy surcharges.

(g) All insufficiency assessment moneys received by the Fund during the applicable calendar year shall be considered as a direct contribution to surplus for annual statement purposes. In