

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

| | | |
|-----------------------|-------|-------|
| ADOPTED | _____ | (Y/N) |
| ADOPTED AS AMENDED | _____ | (Y/N) |
| ADOPTED W/O OBJECTION | _____ | (Y/N) |
| FAILED TO ADOPT | _____ | (Y/N) |
| WITHDRAWN | _____ | (Y/N) |
| OTHER | | |

1 Committee/Subcommittee hearing bill: Commerce Committee
 2 Representative Smith, D. offered the following:

Amendment (with title amendment)

Remove lines 24-70 and insert:

626.8621 Adjustments by guaranty association employees.-

7 (1) An employee of the Florida Insurance Guaranty
 8 Association, created under part II of chapter 631, may adjust
 9 losses for the association if such employee holds, or has held
 10 within the past 10 years, licensure in this state which allows
 11 for the adjustment of such losses.

12 (2) An employee of a guaranty association established by
 13 another state and whose insurance regulators are members of the
 14 National Association of Insurance Commissioners may adjust
 15 losses for the Florida Insurance Guaranty Association. The
 16 authorization for such employees to adjust losses must be

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17 included in a contract with the Florida Insurance Guaranty
18 Association and the employee's guarantee association or
19 association's authorized representative. The Florida Insurance
20 Guaranty Association shall contract only for employees of other
21 state guaranty associations who maintain the appropriate
22 experience and training for adjusting such claims.

23 Section 2. Subsections (1), (2), and (3) of section 631.914,
24 Florida Statutes, are amended to read:

25 631.914 Assessments.—

26 (1) (a) To the extent necessary to secure the funds for the
27 payment of covered claims, and also to pay the reasonable costs
28 to administer the same, the Office of Insurance Regulation, upon
29 certification by the board, shall levy assessments on each
30 insurer ~~initially estimated in the proportion that the insurer's~~
31 ~~net direct written premiums in this state bears to the total of~~
32 ~~said net direct written premiums received in this state by all~~
33 ~~such workers' compensation insurers for the preceding calendar~~
34 ~~year.~~ An insurer shall fully recoup assessments by applying the
35 uniform surcharge percentage levied by the office to all
36 policies of the same kind or line as were considered by the
37 office in determining the assessment liability of the insurer.
38 Assessments levied against insurers and self-insurance funds
39 pursuant to this paragraph must be computed and levied on the
40 basis of ~~the full policy premium value on the net direct written~~
41 premium amount as set forth in the state for workers'

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42 compensation insurance ~~without consideration of any applicable~~
 43 ~~discount or credit for deductibles.~~ An insurer's direct written
 44 premium calculated for the purposes of determining the insurer's
 45 assessment or policyholder surcharge may not be reduced by any
 46 discount or credit for deductibles in a policy or by any premium
 47 adjustment to a retrospectively rated policy. Insurers and self-
 48 insurance funds must report premiums in compliance with this
 49 paragraph, and the association may audit the reports.

50 Assessments shall be remitted to and administered by the board
 51 of directors in the manner specified by the approved plan of
 52 operation and paragraph (d). ~~Each assessment shall be a uniform~~
 53 ~~percentage applicable to the net direct written premiums of each~~
 54 ~~insurer writing workers' compensation insurance.~~ Assessments
 55 levied against insurers and self-insurance funds shall not
 56 exceed in any calendar year more than 2 percent of that
 57 insurer's ~~net~~ direct written premiums in this state for workers'
 58 compensation insurance.

59 (c) ~~(b)~~ The office shall levy the uniform surcharge
 60 percentage on all policies of the same kind or line as were
 61 considered by the office in determining the assessment liability
 62 of the insurer. Member insurers shall collect policyholder

63
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T I T L E A M E N D M E N T

Remove lines 3-11 and insert:

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67 creating s. 626.8621, F.S.; authorizing an employee of the
68 Florida Insurance Guaranty Association or an employee of a
69 guaranty association of another state to adjust losses for the
70 Florida Insurance Guaranty Association if certain conditions are
71 met; amending s. 631.914, F.S.; revising requirements for the
72 Office of Insurance Regulation in levying assessments on
73 workers' compensation insurers; requiring such insurers to
74 recoup the assessments by applying a certain surcharge
75 percentage to certain policies; providing that an insurer's
76 direct written premium may not be reduced by certain amounts for
77 the purposes of determining insurer assessments or policyholder
78 surcharges; authorizing the Florida Workers' Compensation
79 Insurance Guaranty Association to audit certain reports;
80 revising requirements for remitting policy surcharges and
81 assessments;