

By Senator Horne

6-1402-99

1                                   A bill to be entitled  
2           An act relating to insurance; amending s.  
3           627.311, F.S.; authorizing the use of  
4           policyholder surplus to fund workers'  
5           compensation joint underwriting plan deficits;  
6           prohibiting insurers from providing workers'  
7           compensation to certain employers; defining the  
8           term "affiliated person," as used in s.  
9           627.311, F.S.; exempting the plan from premium  
10          taxation; exempting the plan from assessments  
11          under ch. 440, F.S.; providing an effective  
12          date.

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14 Be It Enacted by the Legislature of the State of Florida:

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16           Section 1. Paragraphs (g) and (r) of subsection (4) of  
17          section 627.311, Florida Statutes, 1998 Supplement, are  
18          amended, and a paragraph (s) is added to that subsection to  
19          read:

20                   627.311 Joint underwriters and joint reinsurers.--

21                   (4)

22           (g) Whenever a deficit exists, the plan shall, within  
23          90 days, provide the department with a program to eliminate  
24          the deficit within a reasonable time. The deficit may be  
25          funded both through increased premiums charged to insureds of  
26          the plan for subsequent years through the use of policyholder  
27          surplus attributable to any year and through assessments on  
28          insureds in the plan if the plan uses assessable policies.

29           (r) No insurer shall provide workers' compensation and  
30          employer's liability insurance to any person who is delinquent  
31          in the payment of premiums, assessments, penalties, or

1 surcharges owed to the plan or to any person who is an  
2 affiliated person of a person who is delinquent in the payment  
3 of premiums, assessments, penalties, or surcharges owed to the  
4 plan. For the purposes of this section, the term "affiliated  
5 persons" of another person means:

6 1. The spouse of such other person;

7 2. Any person who directly or indirectly owns or  
8 controls, or holds the power to vote, 5 percent or more of the  
9 outstanding voting securities of such other persons;

10 3. Any person 5 percent or more of the outstanding  
11 voting securities of which are directly or indirectly owned or  
12 controlled, or held with power to vote, by such other person;

13 4. Any person or group of persons who directly or  
14 indirectly control, are controlled by, or are under common  
15 control with such other person;

16 5. Any officer, director, partner, copartner, or  
17 employee of such person;

18 6. Any person who has an officer, director, partner,  
19 copartner, or employee in common with such other person.

20 (s) The plan and any premiums, assessments, penalties,  
21 or surcharges of the plan are exempt from premium taxation and  
22 are exempt from any assessments under ss. 440.49 and 440.51.

23 Section 2. This act shall take effect July 1, 1999.

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26 SENATE SUMMARY

27 Authorizes the use of policyholder surplus to fund  
28 workers' compensation joint underwriting plan deficits.  
29 Prohibits insurers from providing workers' compensation  
30 to certain specified persons. Defines the term  
31 "affiliated person," as used in s. 627.311, F.S. Exempts  
the plan from premium taxation and assessments under ch.  
440, F.S.