

By Representative Ogles

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.