

Bill No. CS for SB 1822

Amendment No.      Barcode 145300

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Holzendorf moved the following amendment:

**Senate Amendment (with title amendment)**  
Delete everything after the enacting clause

and insert:

Section 1. Paragraph (c) of subsection (2) of section 215.555, Florida Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.--

(2) DEFINITIONS.--As used in this section:

(c) "Covered policy" means any insurance policy covering residential property in this state, including, but not limited to, any homeowner's, mobile home owner's, farm owner's, condominium association, condominium unit owner's, tenant's, or apartment building policy, or any other policy covering a residential structure or its contents issued by any authorized insurer, including any joint underwriting association or similar entity created pursuant to law. The term "covered policy" includes any collateral protection insurance policy covering personal residences which protects both the borrower's and the lender's financial interests, in

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1 an amount at least equal to the coverage for the dwelling in  
2 place under the lapsed homeowner's policy, if such policy can  
3 be accurately reported as required in subsection (5).  
4 Additionally, covered policies include policies covering the  
5 peril of wind removed from the Florida Residential Property  
6 and Casualty Joint Underwriting Association, created pursuant  
7 to s. 627.351(6), or from the Florida Windstorm Underwriting  
8 Association, created pursuant to s. 627.351(2), by an  
9 authorized insurer under the terms and conditions of an  
10 executed assumption agreement between the authorized insurer  
11 and either such association. Each assumption agreement between  
12 either association and such authorized insurer must be  
13 approved by the Florida Department of Insurance prior to the  
14 effective date of the assumption, and the Department of  
15 Insurance must provide written notification to the board  
16 within 15 working days after such approval. "Covered policy"  
17 does not include any policy that excludes wind coverage or  
18 hurricane coverage or any reinsurance agreement and does not  
19 include any policy otherwise meeting this definition which is  
20 issued by a surplus lines insurer or a reinsurer.

21 Section 2. Subsection (2) of section 631.904, Florida  
22 Statutes, is amended to read:

23 631.904 Definitions.--As used in this part, the term:

24 (2) "Covered claim" means an unpaid claim, including a  
25 claim for return of unearned premiums, which arises out of, is  
26 within the coverage of, and is not in excess of the applicable  
27 limits of, an insurance policy to which this part applies,  
28 which policy was issued by an insurer and which claim is made  
29 on behalf of a claimant or insured who was a resident of this  
30 state at the time of the injury. The term "covered claim" does  
31 not include any amount sought as a return of premium under any

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1 retrospective rating plan;any amount due any reinsurer,  
 2 insurer, insurance pool, or underwriting association, as  
 3 subrogation recoveries or otherwise; or any return of premium  
 4 resulting from a policy that was not in force on the date of  
 5 the final order of liquidation. Member insurers have no right  
 6 of subrogation against the insured of any insolvent insurer.  
 7 This provision shall be applied retroactively to cover claims  
 8 of an insolvent self-insurance fund resulting from accidents  
 9 or losses incurred prior to January 1, 1994, regardless of the  
 10 date the Department of Insurance filed a petition in circuit  
 11 court alleging insolvency and the date the court entered an  
 12 order appointing a receiver.

13 Section 3. Effective upon becoming a law and operating  
 14 retroactively to January 1, 2002, subsection (5) is added to  
 15 section 625.041, Florida Statutes, to read:

16 625.041 Liabilities, in general.--In any determination  
 17 of the financial condition of an insurer, liabilities to be  
 18 charged against its assets shall include:

19 (5) Any insurer in this state which writes workers'  
 20 compensation insurance shall accrue a liability on its  
 21 financial statements for all Special Disability Trust Fund  
 22 assessments that are due within the current calendar year. In  
 23 addition, such insurers shall also disclose in the notes to  
 24 the financial statements required to be filed pursuant to s.  
 25 624.424 an estimate of future Special Disability Trust Fund  
 26 assessments, if such assessments are likely to occur and can  
 27 be estimated with reasonable certainty.

28 Section 4. Subsection (15) of section 641.35, Florida  
 29 Statutes, is amended to read:

30 641.35 Assets, liabilities, and investments.--

31 (15) ~~SPECIAL CONSENT~~ INVESTMENT OF EXCESS FUNDS.--

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1           (a) After satisfying the requirements of this part,  
2 any funds of a health maintenance organization in excess of  
3 its statutorily required reserves and surplus may be invested:

4           1. Without limitation in any investments otherwise  
5 authorized by this part; or

6           2. In such other investments not specifically  
7 authorized by this part provided such investments do not  
8 exceed the lesser 5 percent of the health maintenance  
9 organization's admitted assets or 25 percent of the amount by  
10 which a health maintenance organization's surplus exceeds its  
11 statutorily required minimum surplus. A health maintenance  
12 organization may exceed the limitations of this subparagraph  
13 only with the prior written approval of the department.

14           (b) Nothing in this subsection authorizes a health  
15 maintenance organization to:

16           1. Invest any funds in excess of the amount by which  
17 its actual surplus exceeds its statutorily required minimum  
18 surplus; or

19           2. Make any investment prohibited by this code ~~Any~~  
20 ~~investment of the health maintenance organization's funds not~~  
21 ~~enumerated in this part requires the prior approval of the~~  
22 ~~department.~~

23           Section 5. Section 624.4072, Florida Statutes, is  
24 amended to read:

25           624.4072 Minority-owned property and casualty  
26 insurers; limited exemption for taxation and assessments.--

27           (1) A minority business that is at least 51 percent  
28 owned by minority persons, as defined in s. 288.703(3),  
29 initially issued a certificate of authority in this state as  
30 an authorized insurer after May 1, 1998, and before January 1,  
31 2002, to write property and casualty insurance shall be

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1 exempt, for a period not to exceed 10 5 years from the date of  
2 receiving its certificate of authority, from the following  
3 taxes and assessments:

4 (a) Taxes imposed under ss. 175.101, 185.08, and  
5 624.509;

6 (b) Assessments by the Florida Residential Property  
7 and Casualty Joint Underwriting Association or by the Florida  
8 Windstorm Underwriting Association, as provided under s.  
9 627.351, except for emergency assessments collected from  
10 policyholders pursuant to s. 627.351(2)(b)2.d.(III) and  
11 (6)(b)3.d. Any such insurer shall be a member insurer of the  
12 Florida Windstorm Underwriting Association and the Florida  
13 Residential Property and Casualty Joint Underwriting  
14 Association. The premiums of such insurer shall be included in  
15 determining, for the Florida Windstorm Underwriting  
16 Association, the aggregate statewide direct written premium  
17 for property insurance and in determining, for the Florida  
18 Residential Property and Casualty Joint Underwriting  
19 Association, the aggregate statewide direct written premium  
20 for the subject lines of business for all member insurers.

21 (2) Subsection (1) applies only to personal lines and  
22 commercial lines residential property insurance policies as  
23 defined in s. 627.4025, and applies only to an insurer that  
24 has employees in this state and has a home office or a  
25 regional office in this state. With respect to any tax year  
26 or assessment year, the exemptions provided by subsection (1)  
27 apply only if during the year an average of at least 10  
28 percent of the insurer's Florida residential property policies  
29 in force covered properties located in enterprise zones  
30 designated pursuant to s. 290.0065.

31 (3) The provision of the definition of "minority

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1 person" in s. 288.703(3) that requires residency in Florida  
2 shall not apply to the term "minority person" as used in this  
3 section or s. 627.3511.

4 (4) This section is repealed effective December 31,  
5 2010 ~~July 1, 2003~~, and the tax and assessment exemptions  
6 authorized by this section shall terminate on such date.

7 Section 6. Except as otherwise expressly provided in  
8 this act, this act shall take effect July 1, 2002.

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11 ===== T I T L E A M E N D M E N T =====  
12 And the title is amended as follows:

13 Delete everything before the enacting clause  
14  
15 and insert:

16 A bill to be entitled  
17 An act relating to insurance; amending s.  
18 215.555, F.S.; redefining the term "covered  
19 policy"; amending s. 631.904, F.S.; redefining  
20 the term "covered claim"; amending s. 625.041,  
21 F.S.; revising the liabilities that a workers'  
22 compensation insurer must include on its  
23 financial statements; providing retroactive  
24 application; amending s. 641.35, F.S.;  
25 authorizing investment of funds of a health  
26 maintenance organization in excess of certain  
27 reserves and surplus under certain  
28 circumstances; providing a limitation; amending  
29 s. 624.4072, F.S.; extending the term of the  
30 exemption from taxes and assessments on  
31 minority-owned property and casualty insurers;

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1           postponing the scheduled repeal of the law;  
2           providing effective dates.  
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