

Bill No. CS for SB 1822

Amendment No. Barcode 600808

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

631.904 Definitions.--As used in this part, the term:
(2) "Covered claim" means an unpaid claim, including a claim for return of unearned premiums, which arises out of, is within the coverage of, and is not in excess of the applicable limits of, an insurance policy to which this part applies, which policy was issued by an insurer and which claim is made on behalf of a claimant or insured who was a resident of this state at the time of the injury. The term "covered claim" does not include any amount sought as a return of premium under any retrospective rating plan; any amount due any reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries or otherwise; or any return of premium resulting from a policy that was not in force on the date of

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1 the final order of liquidation. Member insurers have no right
 2 of subrogation against the insured of any insolvent insurer.
 3 This provision shall be applied retroactively to cover claims
 4 of an insolvent self-insurance fund resulting from accidents
 5 or losses incurred prior to January 1, 1994, regardless of the
 6 date the Department of Insurance filed a petition in circuit
 7 court alleging insolvency and the date the court entered an
 8 order appointing a receiver.

9 Section 2. Effective upon becoming a law and operating
 10 retroactively to January 1, 2002, subsection (5) is added to
 11 section 625.041, Florida Statutes, to read:

12 625.041 Liabilities, in general.--In any determination
 13 of the financial condition of an insurer, liabilities to be
 14 charged against its assets shall include:

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

24 Section 3. Subsection (15) of section 641.35, Florida
 25 Statutes, is amended to read:

26 641.35 Assets, liabilities, and investments.--

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

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

31 1. Without limitation in any investments otherwise

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1 authorized by this part; or

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

10 (b) Nothing in this subsection authorizes a health
11 maintenance organization to:

12 1. Invest any funds in excess of the amount by which
13 its actual surplus exceeds its statutorily required minimum
14 surplus; or

15 2. Make any investment prohibited by this code ~~Any~~
16 ~~investment of the health maintenance organization's funds not~~
17 ~~enumerated in this part requires the prior approval of the~~
18 ~~department.~~

19 Section 4. Section 624.4072, Florida Statutes, is
20 amended to read:

21 624.4072 Minority-owned property and casualty
22 insurers; limited exemption for taxation and assessments.--

23 (1) A minority business that is at least 51 percent
24 owned by minority persons, as defined in s. 288.703(3),
25 initially issued a certificate of authority in this state as
26 an authorized insurer after May 1, 1998, and before January 1,
27 2002, to write property and casualty insurance shall be
28 exempt, for a period not to exceed 10 5 years from the date of
29 receiving its certificate of authority, from the following
30 taxes and assessments:

31 (a) Taxes imposed under ss. 175.101, 185.08, and

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1 624.509;

2 (b) Assessments by the Florida Residential Property
3 and Casualty Joint Underwriting Association or by the Florida
4 Windstorm Underwriting Association, as provided under s.
5 627.351, except for emergency assessments collected from
6 policyholders pursuant to s. 627.351(2)(b)2.d.(III) and
7 (6)(b)3.d. Any such insurer shall be a member insurer of the
8 Florida Windstorm Underwriting Association and the Florida
9 Residential Property and Casualty Joint Underwriting
10 Association. The premiums of such insurer shall be included in
11 determining, for the Florida Windstorm Underwriting
12 Association, the aggregate statewide direct written premium
13 for property insurance and in determining, for the Florida
14 Residential Property and Casualty Joint Underwriting
15 Association, the aggregate statewide direct written premium
16 for the subject lines of business for all member insurers.

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

27 (3) The provision of the definition of "minority
28 person" in s. 288.703(3) that requires residency in Florida
29 shall not apply to the term "minority person" as used in this
30 section or s. 627.3511.

31 (4) This section is repealed effective December 31,

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1 ~~2010 July 1, 2003~~, and the tax and assessment exemptions
2 authorized by this section shall terminate on such date.

3 Section 5. Except as otherwise expressly provided in
4 this act, this act shall take effect July 1, 2002.

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7 ===== T I T L E A M E N D M E N T =====

8 And the title is amended as follows:

9 Delete everything before the enacting clause

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11 and insert:

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A bill to be entitled

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An act relating to insurance; amending s.

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631.904, F.S.; redefining the term "covered

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claim"; amending s. 625.041, F.S.; revising the

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liabilities that a workers' compensation

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insurer must include on its financial

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statements; providing retroactive application;

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amending s. 641.35, F.S.; authorizing

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investment of funds of a health maintenance

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organization in excess of certain reserves and

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surplus under certain circumstances; providing

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a limitation; amending s. 624.4072, F.S.;

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extending the term of the exemption from taxes

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and assessments on minority-owned property and

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casualty insurers; postponing the scheduled

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repeal of the law; providing effective dates.

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