

792-114AX-32

Bill No. CS/HB 385

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11 Representative(s) Brown offered the following:

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13 **Amendment (with title amendment)**

14 On page 2, lines 11 and 12,

15 remove: all of said lines,

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17 and insert:

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

21 625.041 Liabilities, in general.--In any determination
22 of the financial condition of an insurer, liabilities to be
23 charged against its assets shall include:

24 (5) Any insurer in this state which writes workers'
25 compensation insurance shall accrue a liability on its
26 financial statements for all Special Disability Trust Fund
27 assessments that are due within the current calendar year. In
28 addition, such insurers shall also disclose in the notes to
29 the financial statements required to be filed pursuant to s.
30 624.424 an estimate of future Special Disability Trust Fund
31 assessments, if such assessments are likely to occur and can

1 be estimated with reasonable certainty.

2 Section 3. Subsection (2) of section 631.904, Florida
3 Statutes, is amended to read:

4 631.904 Definitions.--As used in this part, the term:

5 (2) "Covered claim" means an unpaid claim, including a
6 claim for return of unearned premiums, which arises out of, is
7 within the coverage of, and is not in excess of the applicable
8 limits of, an insurance policy to which this part applies,
9 which policy was issued by an insurer and which claim is made
10 on behalf of a claimant or insured who was a resident of this
11 state at the time of the injury. The term "covered claim" does
12 not include any amount sought as a return of premium under any
13 retrospective rating plan; any amount due any reinsurer,
14 insurer, insurance pool, or underwriting association, as
15 subrogation recoveries or otherwise; or any return of premium
16 resulting from a policy that was not in force on the date of
17 the final order of liquidation. Member insurers have no right
18 of subrogation against the insured of any insolvent insurer.
19 This provision shall be applied retroactively to cover claims
20 of an insolvent self-insurance fund resulting from accidents
21 or losses incurred prior to January 1, 1994, regardless of the
22 date the Department of Insurance filed a petition in circuit
23 court alleging insolvency and the date the court entered an
24 order appointing a receiver.

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

27 641.35 Assets, liabilities, and investments.--

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

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

792-114AX-32

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

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

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

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

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

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

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23
24 ===== T I T L E A M E N D M E N T =====

25 And the title is amended as follows:

26 On page 1, lines 2 and 3,
27 remove: all of said lines,

28
29 and insert:

30 An act relating to insurance; amending s.
31 624.4072, F.S.; increasing a period of

792-114AX-32

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1 exemption from certain taxes and assessments
2 for certain minority businesses; extending a
3 future repeal; amending s. 625.041, F.S.;
4 revising the liabilities that a workers'
5 compensation insurer must include on its
6 financial statements; amending s. 631.904,
7 F.S.; redefining the term "covered claim";
8 amending s. 641.35, F.S.; authorizing
9 investment of funds of a health maintenance
10 organization in excess of certain reserves and
11 surplus under certain circumstances; providing
12 a limitation; providing effective dates.

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