

Bill No. CS/HB 385, 1st Eng.

Amendment No. Barcode 364590

	CHAMBER ACTION	
<u>Senate</u>		<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. Section 624.4072, Florida Statutes, is amended to read:

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

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

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

(b) Assessments by the Florida Residential Property

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

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

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

29 (4) This section is repealed effective December 31,
30 2010 ~~July 1, 2003~~, and the tax and assessment exemptions
31 authorized by this section shall terminate on such date.

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

3 215.555 Florida Hurricane Catastrophe Fund.--

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

5 (c) "Covered policy" means any insurance policy
6 covering residential property in this state, including, but
7 not limited to, any homeowner's, mobile home owner's, farm
8 owner's, condominium association, condominium unit owner's,
9 tenant's, or apartment building policy, or any other policy
10 covering a residential structure or its contents issued by any
11 authorized insurer, including any joint underwriting
12 association or similar entity created pursuant to law. The
13 term "covered policy" includes any collateral protection
14 insurance policy covering personal residences which protects
15 both the borrower's and the lender's financial interests, in
16 an amount at least equal to the coverage for the dwelling in
17 place under the lapsed homeowner's policy, if such policy can
18 be accurately reported as required in subsection (5).

19 Additionally, covered policies include policies covering the
20 peril of wind removed from the Florida Residential Property
21 and Casualty Joint Underwriting Association, created pursuant
22 to s. 627.351(6), or from the Florida Windstorm Underwriting
23 Association, created pursuant to s. 627.351(2), by an
24 authorized insurer under the terms and conditions of an
25 executed assumption agreement between the authorized insurer
26 and either such association. Each assumption agreement between
27 either association and such authorized insurer must be
28 approved by the Florida Department of Insurance prior to the
29 effective date of the assumption, and the Department of
30 Insurance must provide written notification to the board
31 within 15 working days after such approval. "Covered policy"

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1 does not include any policy that excludes wind coverage or
 2 hurricane coverage or any reinsurance agreement and does not
 3 include any policy otherwise meeting this definition which is
 4 issued by a surplus lines insurer or a reinsurer.

5 Section 3. Effective retroactively to January 1, 2002,
 6 subsection (5) is added to section 625.041, Florida Statutes,
 7 to read:

8 625.041 Liabilities, in general.--In any determination
 9 of the financial condition of an insurer, liabilities to be
 10 charged against its assets shall include:

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

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

22 641.35 Assets, liabilities, and investments.--

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

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

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

29 2. In such other investments not specifically
 30 authorized by this part provided such investments do not
 31 exceed the lesser 5 percent of the health maintenance

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1 organization's admitted assets or 25 percent of the amount by
 2 which a health maintenance organization's surplus exceeds its
 3 statutorily required minimum surplus. A health maintenance
 4 organization may exceed the limitations of this subparagraph
 5 only with the prior written approval of the department.

6 (b) Nothing in this section authorizes a health
 7 maintenance organization to:

8 1. Invest any funds in excess of the amount by which
 9 its actual surplus exceeds its statutorily required minimum
 10 surplus; or

11 2. Make any investment prohibited by this code ~~Any~~
 12 ~~investment of the health maintenance organization's funds not~~
 13 ~~enumerated in this part requires the prior approval of the~~
 14 ~~department.~~

15 Section 5. Subsection (2) of section 631.904, Florida
 16 Statutes, is amended to read:

17 631.904 Definitions.--As used in this part, the term:

18 (2) "Covered claim" means an unpaid claim, including a
 19 claim for return of unearned premiums, which arises out of, is
 20 within the coverage of, and is not in excess of the applicable
 21 limits of, an insurance policy to which this part applies,
 22 which policy was issued by an insurer and which claim is made
 23 on behalf of a claimant or insured who was a resident of this
 24 state at the time of the injury. The term "covered claim" does
 25 not include any amount sought as a return of premium under any
 26 retrospective rating plan; any amount due any reinsurer,
 27 insurer, insurance pool, or underwriting association, as
 28 subrogation recoveries or otherwise; or any return of premium
 29 resulting from a policy that was not in force on the date of
 30 the final order of liquidation. Member insurers have no right
 31 of subrogation against the insured of any insolvent insurer.

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1 This provision shall be applied retroactively to cover claims
 2 of an insolvent self-insurance fund resulting from accidents
 3 or losses incurred prior to January 1, 1994, regardless of the
 4 date the Department of Insurance filed a petition in circuit
 5 court alleging insolvency and the date the court entered an
 6 order appointing a receiver.

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

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15 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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624.4072, F.S.; extending the term of the

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exemption from taxes and assessments on

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minority-owned property and casualty insurers;

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postponing the scheduled repeal of the law;

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amending s. 215.555, F.S.; redefining the term

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"covered policy"; amending s. 625.041, F.S.;

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revising the liabilities that a workers'

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compensation insurer must include on its

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financial statements; amending s. 641.35, F.S.;

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providing for the investment of funds of a

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health maintenance organization in excess of

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certain reserves and surplus under certain

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circumstances; amending s. 631.904, F.S.;

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redefining the term "covered claim"; providing

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1 retroactivity; providing effective dates.
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