

Bill No. CS for SB 2518

Amendment No. \_\_\_\_ Barcode 540274

CHAMBER ACTION

Senate

House

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Senator Alexander moved the following amendment:

**Senate Amendment (with title amendment)**

On page 23, between lines 15 and 16,

insert:

Section 13. Subsection (1) of section 631.913, Florida Statutes, is amended to read:

631.913 Powers and duties of the corporation.--

(1) The corporation is obligated to the extent of the full amount of the covered claims:

(a) Existing before the adjudication of insolvency and arising within 30 days after the determination of insolvency;

(b) Existing before the policy expiration date if less than 30 days after the determination of insolvency; or

(c) Existing before the insured replaces the policy or causes its cancellation, if the insured does so within 30 days after the determination of insolvency.

Notwithstanding such criteria, the corporation's obligation for a covered claim for the return of unearned premium shall

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1 not exceed \$50,000 per policy. In addition, the corporation is  
2 not obligated to a policyholder or claimant in an amount in  
3 excess of the obligation of the insolvent insurer under the  
4 policy from which the claim arises.

5 Section 14. Paragraph (a) of subsection (1) of section  
6 631.914, Florida Statutes, is amended to read:

7 631.914 Assessments.--

8 (1)(a) To the extent necessary to secure the funds for  
9 the payment of covered claims, and also to pay the reasonable  
10 costs to administer the same, the department, upon  
11 certification by the board, shall levy assessments on each  
12 insurer in the proportion that the insurer's net direct  
13 written premiums in this state bears to the total of said net  
14 direct written premiums received in this state by all such  
15 workers' compensation insurers for the preceding calendar  
16 year. Assessments shall be remitted to and administered by  
17 the board of directors in the manner specified by the approved  
18 plan of operation. The board shall give each insurer so  
19 assessed at least 30 days' written notice of the date the  
20 assessment is due and payable. Each assessment shall be a  
21 uniform percentage applicable to the net direct written  
22 premiums of each insurer writing workers' compensation  
23 insurance.

24 1. Beginning July 1, 1997, assessments levied against  
25 insurers, other than self-insurance funds, shall not exceed in  
26 any calendar year more than 2 percent of that insurer's net  
27 direct written premiums in this state for workers'  
28 compensation insurance during the calendar year next preceding  
29 the date of such assessments.

30 2. Beginning July 1, 1997, assessments levied against  
31 self-insurance funds shall not exceed in any calendar year

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1 more than 1.50 percent of that self-insurance fund's net  
2 direct written premiums in this state for workers'  
3 compensation insurance during the calendar year next preceding  
4 the date of such assessments.

5 3. Beginning July 1, 2003, assessments levied against  
6 insurers and self-insurance funds pursuant to this paragraph  
7 are computed and levied on the basis of the full policy  
8 premium value on the net direct premiums written in the state  
9 for workers' compensation insurance during the calendar year  
10 next preceding the date of the assessment without taking into  
11 account any applicable discount or credit for deductibles.  
12 Insurers and self-insurance funds must report premiums in  
13 compliance with this subparagraph.

14 Section 15. Section 631.924, Florida Statutes, is  
15 amended to read:

16 631.924 Stay of proceedings; reopening of default  
17 judgments.--All proceedings in which the insolvent insurer or  
18 self-insurance fund is a party or is obligated to defend a  
19 party in any court or before any quasi-judicial body or  
20 administrative board in this state must be stayed for 6  
21 months, or such additional period from the date the insolvency  
22 is adjudicated, by a court of competent jurisdiction to allow  
23 proper defense by the association of all pending causes of  
24 action as to any covered claims. The stay may be extended for  
25 a period of time greater than 6 months upon proper application  
26 to a court of competent jurisdiction. The association, either  
27 on its own behalf or on behalf of the insured, may apply to  
28 have any judgment, order, decision, verdict, or finding based  
29 on the default of the insolvent insurer or self-insurance fund  
30 or its failure to defend an insured set aside by the same  
31 court or administrator that made the judgment, order,

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1 decision, verdict, or finding and may defend against the claim  
2 on the merits. If the association so requests, the stay of  
3 proceedings may be shortened or waived.

4 Section 16. Subsection (4) of section 624.406, Florida  
5 Statutes, is amended to read:

6 624.406 Combinations of insuring powers, one  
7 insurer.--An insurer which otherwise qualifies therefor may be  
8 authorized to transact any one kind or combination of kinds of  
9 insurance as defined in part V except:

10 (4) A health insurer may also transact excess  
11 insurance, specific and aggregate, for self-insurers of a plan  
12 of health insurance and multiple-employer welfare arrangements  
13 and reinsurance for the medical and lost wages benefits  
14 provided under a workers' compensation insurance policy.

15 Section 17. Section 624.603, Florida Statutes, is  
16 amended to read:

17 624.603 "Health insurance" defined.--"Health  
18 insurance," also known as "disability insurance," is insurance  
19 of human beings against bodily injury, disablement, or death  
20 by accident or accidental means, or the expense thereof, or  
21 against disablement or expense resulting from sickness, and  
22 every insurance appertaining thereto. Health insurance does  
23 not include workers' compensation coverages, except as  
24 provided in s. 624.406(4).

25 Section 18. Subsection (7) of section 631.141, Florida  
26 Statutes, is amended to read:

27 631.141 Conduct of delinquency proceeding; domestic  
28 and alien insurers.--

29 (7)(a) In connection with a delinquency proceeding,  
30 the department may appoint one or more special agents to act  
31 for it, and it may employ such counsel, clerks, and assistants

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1 as it deems necessary. The compensation of the special  
 2 agents, counsel, clerks, or assistants and all expenses of  
 3 taking possession of the insurer and of conducting the  
 4 proceeding shall be fixed by the receiver, subject to the  
 5 approval of the court, and shall be paid out of the funds or  
 6 assets of the insurer. Within the limits of duties imposed  
 7 upon them, special agents shall possess all the powers given  
 8 to and, in the exercise of those powers, shall be subject to  
 9 all duties imposed upon the receiver with respect to such  
 10 proceeding.

11 (b) In the event that initiation of delinquency  
 12 proceedings does not result in appointment of the department  
 13 as receiver, or in the event that the funds or assets of an  
 14 insurer for which the department is appointed as receiver are  
 15 insufficient to cover the cost of compensation to special  
 16 agents, counsel, clerks, or assistants and all expenses of  
 17 taking, or attempting to take, possession of the insurer, and  
 18 of conducting the proceeding, there is appropriated, upon  
 19 approval of the Chief Financial Officer, from the Insurance  
 20 Regulation Trust Fund to the Division of Rehabilitation and  
 21 Liquidation a sum that is sufficient to cover the unreimbursed  
 22 costs.

23  
 24 (Redesignate subsequent sections.)

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

28 And the title is amended as follows:

29 On page 2, line 7, after the semicolon,

30  
 31 insert:

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1           amending s. 631.913, F.S.; limiting the  
2           obligation of the Florida Workers' Compensation  
3           Insurance Guaranty Association, Incorporated  
4           for a covered claim for return of unearned  
5           premium; amending s. 631.914, F.S.; revising  
6           requirements for reporting premium for  
7           assessment calculations; amending s. 631.924,  
8           F.S.; including insolvent insurers under  
9           provisions for a stay of proceedings; amending  
10          s. 624.406, F.S.; providing for reinsurance  
11          under a workers' compensation insurance policy;  
12          amending s. 624.603, F.S.; providing an  
13          exception to include workers' compensation  
14          coverages under health insurance; amending s.  
15          631.141, F.S.; providing for trust funds to be  
16          transferred to the receiver in delinquency  
17          proceedings to pay for unreimbursed expenses;

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