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CHAMBER ACTION

The Committee on Insurance recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to the Florida Workers' Compensation Insurance Guaranty Association, Incorporated; amending s. 631.913, F.S.; limiting the corporation's obligation for a covered claim for return of unearned premium; amending s. 631.914, F.S.; revising requirements for reporting premium for assessment calculations; amending s. 631.924, F.S.; including insolvent insurers under provisions for a stay of proceedings; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. 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;



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

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

34

35 Notwithstanding such criteria, the corporation's obligation for
36 a covered claim for the return of unearned premium shall not
37 exceed \$50,000 per policy. In addition, the corporation is not
38 obligated to a policyholder or claimant in an amount in excess
39 of the obligation of the insolvent insurer under the policy from
40 which the claim arises.

41 Section 2. Paragraph (a) of subsection (1) of section
42 631.914, Florida Statutes, is amended to read:

43 631.914 Assessments.--

44 (1)(a) To the extent necessary to secure the funds for the
45 payment of covered claims, and also to pay the reasonable costs
46 to administer the same, the department, upon certification by
47 the board, shall levy assessments on each insurer in the
48 proportion that the insurer's net direct written premiums in
49 this state bears to the total of said net direct written
50 premiums received in this state by all such workers'
51 compensation insurers for the preceding calendar year.

52 Assessments shall be remitted to and administered by the board
53 of directors in the manner specified by the approved plan of
54 operation. The board shall give each insurer so assessed at
55 least 30 days' written notice of the date the assessment is due
56 and payable. Each assessment shall be a uniform percentage



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57 applicable to the net direct written premiums of each insurer
58 writing workers' compensation insurance.

59 1. Beginning July 1, 1997, assessments levied against
60 insurers, other than self-insurance funds, shall not exceed in
61 any calendar year more than 2 percent of that insurer's net
62 direct written premiums in this state for workers' compensation
63 insurance during the calendar year next preceding the date of
64 such assessments.

65 2. Beginning July 1, 1997, assessments levied against
66 self-insurance funds shall not exceed in any calendar year more
67 than 1.50 percent of that self-insurance fund's net direct
68 written premiums in this state for workers' compensation
69 insurance during the calendar year next preceding the date of
70 such assessments.

71 3. Beginning July 1, 2003, assessments levied against
72 insurers and self-insurance funds pursuant to this paragraph
73 shall be computed and levied on the basis of the full policy
74 premium value on the net direct premiums written in this state
75 for workers' compensation insurance during the calendar year
76 next preceding the date of the assessment without taking into
77 account any applicable discount or credit for deductibles.
78 Insurers and self-insurance funds shall report premiums in
79 compliance with this subparagraph.

80 Section 3. Section 631.924, Florida Statutes, is amended
81 to read:

82 631.924 Stay of proceedings; reopening of default
83 judgments.--All proceedings in which the insolvent insurer or
84 self-insurance fund is a party or is obligated to defend a party



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85 | in any court or before any quasi-judicial body or administrative
86 | board in this state must be stayed for 6 months, or such
87 | additional period from the date the insolvency is adjudicated,
88 | by a court of competent jurisdiction to allow proper defense by
89 | the association of all pending causes of action as to any
90 | covered claims. The stay may be extended for a period of time
91 | greater than 6 months upon proper application to a court of
92 | competent jurisdiction. The association, either on its own
93 | behalf or on behalf of the insured, may apply to have any
94 | judgment, order, decision, verdict, or finding based on the
95 | default of the insolvent insurer or self-insurance fund or its
96 | failure to defend an insured set aside by the same court or
97 | administrator that made the judgment, order, decision, verdict,
98 | or finding and may defend against the claim on the merits. If
99 | the association so requests, the stay of proceedings may be
100 | shortened or waived.

101 | Section 4. This act shall take effect upon becoming a law.