

1 A bill to be entitled
 2 An act relating to insurance guaranty associations;
 3 amending ss. 631.54 and 631.904, F.S.; revising the
 4 definition of covered claim; excluding certain claims
 5 rejected by another state's guaranty fund under certain
 6 circumstances; denying member insurers any right to
 7 indemnification or contribution sought through third
 8 parties; providing an effective date.

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

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 12 Section 1. Subsection (3) of section 631.54, Florida
 13 Statutes, is amended to read:

14 631.54 Definitions.--As used in this part:

15 (3) "Covered claim" means an unpaid claim, including one
 16 of unearned premiums, which arises out of, and is within the
 17 coverage, and not in excess of, the applicable limits of an
 18 insurance policy to which this part applies, issued by an
 19 insurer, if such insurer becomes an insolvent insurer ~~after~~
 20 ~~October 1, 1970,~~ and the claimant or insured is a resident of
 21 this state at the time of the insured event or the property from
 22 which the claim arises is permanently located in this state.

23 "Covered claim" shall not include:

24 (a) Any amount due any reinsurer, insurer, insurance pool,
 25 or underwriting association, sought directly or indirectly
 26 through a third party, as subrogation, contribution,
 27 indemnification, or otherwise; or

28 (b) Any claim that would otherwise be a covered claim
 29 under this part that has been rejected by any other state
 30 guaranty fund on the grounds that an insured's net worth is
 31 greater than that allowed under that state's guaranty law.
 32 Member insurers shall have no right of subrogation,
 33 contribution, indemnification, or otherwise, sought directly or
 34 indirectly through a third party, against the insured of any
 35 insolvent member.

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

38 631.904 Definitions.--As used in this part, the term:

39 (2) "Covered claim" means an unpaid claim, including a
 40 claim for return of unearned premiums, which arises out of, is
 41 within the coverage of, and is not in excess of the applicable
 42 limits of, an insurance policy to which this part applies, which
 43 policy was issued by an insurer and which claim is made on
 44 behalf of a claimant or insured who was a resident of this state
 45 at the time of the injury. The term "covered claim" does not
 46 include any amount sought as a return of premium under any
 47 retrospective rating plan; any amount due any reinsurer,
 48 insurer, insurance pool, or underwriting association, as
 49 subrogation recoveries or otherwise; any claim that would
 50 otherwise be a covered claim that has been rejected by any other
 51 state guaranty fund on the grounds that the insured's net worth
 52 is greater than that allowed under that state's guaranty fund or
 53 liquidation law, except this exclusion from the definition of
 54 covered claim shall not apply to employers who, prior to April
 55 30, 2004, entered into an agreement with the corporation

56 | preserving the employer's right to seek coverage of claims
57 | rejected by another state's guaranty fund; or any return of
58 | premium resulting from a policy that was not in force on the
59 | date of the final order of liquidation. Member insurers have no
60 | right of subrogation against the insured of any insolvent
61 | insurer. This provision shall be applied retroactively to cover
62 | claims of an insolvent self-insurance fund resulting from
63 | accidents or losses incurred prior to January 1, 1994,
64 | regardless of the date the petition in circuit court was filed
65 | alleging insolvency and the date the court entered an order
66 | appointing a receiver.

67 | Section 3. This act shall take effect upon becoming a law.