

CHAMBER ACTION

1 The Commerce Council recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to insurer insolvency; amending s.
7 631.181, F.S.; providing an exception to certain
8 requirements for a signed statement for certain claims;
9 providing requirements; creating s. 631.1915, F.S.;
10 providing requirements for policyholder collateral,
11 deductible reimbursements, and other policyholder
12 obligations; specifying that certain collateral held by an
13 insurer or a receiver to secure policyholder obligations
14 under a deductible agreement are not an estate asset;
15 requiring use of such collateral to secure policyholder
16 obligations under such agreement; requiring a receiver to
17 use such collateral to pay noncovered claims under certain
18 circumstances; providing for certain claims to be claims
19 against an insurer's estate under certain circumstances;
20 requiring a receiver to allocate collateral among certain
21 obligations and administer such collateral; authorizing a
22 receiver to continue and enforce certain alternative
23 policyholder claim funding contractual agreements;

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24 specifying certain actions as a bar to certain claims and
25 an extinguishment of certain obligations; requiring a
26 guaranty association to bill a policyholder for certain
27 reimbursement amounts for certain claims; specifying
28 policyholder obligation for certain amounts; prohibiting
29 certain defenses; requiring a receiver to use certain
30 collateral for certain purposes; requiring a receiver to
31 prorate certain funds of an estate under certain
32 circumstances; authorizing a guaranty association to
33 deduct certain expenses; requiring a guaranty association
34 to provide a complete accounting of certain billing and
35 collection activities; authorizing a guaranty association
36 to contract for certain collections; providing for claims
37 against an insolvent insurer's estate for certain
38 unreimbursed claims payments; requiring a receiver to
39 periodically adjust collateral held pursuant to a
40 deductible agreement; specifying jurisdiction of a state
41 court to resolve disputes; preserving rights of a guaranty
42 association to reimbursement for certain claims; providing
43 application to certain orders of liquidation; providing
44 definitions; providing for nonapplication to certain
45 claims; amending s. 631.54, F.S.; revising a definition;
46 amending s. 631.56, F.S.; revising the membership of the
47 board of directors of the Florida Insurance Guaranty
48 Association, Inc.; amending s. 631.57, F.S.; revising
49 requirements and limitations for obligations of the
50 association for covered claims; authorizing the
51 association to contract with counties and municipalities

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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52 | to issue revenue bonds for certain purposes; creating s.
53 | 631.695, F.S.; providing legislative findings and
54 | purposes; providing for issuance of revenue bonds through
55 | counties and municipalities to fund assistance programs
56 | for paying covered claims for hurricane damage; providing
57 | procedures, requirements, and limitations for counties,
58 | municipalities, and the Florida Insurance Guaranty
59 | Association, Inc., relating to issuance and validation of
60 | such bonds; providing for payments on and retirement of
61 | such bonds from certain assessments; prohibiting pledging
62 | the funds, credit, property, and taxing power of the
63 | state, counties, and municipalities for payment of bonds;
64 | specifying authorized uses of bond proceeds; limiting the
65 | term of bonds; specifying a state covenant to protect
66 | bondholders from adverse actions relating to such bonds;
67 | specifying exemptions for bonds, notes, and other
68 | obligations of counties and municipalities from certain
69 | taxes or assessments on property and revenues; authorizing
70 | counties and municipalities to create a legal entity to
71 | exercise certain powers; requiring the association to
72 | issue an annual report on the status of certain uses of
73 | bond proceeds; providing report requirements; requiring
74 | the association to provide a copy of the report to the
75 | Legislature and Chief Financial Officer; prohibiting
76 | repeal of certain provisions relating to certain bonds
77 | under certain circumstances; providing severability;
78 | providing an effective date.

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

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82 Section 1. Paragraph (f) is added to subsection (2) of
83 section 631.181, Florida Statutes, to read:

84 631.181 Filing and proof of claim.--

85 (2)

86 (f) The signed statement required by this section shall
87 not be required on claims for which adequate claims file
88 documentation exists within the records of the insolvent
89 insurer. Claims for payment of unearned premium shall not be
90 required to use the signed statement required by this section if
91 the receiver certifies to the guaranty fund that the records of
92 the insolvent insurer are sufficient to determine the amount of
93 unearned premium owed to each policyholder of the insurer and
94 such information is remitted to the guaranty fund by the
95 receiver in electronic or other mutually agreed upon format.

96 Section 2. Section 631.1915, Florida Statutes, is created
97 to read:

98 631.1915 Policyholder collateral; deductible
99 reimbursements; other policyholder obligations.--

100 (1) Any collateral held by or for the benefit of, or
101 assigned to, the insurer or subsequently the receiver in order
102 to secure the obligations of a policyholder under a deductible
103 agreement shall not be considered an asset of the estate and
104 shall be maintained and administered by the receiver as provided
105 in this section, notwithstanding any other provision of law or
106 contract to the contrary.

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107 (2) If the collateral is being held by or for the benefit
108 of, or assigned to, the insurer or subsequently the receiver to
109 secure obligations under a deductible agreement with a
110 policyholder subject to the provisions of this section, the
111 collateral shall be used to secure the policyholder's obligation
112 to fund or reimburse claims payments within the agreed
113 deductible amount.

114 (3) If a claim is subject to a deductible agreement and
115 secured by collateral and is not covered by any guaranty
116 association, the receiver shall adjust and pay the noncovered
117 claim using the collateral, but only to the extent of the
118 available collateral. A claim against the collateral by a third-
119 party claimant is not a claim against the insolvent insurer's
120 estate for purposes of s. 631.193. If the collateral is
121 exhausted and the insured is not able to provide funds to pay
122 the remaining claims within the deductible, the remaining claims
123 shall be claims against the insurer's estate subject to
124 complying with other provisions in this part for the filing and
125 allowance of such claims.

126 (4) To the extent the receiver is holding collateral
127 provided by a policyholder that was obtained to secure a
128 deductible agreement and to secure other obligations of the
129 policyholder, the receiver shall equitably allocate the
130 collateral among such obligations and administer the collateral
131 allocated to the deductible agreement pursuant to this section.
132 The receiver shall inform the guaranty associations of the
133 method and details of all the foregoing allocations.

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134 (5) Regardless of whether there is collateral, if the
135 insurer has contractually agreed to allow the policyholder to
136 fund its own claims within the deductible amount pursuant to a
137 deductible agreement, through the policyholder's own
138 administration of its claims or through the policyholder
139 providing funds directly to a third-party administrator who
140 administers the claims, the receiver may allow such funding
141 arrangement to continue and, where applicable, shall enforce
142 such arrangements. The funding of such claims by the
143 policyholder within the deductible amount acts as a bar to any
144 claim for such amount in the liquidation proceeding, including,
145 but not limited to, any such claim by the policyholder or the
146 third-party claimant. The funding extinguishes both the
147 obligation, if any, of any guaranty association to pay such
148 claims within the deductible amount and the obligations, if any,
149 of the policyholder or third-party administrator to reimburse
150 the guaranty association. No charge of any kind shall be made
151 against any guaranty association on the basis of the
152 policyholder's funding of claims payment made pursuant to the
153 mechanism set forth in this subsection.

154 (6) If the insurer has not contractually agreed to allow
155 the policyholder to fund the policyholder's own claims within
156 the deductible amount, to the extent a guaranty association is
157 required by applicable state law to pay any claims for which the
158 insurer would have been entitled to reimbursement from the
159 policyholder under the terms of the deductible agreement and to
160 the extent the claims have not been paid by a policyholder or
161 third party, the guaranty association shall bill the

162 policyholder for such reimbursement and the policyholder is
 163 obligated to pay such amount to the guaranty association for the
 164 benefit of the guaranty associations who paid such claims.
 165 Neither the insolvency of the insurer nor its inability to
 166 perform any of its obligations under the deductible agreement
 167 shall be a defense to the policyholder's reimbursement
 168 obligation under the deductible agreement. If the policyholder
 169 fails to pay the amounts due within 60 days after the bill for
 170 such reimbursements is due, the receiver shall use the
 171 collateral to the extent necessary to reimburse the guaranty
 172 association and, at the same time, the guaranty association may
 173 pursue other collection efforts against the policyholder. If
 174 more than one guaranty association has a claim against the same
 175 collateral and the available collateral, after allocation under
 176 subsection (4), together with billing and collection efforts,
 177 are together insufficient to pay each guaranty association in
 178 full, the receiver shall prorate payments to each guaranty
 179 association based upon the relationship the amount of claims
 180 each guaranty association has paid bears to the total of all
 181 claims paid by such guaranty associations.

182 (7)(a) The guaranty association is entitled to deduct from
 183 collateral to be returned to a policyholder reasonable actual
 184 expenses incurred in fulfilling the responsibilities under this
 185 provision.

186 (b) With respect to claims payments made by any guaranty
 187 association, the guaranty association shall provide any other
 188 guaranty associations and the receiver with a complete
 189 accounting of the guaranty association's deductible billing and

190 collection activities, including copies of the policyholder
 191 billings when rendered and the reimbursements collected. The
 192 cost of reports required pursuant to this subsection shall be
 193 considered part of the expenses of the guaranty association.

194 (c) The guaranty association may contract with the
 195 receiver for the direct collection from the policyholders on the
 196 same basis as the guaranty association and with the same rights
 197 and remedies. If so assigned, the receiver shall report any
 198 amounts so collected from each policyholder to the guaranty
 199 association.

200 (d) To the extent that guaranty associations pay claims
 201 within the deductible amount but are not reimbursed by the
 202 receiver under this section or by policyholder payments from the
 203 guaranty associations' own collection efforts, the guaranty
 204 association shall have a claim on the insolvent insurer's estate
 205 for such unreimbursed claims payments. The priority of such
 206 claim shall depend upon the nature of the payment that should
 207 have been reimbursed.

208 (e) Periodically, but not more than annually, the receiver
 209 shall adjust the collateral being held pursuant to the
 210 deductible agreement. The receiver shall maintain adequate
 211 collateral to secure 110 percent of the entire estimated
 212 obligation of the policyholder. The receiver shall provide a
 213 copy of its collateral review to any obligated guaranty
 214 association. Once all claims covered by the collateral have been
 215 paid and the receiver is satisfied that no new claims can be
 216 presented, the receiver may release any remaining collateral.

217 (8) The state court that has jurisdiction over the
 218 liquidation proceedings shall have jurisdiction to resolve
 219 disputes arising under this section.

220 (9) Nothing in this section limits or adversely affects
 221 any right the guaranty associations may have under applicable
 222 state law to obtain reimbursement from certain classes of
 223 policyholders for claims payments made by such guaranty
 224 associations under policies of the insolvent insurer or for
 225 related expenses the guaranty associations incur.

226 (10) This section applies to all liquidations for which an
 227 order is entered after July 1, 2005.

228 (11) For purposes of this section, the term:

229 (a) "Deductible agreement" means any combination of one or
 230 more policies, endorsements, contracts, or security agreements
 231 that provide for the policyholder to bear the risk of loss
 232 within a specified amount per claim or occurrence covered under
 233 a policy of insurance and that may be subject to aggregate limit
 234 of policyholder reimbursement obligations.

235 (b) "Noncovered claim" means a claim that is subject to a
 236 deductible agreement, may be secured by collateral, and is not
 237 covered by a guaranty association.

238 (12) This section does not apply to first-party claims.

239 Section 3. Subsection (3) of section 631.54, Florida
 240 Statutes, is amended to read:

241 631.54 Definitions.--As used in this part:

242 (3) "Covered claim" means an unpaid claim, including one
 243 of unearned premiums, which arises out of, and is within the
 244 coverage, and not in excess of, the applicable limits of an

245 insurance policy to which this part applies, issued by an
 246 insurer, if such insurer becomes an insolvent insurer and the
 247 claimant or insured is a resident of this state at the time of
 248 the insured event or the property from which the claim arises is
 249 permanently located in this state. For entities other than
 250 individuals, the residence of a claimant, insured, or
 251 policyholder is the state in which the entity's principal place
 252 of business is located at the time of the insured event.

253 "Covered claim" shall not include:

254 (a) Any amount due any reinsurer, insurer, insurance pool,
 255 or underwriting association, sought directly or indirectly
 256 through a third party, as subrogation, contribution,
 257 indemnification, or otherwise; or

258 (b) Any claim that would otherwise be a covered claim
 259 under this part that has been rejected by any other state
 260 guaranty fund on the grounds that an insured's net worth is
 261 greater than that allowed under that state's guaranty law.
 262 Member insurers shall have no right of subrogation,
 263 contribution, indemnification, or otherwise, sought directly or
 264 indirectly through a third party, against the insured of any
 265 insolvent member.

266 Section 4. Subsection (1) of section 631.56, Florida
 267 Statutes, is amended to read:

268 631.56 Board of directors.--

269 (1) The board of directors of the association shall
 270 consist of not less than six ~~five~~ or more than ten ~~nine~~ persons
 271 serving terms as established in the plan of operation. The
 272 department shall approve and appoint to the board up to nine

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273 | persons recommended by the member insurers. The department shall
 274 | select one Florida-licensed insurance agent to serve as a
 275 | nonvoting member. In the event the department finds that any
 276 | recommended person does not meet the qualifications for service
 277 | on the board, the department shall request the member insurers
 278 | to recommend another person. Each member shall serve for a 4-
 279 | year term and may be reappointed. Vacancies on the board shall
 280 | be filled for the remaining period of the term in the same
 281 | manner as initial appointments.

282 | Section 5. Paragraph (a) of subsection (1), paragraph (d)
 283 | of subsection (2), and paragraph (a) of subsection (3) of
 284 | section 631.57, Florida Statutes, are amended to read:

285 | 631.57 Powers and duties of the association.--

286 | (1) The association shall:

287 | (a)1. Be obligated to the extent of the covered claims
 288 | existing:

289 | a. Prior to adjudication of insolvency and arising within
 290 | 30 days after the determination of insolvency;

291 | b. Before the policy expiration date if less than 30 days
 292 | after the determination; or

293 | c. Before the insured replaces the policy or causes its
 294 | cancellation, if she or he does so within 30 days of the
 295 | determination.

296 | 2.a. The obligation under subparagraph 1. shall include
 297 | only that amount of each covered claim which is in excess of
 298 | \$100 and is less than \$300,000, except with respect to policies
 299 | covering condominium associations or homeowners' associations,
 300 | which associations have a responsibility to provide insurance

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301 coverage on residential units within the association, the
 302 obligation shall include that amount of each covered property
 303 insurance claim which is less than \$100,000 multiplied by the
 304 number of condominium units or other residential units; however,
 305 as to homeowners' associations, this sub-subparagraph
 306 ~~subparagraph~~ applies only to claims for damage or loss to
 307 residential units and structures attached to residential units.

308 b. Notwithstanding sub-subparagraph a., the association
 309 has no obligation to pay covered claims that are to be paid from
 310 the proceeds of bonds issued under s. 631.695. However, the
 311 association shall assign and pledge the first available moneys
 312 from all or part of the assessments to be made under paragraph
 313 (3)(a) to or on behalf of the issuer of such bonds for the
 314 benefit of the holders of such bonds. The association shall
 315 administer any such covered claims and present valid covered
 316 claims for payment in accordance with the provisions of the
 317 assistance program in connection with which such bonds have been
 318 issued.

319 3. In no event shall the association be obligated to a
 320 policyholder or claimant in an amount in excess of the
 321 obligation of the insolvent insurer under the policy from which
 322 the claim arises.

323 (2) The association may:

324 (d) Negotiate and become a party to such contracts as are
 325 necessary to carry out the purpose of this part. Additionally,
 326 the association may enter into such contracts with a
 327 municipality or county or such legal entity created pursuant to
 328 s. 163.01(7)(g) as are necessary in order for the municipality

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329 | or county or such legal entity to issue bonds under s. 631.695.
 330 | In connection with the issuance of any such bonds and the
 331 | entering into of any such necessary contracts, the association
 332 | may agree to such terms and conditions as the association deems
 333 | necessary and proper.

334 | (3)(a) To the extent necessary to secure the funds for the
 335 | respective accounts for the payment of covered claims, ~~and also~~
 336 | to pay the reasonable costs to administer the same, and to the
 337 | extent necessary to secure the funds for the account specified
 338 | in s. 631.55(2)(c), or to retire indebtedness, including,
 339 | without limitation, the principal, redemption premium, if any,
 340 | and interest on, and related costs of issuance of, bonds issued
 341 | under s. 631.695, and the funding of any reserves and other
 342 | payments required under the bond resolution or trust indenture
 343 | pursuant to which such bonds have been issued, the office, upon
 344 | certification of the board of directors, shall levy assessments
 345 | in the proportion that each insurer's net direct written
 346 | premiums in this state in the classes protected by the account
 347 | bears to the total of said net direct written premiums received
 348 | in this state by all such insurers for the preceding calendar
 349 | year for the kinds of insurance included within such account.
 350 | Assessments shall be remitted to and administered by the board
 351 | of directors in the manner specified by the approved plan. Each
 352 | insurer so assessed shall have at least 30 days' written notice
 353 | as to the date the assessment is due and payable. Every
 354 | assessment shall be made as a uniform percentage applicable to
 355 | the net direct written premiums of each insurer in the kinds of
 356 | insurance included within the account in which the assessment is

357 | made. The assessments levied against any insurer shall not
 358 | exceed in any one year more than 2 percent of that insurer's net
 359 | direct written premiums in this state for the kinds of insurance
 360 | included within such account during the calendar year next
 361 | preceding the date of such assessments.

362 | Section 6. Section 631.695, Florida Statutes, is created
 363 | to read:

364 | 631.695 Revenue bond issuance through counties or
 365 | municipalities.--

366 | (1) The Legislature finds:

367 | (a) The potential for widespread and massive damage to
 368 | persons and property caused by hurricanes making landfall in
 369 | this state can generate insurance claims of such a number as to
 370 | render numerous insurers operating within this state insolvent
 371 | and therefore unable to satisfy covered claims.

372 | (b) The inability of insureds within this state to receive
 373 | payment of covered claims or to timely receive such payment
 374 | creates financial and other hardships for such insureds and
 375 | places undue burdens on the state, the affected units of local
 376 | government, and the community at large.

377 | (c) In addition, the failure of insurers to pay covered
 378 | claims or to timely pay such claims due to the insolvency of
 379 | such insurers can undermine the public's confidence in insurers
 380 | operating within this state, thereby adversely affecting the
 381 | stability of the insurance industry in this state.

382 | (d) The state has previously taken action to address these
 383 | problems by adopting the Florida Insurance Guaranty Association
 384 | Act, which, among other things, provides a mechanism for the

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385 payment of covered claims under certain insurance policies to
386 avoid excessive delay in payment and to avoid financial loss to
387 claimants or policyholders because of the insolvency of an
388 insurer.

389 (e) In the wake of the unprecedented destruction caused by
390 various hurricanes that have made landfall in this state, the
391 resultant covered claims, and the number of insurers rendered
392 insolvent thereby, it is evident that alternative programs must
393 be developed to allow the Florida Insurance Guaranty
394 Association, Inc., to more expeditiously and effectively provide
395 for the payment of covered claims.

396 (f) It is therefore determined to be in the best interests
397 of, and necessary for, the protection of the public health,
398 safety, and general welfare of the residents of this state, and
399 for the protection and preservation of the economic stability of
400 insurers operating in this state, and it is declared to be an
401 essential public purpose, to permit certain municipalities and
402 counties to take such actions as will provide relief to
403 claimants and policyholders having covered claims against
404 insolvent insurers operating in this state by expediting the
405 handling and payment of covered claims.

406 (g) To achieve the foregoing purposes, it is proper to
407 authorize municipalities and counties of this state
408 substantially affected by the landfall of a category 1 or
409 greater hurricane to issue bonds to assist the Florida Insurance
410 Guaranty Association, Inc., in expediting the handling and
411 payment of covered claims of insolvent insurers.

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412 (h) In order to avoid the needless and indiscriminate
413 proliferation, duplication, and fragmentation of such assistance
414 programs, it is in the best interests of the residents of this
415 state to authorize municipalities and counties severely affected
416 by a category 1 or greater hurricane to provide for the payment
417 of covered claims beyond their territorial limits in the
418 implementation of such programs.

419 (i) It is a paramount public purpose for municipalities
420 and counties substantially affected by the landfall of a
421 category 1 or greater hurricane to be able to issue bonds for
422 the purposes described in this section. Such issuance shall
423 provide assistance to residents of those municipalities and
424 counties as well as to other residents of this state.

425 (2) The governing body of any municipality or county the
426 residents of which have been substantially affected by a
427 category 1 or greater hurricane may issue bonds to fund an
428 assistance program in conjunction with, and with the consent of,
429 the Florida Insurance Guaranty Association, Inc., for the
430 purpose of paying claimants' or policyholders' covered claims as
431 defined in s. 631.54 arising through the insolvency of an
432 insurer, which insolvency is determined by the Florida Insurance
433 Guaranty Association, Inc., to have been a result of a category
434 1 or greater hurricane, regardless of whether such claimants or
435 policyholders are residents of such municipality or county or
436 the property to which such claim relates is located within or
437 outside the territorial jurisdiction of such municipality or
438 county. The power of a municipality or county to issue bonds as
439 described in this section is in addition to any powers granted

440 by law and may not be abrogated or restricted by any provisions
 441 in such municipality's or county's charter. A municipality or
 442 county issuing bonds for this purpose shall enter into such
 443 contracts with the Florida Insurance Guaranty Association, Inc.,
 444 or any entity acting on behalf of the Florida Insurance Guaranty
 445 Association, Inc., as are necessary to implement the assistance
 446 program. Any bonds issued by a municipality or county or
 447 combination thereof under this subsection shall be payable from
 448 and secured by moneys received by or on behalf of the
 449 municipality or county from assessments levied under s.
 450 631.57(3)(a) and assigned and pledged to or on behalf of the
 451 municipality or county for the benefit of the holders of such
 452 bonds in connection with such assistance program. The funds,
 453 credit, property, and taxing power of the state or any
 454 municipality or county shall not be pledged for the payment of
 455 such bonds.

456 (3) Bonds may be validated by such municipality or county
 457 pursuant to chapter 75. The proceeds of such bonds may be used
 458 to pay covered claims of insolvent insurers; to refinance or
 459 replace previously existing borrowings or financial
 460 arrangements; to pay interest on bonds; to fund reserves for the
 461 bonds; to pay expenses incident to the issuance or sale of any
 462 bond issued under this section, including costs of validating,
 463 printing, and delivering the bonds, costs of printing the
 464 official statement, costs of publishing notices of sale of the
 465 bonds, costs of obtaining credit enhancement or liquidity
 466 support, and related administrative expenses; or for such other
 467 purposes related to the financial obligations of the fund as the

468 association may determine. The term of the bonds may not exceed
 469 30 years.

470 (4) The state covenants with holders of bonds of the
 471 assistance program that the state will not take any action which
 472 will have a material adverse affect on such holders and will not
 473 repeal or abrogate the power of the board of directors of the
 474 association to direct the Office of Insurance Regulation to levy
 475 the assessments and to collect the proceeds of the revenues
 476 pledged to the payment of such bonds as long as any such bonds
 477 remain outstanding unless adequate provision has been made for
 478 the payment of such bonds pursuant to the documents authorizing
 479 the issuance of such bonds.

480 (5) The accomplishment of the authorized purposes of such
 481 municipality or county under this section is in all respects for
 482 the benefit of the people of the state, for the increase of
 483 their commerce and prosperity, and for the improvement of their
 484 health and living conditions. Such municipality or county, in
 485 performing essential governmental functions in accomplishing its
 486 purposes, is not required to pay any taxes or assessments of any
 487 kind whatsoever upon any property acquired or used by the county
 488 or municipality for such purposes or upon any revenues at any
 489 time received by the county or municipality. The bonds, notes,
 490 and other obligations of such municipality or county, and the
 491 transfer of and income from such bonds, notes, and other
 492 obligations, including any profits made on the sale of such
 493 bonds, notes, and other obligations, are exempt from taxation of
 494 any kind by the state or by any political subdivision or other
 495 agency or instrumentality of the state. The exemption granted in

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496 this subsection is not applicable to any tax imposed by chapter
497 220 on interest, income, or profits on debt obligations owned by
498 corporations.

499 (6) Two or more municipalities or counties the residents
500 of which have been substantially affected by a category 1 or
501 greater hurricane may create a legal entity pursuant to s.
502 163.01(7)(g) to exercise the powers described in this section as
503 well as those powers granted in s. 163.01(7)(g). Reference in
504 this section to a municipality or county includes such legal
505 entity.

506 (7) The association shall issue an annual report on the
507 status of the use of bond proceeds as related to insolvencies
508 caused by hurricanes. The report must contain the number and
509 amount of claims paid. The association shall also include an
510 analysis of the revenue generated from the assessment levied
511 under s. 631.57(3)(a) to pay such bonds. The association shall
512 submit a copy of the report to the President of the Senate, the
513 Speaker of the House of Representatives, and the Chief Financial
514 Officer within 90 days after the end of each calendar year in
515 which bonds were outstanding.

516 Section 7. No provision of s. 631.57 or s. 631.695,
517 Florida Statutes, shall be repealed until such time as the
518 principal, redemption premium, if any, and interest on all bonds
519 issued under s. 631.695, Florida Statutes, payable and secured
520 from assessments levied under s. 631.57(3)(a), Florida Statutes,
521 have been paid in full or adequate provision for such payment
522 has been made in accordance with the bond resolution or trust
523 indenture pursuant to which such bonds were issued.

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524 Section 8. If any provision of this act or the application
525 thereof to any person or circumstance is held invalid, the
526 invalidity shall not affect other provisions or applications of
527 the act which can be given effect without the invalid provision
528 or application, and to this end the provisions of this act are
529 declared severable.

530 Section 9. This act shall take effect upon becoming a law.