

Bill No. CS for SB 1660

Barcode 074476

CHAMBER ACTION

Senate

House

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The Committee on Ways and Means (Fasano) recommended the following amendment:

Senate Amendment

On page 15, line 15, through
page 16, line 6, delete those lines

and insert:

(b)1. Sources of additional revenue.--One-half of the
~~Any~~ deficit incurred by the plan shall be ~~primarily~~ funded
through amounts appropriated by the Legislature from general
revenue sources, including, but not limited to, a portion of
the ~~annual growth in existing net insurance premium taxes, and~~
one-half of the deficit shall be funded by assessments on
insurers. The board shall operate the plan in such a manner
that the estimated cost of providing health insurance during
any fiscal year will not exceed total income the plan expects
to receive from policy premiums, funds assessed, and funds
appropriated by the Legislature, including any interest on
investments. After determining the amount of funds available
~~appropriated~~ to the board for a fiscal year, the board shall

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1 estimate the number of new policies it believes the plan has
 2 the financial capacity to insure during that year so that
 3 costs do not exceed income. The board shall take steps
 4 necessary to ensure that plan enrollment does not exceed the
 5 number of residents it has estimated it has the financial
 6 capacity to insure.

7 2. As a condition of doing business in this state, an
 8 insurer shall pay an assessment to the board in the amount
 9 prescribed by this paragraph. Each insurer shall annually be
 10 assessed by the board a percentage of the insurer's earned
 11 premium pertaining to direct writings of health insurance in
 12 the state during the calendar year preceding that for which
 13 the assessment is levied. Such percentage shall equal the
 14 percentage that the amount appropriated by the Legislature for
 15 funding the deficit incurred by the plan for the upcoming
 16 fiscal year represents of all earned premium pertaining to
 17 direct writings of health insurance in the state during the
 18 calendar year preceding that for which the assessment is
 19 levied.

20 3. The total of all assessments under this paragraph
 21 upon an insurer may not exceed 0.3 percent of such insurer's
 22 health insurance premium earned in this state during the
 23 calendar year preceding the year for which the assessments
 24 were levied.

25 4. All rights, title, and interest in the assessment
 26 funds collected under this paragraph shall vest in this state.
 27 However, all such funds and interest earned shall be used by
 28 the plan to pay claims and administrative expenses.

29 (c) If assessments, appropriations, and other receipts
 30 by the plan, board, or plan administrator exceed the actual
 31 losses and administrative expenses of the plan, the excess

1 shall be held in interest and used by the board to offset
 2 future losses. As used in this subsection, the term "future
 3 losses" including reserves for claims incurred but not
 4 reported.

5 (d) Each insurer's assessment shall be determined
 6 annually by the board or plan administrator based on annual
 7 statements and other reports deemed necessary by the board or
 8 plan administrator and filed with the board or plan
 9 administrator by the insurer.

10 (e) Insurers may recover the assessment in the normal
 11 course of their respective businesses by including the
 12 percentage, as indicated in subparagraph (b)2., as a claim
 13 cost in determining rates.

14 (f) In the event of inadequate funding, the board may
 15 cancel existing policies on a nondiscriminatory basis as
 16 necessary to remedy the situation. No policy may be canceled
 17 if a covered individual is currently making a claim.

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