

Bill No. CS for SB 1866

Barcode 655930

Senate CHAMBER ACTION House

1	.	.
2	.	.
3	Floor: 12/AD/2R	.
4	05/02/2007 12:51 PM	.
5		
6		
7		
8		
9		
10		

11 Senator Deutch moved the following amendment:

12

13 **Senate Amendment (with directory and title amendments)**

14 On page 11, between lines 19 and 20,

15

16 insert:

17 (6) REVENUE BONDS.--

18 (b) Emergency assessments.--

19

20 1. If the board determines that the amount of revenue  
21 produced under subsection (5) is insufficient to fund the  
22 obligations, costs, and expenses of the fund and the  
23 corporation, including repayment of revenue bonds and that  
24 portion of the debt service coverage not met by reimbursement  
25 premiums, the board shall direct the Office of Insurance  
26 Regulation to levy, by order, an emergency assessment on  
27 direct premiums for all property and casualty lines of  
28 business in this state, including property and casualty  
29 business of surplus lines insurers regulated under part VIII  
30 of chapter 626, but not including any workers' compensation  
31 premiums or medical malpractice premiums. As used in this  
subsubsection, the term "property and casualty business" includes

Bill No. CS for SB 1866

Barcode 655930

1 all lines of business identified on Form 2, Exhibit of  
 2 Premiums and Losses, in the annual statement required of  
 3 authorized insurers by s. 624.424 and any rule adopted under  
 4 this section, except for those lines identified as accident  
 5 and health insurance and except for policies written under the  
 6 National Flood Insurance Program. The assessment shall be  
 7 specified as a percentage of direct written premium and is  
 8 subject to annual adjustments by the board in order to meet  
 9 debt obligations. The same percentage shall apply to all  
 10 policies in lines of business subject to the assessment issued  
 11 or renewed during the 12-month period beginning on the  
 12 effective date of the assessment.

13         2. A premium is not subject to an annual assessment  
 14 under this paragraph in excess of 6 percent of premium with  
 15 respect to obligations arising out of losses attributable to  
 16 any one contract year, and a premium is not subject to an  
 17 aggregate annual assessment under this paragraph in excess of  
 18 10 percent of premium. An annual assessment under this  
 19 paragraph shall continue as long as the revenue bonds issued  
 20 with respect to which the assessment was imposed are  
 21 outstanding, including any bonds the proceeds of which were  
 22 used to refund the revenue bonds, unless adequate provision  
 23 has been made for the payment of the bonds under the documents  
 24 authorizing issuance of the bonds.

25         3. Emergency assessments shall be collected from  
 26 policyholders. Emergency assessments shall be remitted by  
 27 insurers as a percentage of direct written premium for the  
 28 preceding calendar quarter as specified in the order from the  
 29 Office of Insurance Regulation. The office shall verify the  
 30 accurate and timely collection and remittance of emergency  
 31 assessments and shall report the information to the board in a

Bill No. CS for SB 1866

Barcode 655930

1 form and at a time specified by the board. Each insurer  
 2 collecting assessments shall provide the information with  
 3 respect to premiums and collections as may be required by the  
 4 office to enable the office to monitor and verify compliance  
 5 with this paragraph.

6           4. With respect to assessments of surplus lines  
 7 premiums, each surplus lines agent shall collect the  
 8 assessment at the same time as the agent collects the surplus  
 9 lines tax required by s. 626.932, and the surplus lines agent  
 10 shall remit the assessment to the Florida Surplus Lines  
 11 Service Office created by s. 626.921 at the same time as the  
 12 agent remits the surplus lines tax to the Florida Surplus  
 13 Lines Service Office. The emergency assessment on each insured  
 14 procuring coverage and filing under s. 626.938 shall be  
 15 remitted by the insured to the Florida Surplus Lines Service  
 16 Office at the time the insured pays the surplus lines tax to  
 17 the Florida Surplus Lines Service Office. The Florida Surplus  
 18 Lines Service Office shall remit the collected assessments to  
 19 the fund or corporation as provided in the order levied by the  
 20 Office of Insurance Regulation. The Florida Surplus Lines  
 21 Service Office shall verify the proper application of such  
 22 emergency assessments and shall assist the board in ensuring  
 23 the accurate and timely collection and remittance of  
 24 assessments as required by the board. The Florida Surplus  
 25 Lines Service Office shall annually calculate the aggregate  
 26 written premium on property and casualty business, other than  
 27 workers' compensation and medical malpractice, procured  
 28 through surplus lines agents and insureds procuring coverage  
 29 and filing under s. 626.938 and shall report the information  
 30 to the board in a form and at a time specified by the board.

31           5. Any assessment authority not used for a particular

Bill No. CS for SB 1866

Barcode 655930

1 contract year may be used for a subsequent contract year. If,  
 2 for a subsequent contract year, the board determines that the  
 3 amount of revenue produced under subsection (5) is  
 4 insufficient to fund the obligations, costs, and expenses of  
 5 the fund and the corporation, including repayment of revenue  
 6 bonds and that portion of the debt service coverage not met by  
 7 reimbursement premiums, the board shall direct the Office of  
 8 Insurance Regulation to levy an emergency assessment up to an  
 9 amount not exceeding the amount of unused assessment authority  
 10 from a previous contract year or years, plus an additional 4  
 11 percent provided that the assessments in the aggregate do not  
 12 exceed the limits specified in subparagraph 2.

13           6. The assessments otherwise payable to the  
 14 corporation under this paragraph shall be paid to the fund  
 15 unless and until the Office of Insurance Regulation and the  
 16 Florida Surplus Lines Service Office have received from the  
 17 corporation and the fund a notice, which shall be conclusive  
 18 and upon which they may rely without further inquiry, that the  
 19 corporation has issued bonds and the fund has no agreements in  
 20 effect with local governments under paragraph (c). On or after  
 21 the date of the notice and until the date the corporation has  
 22 no bonds outstanding, the fund shall have no right, title, or  
 23 interest in or to the assessments, except as provided in the  
 24 fund's agreement with the corporation.

25           7. Emergency assessments are not premium and are not  
 26 subject to the premium tax, to the surplus lines tax, to any  
 27 fees, or to any commissions. An insurer is liable for all  
 28 assessments that it collects and must treat the failure of an  
 29 insured to pay an assessment as a failure to pay the premium.  
 30 An insurer is not liable for uncollectible assessments.

31           8. When an insurer is required to return an unearned

Bill No. CS for SB 1866

Barcode 655930

1 premium, it shall also return any collected assessment  
 2 attributable to the unearned premium. A credit adjustment to  
 3 the collected assessment may be made by the insurer with  
 4 regard to future remittances that are payable to the fund or  
 5 corporation, but the insurer is not entitled to a refund.

6         9. When a surplus lines insured or an insured who has  
 7 procured coverage and filed under s. 626.938 is entitled to  
 8 the return of an unearned premium, the Florida Surplus Lines  
 9 Service Office shall provide a credit or refund to the agent  
 10 or such insured for the collected assessment attributable to  
 11 the unearned premium prior to remitting the emergency  
 12 assessment collected to the fund or corporation.

13         10. The exemption of medical malpractice insurance  
 14 premiums from emergency assessments under this paragraph is  
 15 repealed May 31, 2010 ~~2007~~, and medical malpractice insurance  
 16 premiums shall be subject to emergency assessments  
 17 attributable to loss events occurring in the contract years  
 18 commencing on June 1, 2010 ~~2007~~.

19  
 20

21 ===== D I R E C T O R Y   C L A U S E   A M E N D M E N T =====

22 And the directory clause is amended as follows:

23             On page 8, line 21, following the first comma

24

25 insert: paragraph (b) of subsection (6),

26

27

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

29 And the title is amended as follows:

30             On page 1, line 12, following the semicolon

31

Bill No. CS for SB 1866

Barcode 655930

1 insert:

2           postponing the repeal of the exemption from  
3           emergency assessments for medical malpractice  
4           insurance premiums;

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31