

Bill No. CS for SB 2498

Barcode 534590

	CHAMBER ACTION	
<u>Senate</u>		<u>House</u>

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4	05/01/2007 03:10 PM
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11 Senator Deutch moved the following amendment:

13 **Senate Amendment (with title amendment)**

14 On page 1, between lines 17 and 18,

16 insert:

17 Section 1. Paragraph (b) of subsection (6) of section
18 215.555, Florida Statutes, as amended by chapter 2007-1, Laws
19 of Florida, is amended to read:

- 20 215.555 Florida Hurricane Catastrophe Fund.--
- 21 (6) REVENUE BONDS.--
- 22 (b) Emergency assessments.--

23 1. If the board determines that the amount of revenue
24 produced under subsection (5) is insufficient to fund the
25 obligations, costs, and expenses of the fund and the
26 corporation, including repayment of revenue bonds and that
27 portion of the debt service coverage not met by reimbursement
28 premiums, the board shall direct the Office of Insurance
29 Regulation to levy, by order, an emergency assessment on
30 direct premiums for all property and casualty lines of
31 business in this state, including property and casualty

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1 business of surplus lines insurers regulated under part VIII
2 of chapter 626, but not including any workers' compensation
3 premiums or medical malpractice premiums. As used in this
4 subsection, the term "property and casualty business" includes
5 all lines of business identified on Form 2, Exhibit of
6 Premiums and Losses, in the annual statement required of
7 authorized insurers by s. 624.424 and any rule adopted under
8 this section, except for those lines identified as accident
9 and health insurance and except for policies written under the
10 National Flood Insurance Program. The assessment shall be
11 specified as a percentage of direct written premium and is
12 subject to annual adjustments by the board in order to meet
13 debt obligations. The same percentage shall apply to all
14 policies in lines of business subject to the assessment issued
15 or renewed during the 12-month period beginning on the
16 effective date of the assessment.

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

29 3. Emergency assessments shall be collected from
30 policyholders. Emergency assessments shall be remitted by
31 insurers as a percentage of direct written premium for the

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1 preceding calendar quarter as specified in the order from the
 2 Office of Insurance Regulation. The office shall verify the
 3 accurate and timely collection and remittance of emergency
 4 assessments and shall report the information to the board in a
 5 form and at a time specified by the board. Each insurer
 6 collecting assessments shall provide the information with
 7 respect to premiums and collections as may be required by the
 8 office to enable the office to monitor and verify compliance
 9 with this paragraph.

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

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1 through surplus lines agents and insureds procuring coverage
2 and filing under s. 626.938 and shall report the information
3 to the board in a form and at a time specified by the board.

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

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

29 7. Emergency assessments are not premium and are not
30 subject to the premium tax, to the surplus lines tax, to any
31 fees, or to any commissions. An insurer is liable for all

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1 assessments that it collects and must treat the failure of an
2 insured to pay an assessment as a failure to pay the premium.
3 An insurer is not liable for uncollectible assessments.

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

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

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

23
24 (Redesignate subsequent sections.)

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26
27 ===== T I T L E A M E N D M E N T =====

28 And the title is amended as follows:

29 On page 1, line 2, after the semicolon,

30
31 insert:

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1 amending s. 215.555, F.S.; revising the dates
2 regarding an exemption from emergency
3 assessments for medical malpractice insurance
4 premiums;
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