



914674

CHAMBER ACTION

<u>Senate</u>	.	<u>House</u>
Comm: RCS	.	
4/22/2008	.	
	.	
	.	

1 The Committee on General Government Appropriations (Bennett)
2 recommended the following **amendment**:

3
4 **Senate Amendment (with title amendment)**

5 On line 30
6 insert:

7 Section 1. Paragraph (b) of subsection (6) of section
8 215.555, Florida Statutes, is amended to read:

9 215.555 Florida Hurricane Catastrophe Fund.--

10 (6) REVENUE BONDS.--

11 (b) Emergency assessments.--

12 1. If the board determines that the amount of revenue
13 produced under subsection (5) is insufficient to fund the
14 obligations, costs, and expenses of the fund and the corporation,
15 including repayment of revenue bonds and that portion of the debt
16 service coverage not met by reimbursement premiums, the board
17 shall direct the Office of Insurance Regulation to levy, by



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18 | order, an emergency assessment on direct premiums for all
19 | property and casualty lines of business in this state, including
20 | property and casualty business of surplus lines insurers
21 | regulated under part VIII of chapter 626, but not including any
22 | workers' compensation premiums, ~~or~~ medical malpractice premiums,
23 | or nonassessable commercial property insurance as defined in s.
24 | 627.041(11). As used in this subsection, the term "property and
25 | casualty business" includes all lines of business identified on
26 | Form 2, Exhibit of Premiums and Losses, in the annual statement
27 | required of authorized insurers by s. 624.424 and any rule
28 | adopted under this section, except for those lines identified as
29 | accident and health insurance and except for policies written
30 | under the National Flood Insurance Program. The assessment shall
31 | be specified as a percentage of direct written premium and is
32 | subject to annual adjustments by the board in order to meet debt
33 | obligations. The same percentage shall apply to all policies in
34 | lines of business subject to the assessment issued or renewed
35 | during the 12-month period beginning on the effective date of the
36 | assessment.

37 | 2. A premium is not subject to an annual assessment under
38 | this paragraph in excess of 6 percent of premium with respect to
39 | obligations arising out of losses attributable to any one
40 | contract year, and a premium is not subject to an aggregate
41 | annual assessment under this paragraph in excess of 10 percent of
42 | premium. An annual assessment under this paragraph shall continue
43 | as long as the revenue bonds issued with respect to which the
44 | assessment was imposed are outstanding, including any bonds the
45 | proceeds of which were used to refund the revenue bonds, unless
46 | adequate provision has been made for the payment of the bonds
47 | under the documents authorizing issuance of the bonds.



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48 | 3. Emergency assessments shall be collected from
49 | policyholders. Emergency assessments shall be remitted by
50 | insurers as a percentage of direct written premium for the
51 | preceding calendar quarter as specified in the order from the
52 | Office of Insurance Regulation. The office shall verify the
53 | accurate and timely collection and remittance of emergency
54 | assessments and shall report the information to the board in a
55 | form and at a time specified by the board. Each insurer
56 | collecting assessments shall provide the information with respect
57 | to premiums and collections as may be required by the office to
58 | enable the office to monitor and verify compliance with this
59 | paragraph.

60 | 4. With respect to assessments of surplus lines premiums,
61 | each surplus lines agent shall collect the assessment at the same
62 | time as the agent collects the surplus lines tax required by s.
63 | 626.932, and the surplus lines agent shall remit the assessment
64 | to the Florida Surplus Lines Service Office created by s. 626.921
65 | at the same time as the agent remits the surplus lines tax to the
66 | Florida Surplus Lines Service Office. The emergency assessment on
67 | each insured procuring coverage and filing under s. 626.938 shall
68 | be remitted by the insured to the Florida Surplus Lines Service
69 | Office at the time the insured pays the surplus lines tax to the
70 | Florida Surplus Lines Service Office. The Florida Surplus Lines
71 | Service Office shall remit the collected assessments to the fund
72 | or corporation as provided in the order levied by the Office of
73 | Insurance Regulation. The Florida Surplus Lines Service Office
74 | shall verify the proper application of such emergency assessments
75 | and shall assist the board in ensuring the accurate and timely
76 | collection and remittance of assessments as required by the
77 | board. The Florida Surplus Lines Service Office shall annually



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78 calculate the aggregate written premium on property and casualty
79 business, other than workers' compensation and medical
80 malpractice, procured through surplus lines agents and insureds
81 procuring coverage and filing under s. 626.938 and shall report
82 the information to the board in a form and at a time specified by
83 the board.

84 5. Any assessment authority not used for a particular
85 contract year may be used for a subsequent contract year. If, for
86 a subsequent contract year, the board determines that the amount
87 of revenue produced under subsection (5) is insufficient to fund
88 the obligations, costs, and expenses of the fund and the
89 corporation, including repayment of revenue bonds and that
90 portion of the debt service coverage not met by reimbursement
91 premiums, the board shall direct the Office of Insurance
92 Regulation to levy an emergency assessment up to an amount not
93 exceeding the amount of unused assessment authority from a
94 previous contract year or years, plus an additional 4 percent
95 provided that the assessments in the aggregate do not exceed the
96 limits specified in subparagraph 2.

97 6. The assessments otherwise payable to the corporation
98 under this paragraph shall be paid to the fund unless and until
99 the Office of Insurance Regulation and the Florida Surplus Lines
100 Service Office have received from the corporation and the fund a
101 notice, which shall be conclusive and upon which they may rely
102 without further inquiry, that the corporation has issued bonds
103 and the fund has no agreements in effect with local governments
104 under paragraph (c). On or after the date of the notice and until
105 the date the corporation has no bonds outstanding, the fund shall
106 have no right, title, or interest in or to the assessments,
107 except as provided in the fund's agreement with the corporation.



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108 7. Emergency assessments are not premium and are not
109 subject to the premium tax, to the surplus lines tax, to any
110 fees, or to any commissions. An insurer is liable for all
111 assessments that it collects and must treat the failure of an
112 insured to pay an assessment as a failure to pay the premium. An
113 insurer is not liable for uncollectible assessments.

114 8. When an insurer is required to return an unearned
115 premium, it shall also return any collected assessment
116 attributable to the unearned premium. A credit adjustment to the
117 collected assessment may be made by the insurer with regard to
118 future remittances that are payable to the fund or corporation,
119 but the insurer is not entitled to a refund.

120 9. When a surplus lines insured or an insured who has
121 procured coverage and filed under s. 626.938 is entitled to the
122 return of an unearned premium, the Florida Surplus Lines Service
123 Office shall provide a credit or refund to the agent or such
124 insured for the collected assessment attributable to the unearned
125 premium prior to remitting the emergency assessment collected to
126 the fund or corporation.

127 10. The exemption of medical malpractice insurance premiums
128 from emergency assessments under this paragraph is repealed May
129 31, 2010, and medical malpractice insurance premiums shall be
130 subject to emergency assessments attributable to loss events
131 occurring in the contract years commencing on June 1, 2010.

132
133 ===== T I T L E A M E N D M E N T =====

134 And the title is amended as follows:

135
136 On line 2, after the semicolon,
137 insert:



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138 | amending s. 215.555, F.S.; excluding nonassessable
139 | commercial property insurance from emergency assessments
140 | for the Florida Hurricane Catastrophe Fund;