



769046

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/13/2010	.	
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The Committee on General Government Appropriations (Oelrich) recommended the following:

Senate Amendment

Delete lines 161 - 267
and insert:
office, including assessments levied pursuant to paragraph (a)
and emergency assessments, constitute advances of funds from the
insurer to the association. The insurer is entitled to fully
recoup such advances by applying a separate recoupment factor to
the premium of policies of the same kind or line as were
considered by the office in determining the assessment liability
of the insurer or insurer group. Assessments shall be included
~~as an appropriate factor in the making of rates.~~



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13 (d) No state funds of any kind shall be allocated or paid
14 to said association or any of its accounts.

15 (e)1.a. In addition to assessments otherwise authorized in
16 paragraph (a) and to the extent necessary to secure the funds
17 for the account specified in s. 631.55(2)(b) ~~s. 631.55(2)(e)~~ for
18 the direct payment of covered claims of insurers rendered
19 insolvent by the effects of a hurricane and to pay the
20 reasonable costs to administer such claims, or to retire
21 indebtedness, including, without limitation, the principal,
22 redemption premium, if any, and interest on, and related costs
23 of issuance of, bonds issued under s. 631.695 and the funding of
24 any reserves and other payments required under the bond
25 resolution or trust indenture pursuant to which such bonds have
26 been issued, the office, upon certification of the board of
27 directors, shall levy emergency assessments upon insurers
28 holding a certificate of authority. The emergency assessments
29 payable under this paragraph by any insurer shall not exceed in
30 any single year more than 2 percent of that insurer's direct
31 written premiums, net of refunds, in this state during the
32 preceding calendar year for the kinds of insurance within the
33 account specified in s. 631.55(2)(b) ~~s. 631.55(2)(e)~~.

34 b. Any emergency assessments authorized under this
35 paragraph shall be levied by the office upon insurers referred
36 to in sub-subparagraph a., upon certification as to the need for
37 such assessments by the board of directors. In the event the
38 board of directors participates in the issuance of bonds in
39 accordance with s. 631.695, emergency assessments shall be
40 levied in each year that bonds issued under s. 631.695 and
41 secured by such emergency assessments are outstanding, in such



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42 amounts up to such 2-percent limit as required in order to
43 provide for the full and timely payment of the principal of,
44 redemption premium, if any, and interest on, and related costs
45 of issuance of, such bonds. The emergency assessments provided
46 for in this paragraph are assigned and pledged to the
47 municipality, county, or legal entity issuing bonds under s.
48 631.695 for the benefit of the holders of such bonds, in order
49 to enable such municipality, county, or legal entity to provide
50 for the payment of the principal of, redemption premium, if any,
51 and interest on such bonds, the cost of issuance of such bonds,
52 and the funding of any reserves and other payments required
53 under the bond resolution or trust indenture pursuant to which
54 such bonds have been issued, without the necessity of any
55 further action by the association, the office, or any other
56 party. To the extent bonds are issued under s. 631.695 and the
57 association determines to secure such bonds by a pledge of
58 revenues received from the emergency assessments, such bonds,
59 upon such pledge of revenues, shall be secured by and payable
60 from the proceeds of such emergency assessments, and the
61 proceeds of emergency assessments levied under this paragraph
62 shall be remitted directly to and administered by the trustee or
63 custodian appointed for such bonds.

64 c. Emergency assessments under this paragraph may be
65 payable in a single payment or, at the option of the
66 association, may be payable in 12 monthly installments with the
67 first installment being due and payable at the end of the month
68 after an emergency assessment is levied and subsequent
69 installments being due not later than the end of each succeeding
70 month.



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71 d. If emergency assessments are imposed, the report
72 required by s. 631.695(7) shall include an analysis of the
73 revenues generated from the emergency assessments imposed under
74 this paragraph.

75 e. If emergency assessments are imposed, the references in
76 sub-subparagraph (1)(a)3.b. and s. 631.695(2) and (7) to
77 assessments levied under paragraph (a) shall include emergency
78 assessments imposed under this paragraph.

79 ~~2. In order to ensure that insurers paying emergency~~
80 ~~assessments levied under this paragraph continue to charge rates~~
81 ~~that are neither inadequate nor excessive, within 90 days after~~
82 ~~being notified of such assessments, each insurer that is to be~~
83 ~~assessed pursuant to this paragraph shall submit a rate filing~~
84 ~~for coverage included within the account specified in s.~~
85 ~~631.55(2)(c) and for which rates are required to be filed under~~
86 ~~s. 627.062. If the filing reflects a rate change that, as a~~
87 ~~percentage, is equal to the difference between the rate of such~~
88 ~~assessment and the rate of the previous year's assessment under~~
89 ~~this paragraph, the filing shall consist of a certification so~~
90 ~~stating and shall be deemed approved when made. Any rate change~~
91 ~~of a different percentage shall be subject to the standards and~~
92 ~~procedures of s. 627.062.~~

93 ~~2.3. If~~ 2.3. ~~If~~ In the event the board of directors participates in
94 the issuance of bonds in accordance with s. 631.695, an annual
95 assessment under this paragraph shall continue while the bonds
96 issued with respect to which the assessment was imposed are
97 outstanding, including any bonds the proceeds of which were used
98 to refund bonds issued pursuant to s. 631.695, unless adequate
99 provision has been made for the payment of the bonds in the



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100 documents authorizing the issuance of such bonds.

101 ~~3.4.~~ Emergency assessments under this paragraph are not
102 premium and are not subject to the premium tax, to any fees, or
103 to any commissions. An insurer is liable for all emergency
104 assessments that the insurer collects and shall treat the
105 failure of an insured to pay an emergency assessment as a
106 failure to pay the premium. An insurer is not liable for
107 uncollectible emergency assessments.

108 (f) The recoupment factor applied to policies in accordance
109 with paragraph (c) shall be selected by the insurer or insurer
110 group so as to provide for the probable recoupment of both
111 assessments levied pursuant to paragraph (a) and emergency
112 assessments over a period of 12 months,