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LEGISLATIVE ACTION

Senate

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House

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04/25/2014 03:05 PM

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Senator Smith moved the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Paragraphs (b) and (c) of subsection (9) of  
section 440.49, Florida Statutes, are amended to read:

440.49 Limitation of liability for subsequent injury  
through Special Disability Trust Fund.—

(9) SPECIAL DISABILITY TRUST FUND.—

(b) ~~1-~~ The Special Disability Trust Fund shall be maintained  
by annual assessments upon ~~the~~ insurance companies writing



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12 compensation insurance in this ~~the~~ state, ~~the~~ commercial self-  
13 insurers under ss. 624.462 and 624.4621, ~~the~~ assessable mutuals  
14 as defined in s. 628.6011, and ~~the~~ self-insurers under this  
15 chapter, which assessments ~~shall~~ become due and must be paid  
16 quarterly at the same time and in addition to the assessments  
17 provided under ~~in~~ s. 440.51.

18 1. Pursuant to this paragraph, the department shall  
19 estimate annually estimate in advance the amount necessary for  
20 the administration of this subsection and the maintenance of the  
21 this fund and shall make such assessment in the manner  
22 hereinafter provided. By July 1 of each year, the department  
23 shall calculate the assessment rate, which must be based on the  
24 net premiums written by carriers and self-insurers, the amount  
25 of premiums calculated by the department for self-insured  
26 employers, the sum of the anticipated disbursements and expenses  
27 of the fund for the next calendar year, and the expected fund  
28 balance for the next calendar year. Such assessment rate shall  
29 take effect January 1 of the next calendar year. Such amount  
30 shall be prorated among insurance companies writing workers'  
31 compensation insurance in the state, self-insurers, and self-  
32 insured employers.

33 2. A reimbursement request that has been approved but  
34 remains unpaid as of June 30, 2014, must be paid by October 31,  
35 2014. The annual assessment shall be calculated to produce  
36 during the next calendar year an amount which, when combined  
37 with that part of the balance anticipated to be in the fund on  
38 December 31 of the current calendar year which is in excess of  
39 \$100,000, is equal to the average of:

40 a. The sum of disbursements from the fund during the



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41 ~~immediate past 3 calendar years, and~~  
42 ~~b. Two times the disbursements of the most recent calendar~~  
43 ~~year.~~  
44 ~~e. Such assessment rate shall first apply on a calendar~~  
45 ~~year basis for the period beginning January 1, 2012, and shall~~  
46 ~~be included in workers' compensation rate filings approved by~~  
47 ~~the office which become effective on or after January 1, 2012.~~  
48 ~~The assessment rate effective January 1, 2011, shall also apply~~  
49 ~~to the interim period from July 1, 2011, through December 31,~~  
50 ~~2011, and shall be included in workers' compensation rate~~  
51 ~~filings, whether regular or amended, approved by the office~~  
52 ~~which become effective on or after July 1, 2011. Thereafter, the~~  
53 ~~annual assessment rate shall take effect January 1 of the next~~  
54 ~~calendar year and shall be included in workers' compensation~~  
55 ~~rate filings approved by the office which become effective on or~~  
56 ~~after January 1 of the next calendar year. Assessments shall~~  
57 ~~become due and be paid quarterly.~~  
58  
59 ~~Such amount shall be prorated among the insurance companies~~  
60 ~~writing compensation insurance in the state and the self-~~  
61 ~~insurers.~~  
62 ~~3. The net premiums written by the companies for workers'~~  
63 ~~compensation in this state and the net premium written~~  
64 ~~applicable to the self-insurers in this state are the basis for~~  
65 ~~computing the amount to be assessed as a percentage of net~~  
66 ~~premiums. Such payments shall be made by each carrier and self-~~  
67 ~~insurer to the department for the Special Disability Trust Fund~~  
68 ~~in accordance with such regulations as the department~~  
69 ~~prescribes.~~



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70           ~~3.4.~~ The Chief Financial Officer is authorized to receive  
71 and shall credit to the ~~such Special Disability Trust~~ fund any  
72 ~~sum or~~ sums that may ~~at any time~~ be contributed to the state by  
73 the United States under an ~~any~~ Act of Congress, or otherwise, to  
74 which the state is ~~may be or become~~ entitled by reason of ~~any~~  
75 payments made out of the ~~such~~ fund.

76           (c) Notwithstanding the ~~Special Disability Trust~~ fund  
77 assessment rate calculated pursuant to paragraph (b) ~~this~~  
78 ~~section~~, the rate assessed may ~~shall~~ not exceed 2.5 ~~4.52~~  
79 percent.

80           Section 2. Subsection (1) of section 624.425, Florida  
81 Statutes, is amended to read:

82           624.425 Agent countersignature required, property,  
83 casualty, surety insurance.—

84           (1) Except as stated in s. 624.426, no authorized property,  
85 casualty, or surety insurer shall assume direct liability as to  
86 a subject of insurance resident, located, or to be performed in  
87 this state unless the policy or contract of insurance is issued  
88 by or through, and is countersigned by, an agent who is  
89 regularly commissioned and licensed currently as an agent and  
90 appointed as an agent for the insurer under this code. However,  
91 the absence of a countersignature does not affect the validity  
92 of the policy or contract. If two or more authorized insurers  
93 issue a single policy of insurance against legal liability for  
94 loss or damage to person or property caused by a ~~the~~ nuclear  
95 energy hazard, or a single policy insuring against loss or  
96 damage to property by radioactive contamination, whether or not  
97 also insuring against one or more other perils that may be  
98 insured ~~proper to insure~~ against in this state, such policy if



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99 otherwise lawful may be countersigned on behalf of all of the  
100 insurers by a licensed and appointed agent of the any insurer  
101 appearing thereon. The producing agent shall receive on each  
102 policy or contract the full and usual commission allowed and  
103 paid by the insurer to its agents on business written or  
104 transacted by them for the insurer.

105 Section 3. Subsection (2) of section 627.902, Florida  
106 Statutes, is amended to read:

107 627.902 Premium financing by an insurer or subsidiary.—

108 (2) ~~Nothing in~~ This part or ~~in~~ part XV of this chapter does  
109 not disallow ~~disallows~~ or otherwise apply ~~applies~~ to:

110 (a) Installment payment arrangements offered by an insurer  
111 if such arrangements do not involve the advancement of funds  
112 which would constitute financing and do not exceed the service  
113 charges provided under s. 627.901; or

114 (b) A discount for an any insured who pays the entire  
115 premium for the entire policy term at the inception of the term  
116 if the discount is found to be actuarially justified by the  
117 office and approved by the office pursuant to ~~the provisions of~~  
118 part I of this chapter. Such actuarially justified and approved  
119 discount may ~~shall~~ not be deemed a component of or related to  
120 premium financing.

121 Section 4. Subsection (2) of section 627.94072, Florida  
122 Statutes, is amended to read:

123 627.94072 Mandatory offers.—

124 (2) An insurer that offers a long-term care insurance  
125 policy, certificate, or rider in this state shall ~~must~~ offer a  
126 nonforfeiture protection provision providing reduced paid-up  
127 insurance, extended term, shortened benefit period, or ~~any~~ other



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128 benefit ~~benefits~~ approved by the office if all or part of a  
129 premium is not paid. A nonforfeiture provision may also be  
130 offered in the form of a return of premium on the death of the  
131 insured, or on the complete surrender or cancellation of the  
132 policy or contract. Nonforfeiture benefits and any additional  
133 premium for such benefits must be computed in an actuarially  
134 sound manner, using a methodology that has been filed with and  
135 approved by the office.

136 Section 5. Section 629.271, Florida Statutes, is amended to  
137 read:

138 629.271 Distribution of savings.-

139 (1) A reciprocal insurer may ~~from time to time~~ return to  
140 its subscribers any unused premiums, savings, or credits  
141 accruing to their accounts. ~~Any~~ Such distribution may ~~shall~~ not  
142 unfairly discriminate between classes of risks, or policies, or  
143 between subscribers, but ~~such distribution~~ may vary as to  
144 classes of subscribers based on ~~upon~~ the experience of such  
145 classes.

146 (2) In addition to the option provided in subsection (1), a  
147 domestic reciprocal insurer may, upon the prior written approval  
148 of the office, pay to its subscribers a portion of unassigned  
149 funds of up to 10 percent of surplus with distribution limited  
150 to 50 percent of net income from the previous calendar year.  
151 Such distribution may not unfairly discriminate between classes  
152 of risks, or policies, or between subscribers, but may vary as  
153 to classes of subscribers based on the experience of such  
154 classes.

155 Section 6. Subsections (2) through (9) of section 631.54,  
156 Florida Statutes, are renumbered as subsections (3) through



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157 (10), respectively, and a new subsection (2) is added to that  
158 section to read:

159 631.54 Definitions.—As used in this part, the term:

160 (2) "Assessment year" means the 12-month period, which may  
161 begin on the first day of any calendar quarter, whether January  
162 1, April 1, July 1, or October 1, as specified in an order  
163 issued by the office directing insurers to pay an assessment to  
164 the association. Upon entry of the order, insurers may begin  
165 collecting assessments from policyholders for the assessment  
166 year.

167 Section 7. Subsections (3) and (4) of section 631.57,  
168 Florida Statutes, are amended to read:

169 631.57 Powers and duties of the association.—

170 (3) (a) To the extent necessary to secure ~~the~~ funds for the  
171 respective accounts for the payment of covered claims, to pay  
172 the reasonable costs to administer such accounts ~~the same~~, and  
173 ~~to the extent necessary~~ to secure ~~the~~ funds for the account  
174 specified in s. 631.55(2)(b) or to retire indebtedness,  
175 including, without limitation, the principal, redemption  
176 premium, if any, and interest on, and related costs of issuance  
177 of, bonds issued under s. 631.695 and the funding of ~~any~~  
178 reserves and other payments required under the bond resolution  
179 or trust indenture pursuant to which such bonds have been  
180 issued, the office, upon certification of the board of  
181 directors, shall levy assessments initially estimated in the  
182 proportion that each insurer's net direct written premiums in  
183 this state in the classes protected by the account bears to the  
184 total of said net direct written premiums received in this state  
185 by all such insurers for the preceding calendar year for the



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186 kinds of insurance included within such account. Assessments  
187 shall be remitted to and administered by the board of directors  
188 in the manner specified by the approved plan and paragraph (f).  
189 Each insurer so assessed shall have at least 30 days' written  
190 notice as to the date the initial assessment payment is due and  
191 payable. Every assessment shall be ~~made as~~ a uniform percentage  
192 applicable to the net direct written premiums of each insurer in  
193 the kinds of insurance included within the account in which the  
194 assessment is made. The assessments levied against any insurer  
195 may shall not exceed in any one year more than 2 percent of that  
196 insurer's net direct written premiums in this state for the  
197 kinds of insurance included within such account during the  
198 calendar year next preceding the date of such assessments.

199 (b) If sufficient funds from such assessments, together  
200 with funds previously raised, are not available in any one year  
201 in the respective account to make all the payments or  
202 reimbursements then owing to insurers, the funds available shall  
203 be prorated and the unpaid portion ~~shall be~~ paid as soon  
204 ~~thereafter~~ as funds become available.

205 (c) The Legislature finds and declares that all assessments  
206 paid by an insurer or insurer group as a result of a levy by the  
207 office, including assessments levied pursuant to paragraph (a)  
208 and emergency assessments levied pursuant to paragraph (e),  
209 constitute advances of funds from the insurer to the  
210 association. An insurer may fully recoup such advances by  
211 applying the uniform assessment percentage levied by the office  
212 to all a separate recoupment factor to the premium of policies  
213 of the same kind or line as were considered by the office in  
214 determining the assessment liability of the insurer or insurer





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215 group as set forth in paragraph (f).

216 1. Assessments levied under subparagraph (f)1. are paid  
217 before policy surcharges are collected and result in a  
218 receivable for policy surcharges collected in the future. This  
219 amount, to the extent it is likely that it will be realized,  
220 meets the definition of an admissible asset as specified in the  
221 National Association of Insurance Commissioners' Statement of  
222 Statutory Accounting Principles No. 4. The asset shall be  
223 established and recorded separately from the liability  
224 regardless of whether it is based on a retrospective or  
225 prospective premium-based assessment. If an insurer is unable to  
226 fully recoup the amount of the assessment because of a reduction  
227 in writings or withdrawal from the market, the amount recorded  
228 as an asset shall be reduced to the amount reasonably expected  
229 to be recouped.

230 2. Assessments levied under subparagraph (f)2. are paid  
231 after policy surcharges are collected so that the recognition of  
232 assets is based on actual premium written offset by the  
233 obligation to the association.

234 (d) ~~No~~ State funds may not ~~of any kind shall~~ be allocated  
235 or paid to the said association or any of its accounts.

236 (e)1.~~a.~~ In addition to assessments ~~otherwise~~ authorized in  
237 paragraph (a), and to the extent necessary to secure the funds  
238 for the account specified in s. 631.55(2)(b) for the direct  
239 payment of covered claims of insurers rendered insolvent by the  
240 effects of a hurricane and to pay the reasonable costs to  
241 administer such claims, or to retire indebtedness, including,  
242 without limitation, the principal, redemption premium, if any,  
243 and interest on, and related costs of issuance of, bonds issued



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244 under s. 631.695 and the funding of any reserves and other  
245 payments required under the bond resolution or trust indenture  
246 pursuant to which such bonds have been issued, the office, upon  
247 certification of the board of directors, shall levy emergency  
248 assessments upon insurers holding a certificate of authority.  
249 The emergency assessments payable under this paragraph by any  
250 insurer may ~~shall~~ not exceed in any single year more than 2  
251 percent of that insurer's direct written premiums, net of  
252 refunds, in this state during the preceding calendar year for  
253 the kinds of insurance within the account specified in s.  
254 631.55(2)(b).

255 2.b. ~~Any~~ Emergency assessments authorized under this  
256 paragraph shall be levied by the office upon insurers referred  
257 to in subparagraph 1. ~~sub-subparagraph a.~~, upon certification as  
258 to the need for such assessments by the board of directors. If  
259 ~~In the event~~ the board ~~of directors~~ participates in the issuance  
260 of bonds in accordance with s. 631.695, emergency assessments  
261 shall be levied in each year that bonds issued under s. 631.695  
262 and secured by such emergency assessments are outstanding, in  
263 ~~such~~ amounts up to such 2 percent ~~2-percent~~ limit as required in  
264 order to provide for the full and timely payment of the  
265 principal of, redemption premium, if any, and interest on, and  
266 related costs of issuance of, such bonds. The emergency  
267 assessments ~~provided for in this paragraph~~ are assigned and  
268 pledged to the municipality, county, or legal entity issuing  
269 bonds under s. 631.695 for the benefit of the holders of such  
270 bonds, ~~in order to enable such municipality, county, or legal~~  
271 ~~entity~~ to provide for the payment of the principal of,  
272 redemption premium, if any, and interest on such bonds, the cost



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273 of issuance of such bonds, and the funding of any reserves and  
274 other payments required under the bond resolution or trust  
275 indenture pursuant to which such bonds have been issued, without  
276 ~~the necessity of any~~ further action by the association, the  
277 office, or any other party. If ~~To the extent~~ bonds are issued  
278 under s. 631.695 and the association determines to secure such  
279 bonds by a pledge of revenues received from the emergency  
280 assessments, such bonds, upon such pledge of revenues, shall be  
281 secured by and payable from the proceeds of such emergency  
282 assessments, and the proceeds of emergency assessments levied  
283 under this paragraph shall be remitted directly to and  
284 administered by the trustee or custodian appointed for such  
285 bonds.

286 ~~3.e.~~ Emergency assessments used to defease bonds issued  
287 under this part paragraph may be payable in a single payment or,  
288 at the option of the association, may be payable in 12 monthly  
289 installments with the first installment being due and payable at  
290 the end of the month after an emergency assessment is levied and  
291 subsequent installments being due by ~~not later than~~ the end of  
292 each succeeding month.

293 ~~4.d.~~ If emergency assessments are imposed, the report  
294 required by s. 631.695(7) must ~~shall~~ include an analysis of the  
295 revenues generated from the emergency assessments imposed under  
296 this paragraph.

297 ~~5.e.~~ If emergency assessments are imposed, the references  
298 in sub-subparagraph (1)(a)3.b. and s. 631.695(2) and (7) to  
299 assessments levied under paragraph (a) must ~~shall~~ include  
300 emergency assessments imposed under this paragraph.

301 ~~6.2.~~ If the board of directors participates in the issuance



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302 of bonds in accordance with s. 631.695, an annual assessment  
303 under this paragraph shall continue while the bonds issued with  
304 respect to which the assessment was imposed are outstanding,  
305 including any bonds the proceeds of which were used to refund  
306 bonds issued pursuant to s. 631.695, unless adequate provision  
307 has been made for the payment of the bonds in the documents  
308 authorizing the issuance of such bonds.

309 ~~7.3.~~ Emergency assessments under this paragraph are not  
310 premium and are not subject to the premium tax, to any fees, or  
311 to any commissions. An insurer is liable for all emergency  
312 assessments that the insurer collects and shall treat the  
313 failure of an insured to pay an emergency assessment as a  
314 failure to pay the premium. An insurer is not liable for  
315 uncollectible emergency assessments.

316 ~~(f) The recoupment factor applied to policies in accordance~~  
317 ~~with paragraph (c) shall be selected by the insurer or insurer~~  
318 ~~group so as to provide for the probable recoupment of both~~  
319 ~~assessments levied pursuant to paragraph (a) and emergency~~  
320 ~~assessments over a period of 12 months, unless the insurer or~~  
321 ~~insurer group, at its option, elects to recoup the assessment~~  
322 ~~over a longer period. The recoupment factor shall apply to all~~  
323 ~~policies of the same kind or line as were considered by the~~  
324 ~~office in determining the assessment liability of the insurer or~~  
325 ~~insurer group issued or renewed during a 12-month period. If the~~  
326 ~~insurer or insurer group does not collect the full amount of the~~  
327 ~~assessment during one 12-month period, the insurer or insurer~~  
328 ~~group may apply recalculated recoupment factors to policies~~  
329 ~~issued or renewed during one or more succeeding 12-month~~  
330 ~~periods. If, at the end of a 12-month period, the insurer or~~



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331 ~~insurer group has collected from the combined kinds or lines of~~  
332 ~~policies subject to assessment more than the total amount of the~~  
333 ~~assessment paid by the insurer or insurer group, the excess~~  
334 ~~amount shall be disbursed as follows:~~

335 1. The association, office, and insurers remitting  
336 assessments pursuant to paragraph (a) or paragraph (e) must  
337 comply with the following:

338 a. In the order levying an assessment, the office shall  
339 specify the actual percentage amount to be collected uniformly  
340 from all the policyholders of insurers subject to the assessment  
341 and the date on which the assessment year begins, which may not  
342 begin until 90 days after the association board certifies such  
343 an assessment.

344 b. Insurers shall make an initial payment to the  
345 association before the beginning of the assessment year on or  
346 before the date specified in the order of the office.

347 c. Insurers that have written insurance in the calendar  
348 year before the year in which the assessment is certified by the  
349 board shall make an initial payment based on the net direct  
350 written premium amount from the prior calendar year as set forth  
351 in the insurers' annual statements, multiplied by the uniform  
352 percentage of premium specified in the order issued by the  
353 office. Insurers that have not written insurance in the prior  
354 calendar year in any of the lines under the account which are  
355 being assessed, but that are writing insurance as of, or after,  
356 the date the board certifies the assessment to the office, shall  
357 pay an amount based on a good faith estimate of the amount of  
358 net direct written premium anticipated to be written in the  
359 subject lines of business for the assessment year, multiplied by



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360 the uniform percentage of premium specified in the order issued  
361 by the office.

362 d. Insurers shall file a reconciliation report with the  
363 association within 45 days after the end of the assessment year  
364 which indicates the amount of the initial payment to the  
365 association before the assessment year, whether such amount was  
366 based on net direct written premium contained in a prior  
367 calendar year annual statement or a good faith projection, the  
368 amount actually collected during the assessment year, and such  
369 other information contained on a form adopted by the association  
370 and provided to the insurers in advance. If the insurer  
371 collected from policyholders more than the amount initially  
372 paid, the insurer shall pay the excess amount to the  
373 association. If the insurer collected from policyholders an  
374 amount which is less than the amount initially paid to the  
375 association, the association shall credit the insurer that  
376 amount against future assessments. Such payment reconciliation  
377 report, and any payment of excess amounts collected from  
378 policyholders, shall be completed and remitted to the  
379 association within 90 days after the end of the assessment year.  
380 The association shall send a final reconciliation report on all  
381 insurers to the office within 120 days after each assessment  
382 year.

383 e. Insurers remitting reconciliation reports to the  
384 association under this paragraph are subject to s.  
385 626.9541(1)(e). ~~If the excess amount does not exceed 15 percent~~  
386 ~~of the total assessment paid by the insurer or insurer group,~~  
387 ~~the excess amount shall be remitted to the association within 60~~  
388 ~~days after the end of the 12-month period in which the excess~~



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389 ~~recoupment charges were collected.~~

390       2. The association may use a monthly installment method  
391 instead of the method described in sub-subparagraphs 1.b. and c.  
392 or in combination thereof based on the association's projected  
393 cash flow. If the association projects that it has cash on hand  
394 for the payment of anticipated claims in the applicable account  
395 for at least 6 months, the board may make an estimate of the  
396 assessment needed and may recommend to the office the assessment  
397 percentage that may be collected as a monthly assessment. The  
398 office may, in the order levying the assessment on insurers,  
399 specify that the assessment is due and payable monthly as the  
400 funds are collected from insureds throughout the assessment  
401 year, in which case the assessment shall be a uniform percentage  
402 of premium collected during the assessment year and shall be  
403 collected from all policyholders with policies in the classes  
404 protected by the account. All insurers shall collect the  
405 assessment without regard to whether the insurers reported  
406 premium in the year preceding the assessment. Insurers are not  
407 required to advance funds if the association and the office  
408 elect to use the monthly installment option. All funds collected  
409 shall be retained by the association for the payment of current  
410 or future claims. This subparagraph does not alter the  
411 obligation of an insurer to remit assessments levied pursuant to  
412 this subsection to the association. ~~If the excess amount exceeds~~  
413 ~~15 percent of the total assessment paid by the insurer or~~  
414 ~~insurer group, the excess amount shall be returned to the~~  
415 ~~insurer's or insurer group's current policyholders by refunds or~~  
416 ~~premium credits. The association shall use any remitted excess~~  
417 ~~recoupment amounts to reduce future assessments.~~



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418 (g) Amounts recouped pursuant to this subsection for  
419 assessments levied under paragraph (a) due to insolvencies on or  
420 after July 1, 2010, are considered premium solely for premium  
421 tax purposes and are not subject to fees or commissions.  
422 However, insurers shall treat the failure of an insured to pay a  
423 recoupment charge as a failure to pay the premium.

424 ~~(h) At least 15 days before applying the recoupment factor~~  
425 ~~to any policies, the insurer or insurer group shall file with~~  
426 ~~the office a statement for informational purposes only setting~~  
427 ~~forth the amount of the recoupment factor and an explanation of~~  
428 ~~how the recoupment factor will be applied. Such statement shall~~  
429 ~~include documentation of the assessment paid by the insurer or~~  
430 ~~insurer group and the arithmetic calculations supporting the~~  
431 ~~recoupment factor. The insurer or insurer group may use the~~  
432 ~~recoupment factor at any time after the expiration of the 15-day~~  
433 ~~period. The insurer or insurer group need submit only one~~  
434 ~~informational statement for all lines of business using the same~~  
435 ~~recoupment factor.~~

436 ~~(i) No later than 90 days after the insurer or insurer~~  
437 ~~group has completed the recoupment process, the insurer or~~  
438 ~~insurer group shall file with the office, for information~~  
439 ~~purposes only, a final accounting report documenting the~~  
440 ~~recoupment. The report shall provide the amounts of assessments~~  
441 ~~paid by the insurer or insurer group, the amounts and~~  
442 ~~percentages recouped by year from each affected line of~~  
443 ~~business, and the direct written premium subject to recoupment~~  
444 ~~by year. The insurer or insurer group need submit only one~~  
445 ~~report for all lines of business using the same recoupment~~  
446 ~~factor.~~





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447       (h) Assessments levied under this subsection are levied  
448 upon insurers. This subsection does not create a cause of action  
449 by a policyholder with respect to the levying of, or a  
450 policyholder's duty to pay, such assessments.

451       (4) The office department may exempt or temporarily defer  
452 any insurer from any regular or emergency assessment if the  
453 office finds that the insurer is impaired or insolvent or if an  
454 assessment would result in such insurer's financial statement  
455 reflecting an amount of capital or surplus less than the sum of  
456 the minimum amount required by any jurisdiction in which the  
457 insurer is authorized to transact insurance.

458       Section 8. Section 631.64, Florida Statutes, is amended to  
459 read:

460       631.64 Recognition of assessments ~~in rates.~~ Charges or  
461 recoupments shall be separately displayed on premium statements  
462 to enable policyholders to determine the amount charged for  
463 association assessments but may not be included in rates filed  
464 and approved by the office. ~~The rates and premiums charged for~~  
465 insurance policies to which this part applies may include  
466 amounts sufficient to recoup a sum equal to the amounts paid to  
467 the association by the member insurer less any amounts returned  
468 to the member insurer by the association, and such rates shall  
469 not be deemed excessive because they contain an amount  
470 reasonably calculated to recoup assessments paid by the member  
471 insurer.

472       Section 9. Subsection (5) of section 627.727, Florida  
473 Statutes, is amended to read:

474       627.727 Motor vehicle insurance; uninsured and underinsured  
475 vehicle coverage; insolvent insurer protection.-



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476 (5) Any person having a claim against an insolvent insurer  
477 as defined in s. 631.54(6) under ~~the provisions of~~ this section  
478 shall present such claim for payment to the Florida Insurance  
479 Guaranty Association only. In the event of a payment to a any  
480 person in settlement of a claim arising under ~~the provisions of~~  
481 this section, the association is not subrogated or entitled to  
482 ~~any~~ recovery against the claimant's insurer. The association,  
483 however, has the rights of recovery as set forth in chapter 631  
484 in the proceeds recoverable from the assets of the insolvent  
485 insurer.

486 Section 10. Subsection (1) of section 631.55, Florida  
487 Statutes, is amended to read:

488 631.55 Creation of the association.—

489 (1) There is created a nonprofit corporation to be known as  
490 the "Florida Insurance Guaranty Association, Incorporated." All  
491 insurers defined as member insurers in s. 631.54(7) shall be  
492 members of the association as a condition of their authority to  
493 transact insurance in this state, and, further, as a condition  
494 of such authority, an insurer must ~~shall~~ agree to reimburse the  
495 association for all claim payments the association makes on the  
496 ~~said~~ insurer's behalf if such insurer is subsequently  
497 rehabilitated. The association shall perform its functions under  
498 a plan of operation established and approved under s. 631.58 and  
499 shall exercise its powers through a board of directors  
500 established under s. 631.56. The corporation shall have all  
501 those powers granted or permitted nonprofit corporations, as  
502 provided in chapter 617.

503 Section 11. This act shall take effect July 1, 2014.

504



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

506 And the title is amended as follows:

507 Delete everything before the enacting clause

508 and insert:

509 A bill to be entitled

510 An act relating to insurance; amending s. 440.49,  
511 F.S.; revising the methodology for calculating the  
512 assessment rate against specified insurers for funding  
513 the Special Disability Trust Fund; reducing the upper  
514 limit on the rate; amending s. 624.425, F.S.;  
515 providing that the absence of a countersignature does  
516 not affect the validity of a policy or contract;  
517 amending s. 627.902, F.S.; providing that premium  
518 financing does not apply to installment payment  
519 arrangements that do not involve the advancement of  
520 funds; amending s. 627.94072, F.S.; providing an  
521 alternative form of a nonforfeiture provision for  
522 long-term care insurance; amending s. 629.271, F.S.;  
523 authorizing reciprocal insurers to return a portion of  
524 unassigned funds to their subscribers; amending s.  
525 631.54, F.S.; defining the term "assessment year";  
526 amending s. 631.57, F.S.; revising provisions relating  
527 to the levy of assessments on insurers by the Florida  
528 Insurance Guaranty Association; specifying the  
529 conditions under which such assessments are paid;  
530 revising procedures and timeframes for the levying of  
531 the assessments; deleting the requirement that  
532 insurers file a final accounting report documenting  
533 the recoupment; revising an exemption for assessments;



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534 amending s. 631.64, F.S.; requiring charges or  
535 recoupments to be displayed separately on premium  
536 statements to policyholders and prohibiting their  
537 inclusion in rates; amending ss. 627.727 and 631.55,  
538 F.S.; conforming cross-references; providing an  
539 effective date.