



538116

LEGISLATIVE ACTION

Senate

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House

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Floor: WD

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05/02/2014 03:27 PM

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Senator Montford moved the following:

1 **Senate Amendment to House Amendment (309029) to Senate**
2 **Amendment (with title amendment)**

3
4 Delete lines 5 - 9
5 and insert:

6 Section 1. Paragraph (b) of subsection (6) of section
7 215.555, Florida Statutes, is amending, paragraphs (d), (e), and
8 (f) of subsection (7) are redesignated as paragraphs (e), (f),
9 and (g), respectively, and a new paragraph (d) is added to that
10 subsection, to read:

11 215.555 Florida Hurricane Catastrophe Fund.-



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12 (6) REVENUE BONDS.—

13 (b) Emergency assessments.—

14 1. If the board determines that the amount of revenue
15 produced under subsection (5) is insufficient to fund the
16 obligations, costs, and expenses of the fund and the
17 corporation, including repayment of revenue bonds and that
18 portion of the debt service coverage not met by reimbursement
19 premiums, the board shall direct the Office of Insurance
20 Regulation to levy, by order, an emergency assessment on direct
21 premiums for all property and casualty lines of business in this
22 state, including property and casualty business of surplus lines
23 insurers regulated under part VIII of chapter 626, but not
24 including any workers' compensation premiums or medical
25 malpractice premiums. As used in this subsection, the term
26 "property and casualty business" includes all lines of business
27 identified on Form 2, Exhibit of Premiums and Losses, in the
28 annual statement required of authorized insurers by s. 624.424
29 and any rule adopted under this section, except for those lines
30 identified as accident and health insurance and except for
31 policies written under the National Flood Insurance Program. The
32 assessment shall be specified as a percentage of direct written
33 premium and is subject to annual adjustments by the board in
34 order to meet debt obligations. The same percentage applies to
35 all policies in lines of business subject to the assessment
36 issued or renewed during the 12-month period beginning on the
37 effective date of the assessment.

38 2. A premium is not subject to an annual assessment under
39 this paragraph in excess of 6 percent of premium with respect to
40 obligations arising out of losses attributable to any one



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41 contract year, and a premium is not subject to an aggregate
42 annual assessment under this paragraph in excess of 10 percent
43 of premium. An annual assessment under this paragraph continues
44 as long as the revenue bonds issued with respect to which the
45 assessment was imposed are outstanding, including any bonds the
46 proceeds of which were used to refund the revenue bonds, unless
47 adequate provision has been made for the payment of the bonds
48 under the documents authorizing issuance of the bonds.

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

61 4. With respect to assessments of surplus lines premiums,
62 each surplus lines agent shall collect the assessment at the
63 same time as the agent collects the surplus lines tax required
64 by s. 626.932, and the surplus lines agent shall remit the
65 assessment to the Florida Surplus Lines Service Office created
66 by s. 626.921 at the same time as the agent remits the surplus
67 lines tax to the Florida Surplus Lines Service Office. The
68 emergency assessment on each insured procuring coverage and
69 filing under s. 626.938 shall be remitted by the insured to the



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70 Florida Surplus Lines Service Office at the time the insured
71 pays the surplus lines tax to the Florida Surplus Lines Service
72 Office. The Florida Surplus Lines Service Office shall remit the
73 collected assessments to the fund or corporation as provided in
74 the order levied by the Office of Insurance Regulation. The
75 Florida Surplus Lines Service Office shall verify the proper
76 application of such emergency assessments and shall assist the
77 board in ensuring the accurate and timely collection and
78 remittance of assessments as required by the board. The Florida
79 Surplus Lines Service Office shall annually calculate the
80 aggregate written premium on property and casualty business,
81 other than workers' compensation and medical malpractice,
82 procured through surplus lines agents and insureds procuring
83 coverage and filing under s. 626.938 and shall report the
84 information to the board in a form and at a time specified by
85 the board.

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



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

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

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

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



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128 collected to the fund or corporation.

129 ~~10. The exemption of medical malpractice insurance premiums~~
130 ~~from emergency assessments under this paragraph is repealed May~~
131 ~~31, 2016, and medical malpractice insurance premiums shall be~~
132 ~~subject to emergency assessments attributable to loss events~~
133 ~~occurring in the contract years commencing on June 1, 2016.~~

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

136 And the title is amended as follows:

137 Delete line 30

138 and insert:

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