1   A bill to be entitled

2   An act relating to insurance guaranty associations;

3   amending s. 625.012, F.S.; revising the definition of

4   the term "asset" to include Florida Insurance Guaranty

5   Association assessments, under certain conditions, for

6   purposes of determining the financial condition of an

7   insurer; amending ss. 631.717 and 631.737, F.S.;

8   transferring a provision relating to the obligation of

9   the Florida Life and Health Insurance Guaranty

10   Association to pay valid claims under certain

11   circumstances; providing an effective date.

12

13   Be It Enacted by the Legislature of the State of Florida:

14

15   Section 1. Subsections (15) and (16) of section 625.012,

16   Florida Statutes, are renumbered as subsections (16) and (17),

17   respectively, and a new subsection (15) is added to that

18   section, to read:

19   625.012 "Assets" defined.—In any determination of the

20   financial condition of an insurer, there shall be allowed as

21   "assets" only such assets as are owned by the insurer and which

22   consist of:

23   (15)(a) Assessments levied under s. 631.57(3)(a) and (c)

24   that are paid before policy surcharges are collected and result

25   in a receivable for policy surcharges to be collected in the

26   future. This amount, to the extent it is likely that it will be

27 realized, meets the definition of an admissible asset as

28 specified in the National Association of Insurance

29 Commissioners' Statement of Statutory Accounting Principles No.

30 4. The asset shall be established and recorded separately from

31 the liability regardless of whether it is based on a

32 retrospective or prospective premium-based assessment. If an

33 insurer is unable to fully recoup the amount of the assessment

34 because of a reduction in writings or withdrawal from the

35 market, the amount recorded as an asset shall be reduced to the

36 amount reasonably expected to be recouped.

37   (b) Assessments levied under s. 631.57(3)(c) that are paid

38 after policy surcharges are collected so that the recognition of

39 assets is based on actual premium written offset by the

40 obligation to the Florida Insurance Guaranty Association.

41   Section 2. Subsection (11) of section 631.717, Florida

42 Statutes, is amended to read:

43   631.717 Powers and duties of the association.—

44   (11) The association is shall not be liable for any civil

45 action under s. 624.155 arising from any acts alleged to have

46 been committed by a member insurer before prior to its

47 liquidation. This subsection does not affect the association's

48 obligation to pay valid insurance policy or contract claims if

49 warranted after its independent de novo review of the policies,

50 contracts, and claims presented to it, whether domestic or

51 foreign, after a Florida domestic rehabilitation or a

52 liquidation.

53   Section 3. Section 631.737, Florida Statutes, is amended
54 to read:
55   631.737 Rescission and review generally.—The association
56 shall review claims and matters regarding covered policies based
57 upon the record available to it on and after the date of
58 liquidation. Notwithstanding any other provision of this part,
59 <u>in order</u> to allow for orderly claims administration by the
60 association, entry of a liquidation order by a court of
61 competent jurisdiction <u>tolls</u> <s>shall be deemed to toll</s> for 1 year
62 any rescission or noncontestable period allowed by the contract,
63 the policy, or by law. <u>The association's obligation is to pay</u>
64 <u>any valid insurance policy or contract claims, if warranted,</u>
65 <u>after its independent de novo review of the policies, contracts,</u>
66 <u>and claims presented to it, whether domestic or foreign,</u>
67 <u>following a rehabilitation or a liquidation.</u>
68   Section 4. This act shall take effect July 1, 2015.

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