

**By** the Committees on Commerce and Tourism; and Banking and Insurance; and Senator Richter

577-02330-15

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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 redesignated 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 (e)  
24 which 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.

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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 as monthly installments under s.  
38 631.57(3)(e)1.c. which are paid after policy surcharges are  
39 collected so that the recognition of assets is based on actual  
40 premium written offset by the obligation to the Florida  
41 Insurance Guaranty Association.

42 Section 2. Subsection (11) of section 631.717, Florida  
43 Statutes, is amended to read:

44 631.717 Powers and duties of the association.—

45 (11) The association is shall ~~not be~~ liable for any civil  
46 action under s. 624.155 arising from any acts alleged to have  
47 been committed by a member insurer before ~~prior to~~ its  
48 liquidation. ~~This subsection does not affect the association's~~  
49 ~~obligation to pay valid insurance policy or contract claims if~~  
50 ~~warranted after its independent de novo review of the policies,~~  
51 ~~contracts, and claims presented to it, whether domestic or~~  
52 ~~foreign, after a Florida domestic rehabilitation or a~~  
53 ~~liquidation.~~

54 Section 3. Section 631.737, Florida Statutes, is amended to  
55 read:

56 631.737 Rescission and review generally.—The association  
57 shall review claims and matters regarding covered policies based  
58 upon the record available to it on and after the date of

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59 liquidation. Notwithstanding any other provision of this part,  
60 in order to allow for orderly claims administration by the  
61 association, entry of a liquidation order by a court of  
62 competent jurisdiction tolls ~~shall be deemed to toll~~ for 1 year  
63 any rescission or noncontestable period allowed by the contract,  
64 the policy, or by law. The association's obligation is to pay  
65 any valid insurance policy or contract claims, if warranted,  
66 after its independent de novo review of the policies, contracts,  
67 and claims presented to it, whether domestic or foreign,  
68 following a rehabilitation or a liquidation.

69 Section 4. This act shall take effect July 1, 2015.