

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Finance & Tax Committee
2 Representative Broxson offered the following:

Amendment (with title amendment)

Remove lines 48-132 and insert:

6 (b) Member insurers shall collect surcharges at a uniform
7 percentage rate on new and renewal policies issued and effective
8 during the period of 12 months beginning on January 1, April 1,
9 July 1, or October 1, whichever is the first day of the
10 following calendar quarter as specified in an order issued by
11 the office directing insurers to pay an assessment to the
12 association. The surcharge may not begin until 90 days after the
13 board of directors certifies the assessment.

14 ~~2. Beginning July 1, 1997, assessments levied against~~
15 ~~self-insurance funds shall not exceed in any calendar year more~~
16 ~~than 1.50 percent of that self-insurance fund's net direct~~
17 ~~written premiums in this state for workers' compensation~~

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18 ~~insurance during the calendar year next preceding the date of~~
19 ~~such assessments.~~

20 ~~3. Beginning July 1, 2003, assessments levied against~~
21 ~~insurers and self-insurance funds pursuant to this paragraph are~~
22 ~~computed and levied on the basis of the full policy premium~~
23 ~~value on the net direct premiums written in the state for~~
24 ~~workers' compensation insurance during the calendar year next~~
25 ~~preceding the date of the assessment without taking into account~~
26 ~~any applicable discount or credit for deductibles. Insurers and~~
27 ~~self-insurance funds must report premiums in compliance with~~
28 ~~this subparagraph.~~

29 ~~(b) Assessments shall be included as an appropriate factor~~
30 ~~in the making of rates.~~

31 ~~(c)1. Effective July 1, 1999, If assessments otherwise~~
32 ~~authorized in paragraph (a) are insufficient to make all~~
33 ~~payments on reimbursements then owing to claimants in a calendar~~
34 ~~year, then upon certification by the board, the office~~
35 ~~department shall levy additional assessments of up to 1.5~~
36 ~~percent of the insurer's net direct written premiums in this~~
37 ~~state during the calendar year next preceding the date of such~~
38 ~~assessments against insurers to secure the necessary funds.~~

39 (d) The association may use an installment method to
40 require the insurer to remit the assessment as premium is
41 written or may require the insurer to remit the assessment to
42 the association before collecting the policyholder surcharge. If
43 the assessment is remitted before the surcharge is collected,

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44 the assessment remitted must be based on an estimate of the
45 assessment due based on the proportion of each insurer's net
46 direct written premium in this state for the preceding calendar
47 year as described in paragraph (a) and adjusted following the
48 end of the 12-month period during which the assessment is
49 levied.

50 1. If the association elects to use the installment
51 method, the office may, in the order levying the assessment on
52 insurers, specify that the assessment is due and payable
53 quarterly as premium is written throughout the assessment year.
54 Insurers shall collect surcharges at a uniform percentage rate
55 specified by order as described in paragraph (b). Insurers are
56 not required to advance funds if the association and the office
57 elect to use the installment option. Assessments levied under
58 this subparagraph are paid after policy surcharges are
59 collected, and the recognition of assets is based on actual
60 premium written offset by the obligation to the association.

61 2. If the association elects to require insurers to remit
62 the assessment before surcharging the policyholder, the
63 following shall apply:

64 a. The levy order shall provide each insurer so assessed
65 at least 30 days written notice of the date the initial
66 assessment payment is due and payable by the insurer.

67 b. Insurers shall collect surcharges at a uniform
68 percentage rate specified by the order, as described in
69 paragraph (b).

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70 c. Assessments levied under this subparagraph are paid
71 before policy surcharges are billed and result in a receivable
72 for policy surcharges to be billed in the future. The amount of
73 billed surcharges, to the extent it is likely that it will be
74 realized, meets the definition of an admissible asset as
75 specified in the National Association of Insurance
76 Commissioners' Statement of Statutory Accounting Principles No.
77 4. The asset shall be established and recorded separately from
78 the liability. If an insurer is unable to fully recoup the
79 amount of the assessment, the amount recorded as an asset shall
80 be reduced to the amount reasonably expected to be recouped.

81 3. Insurers must submit a reconciliation report to the
82 association within 120 days after the end of the 12-month
83 assessment period and annually thereafter for a period of three
84 years. The report must indicate the amount of the initial
85 payment or installment payments made to the association and the
86 amount of written premium pursuant to paragraph (a) for the
87 assessment year. If the insurer's reconciled assessment
88 obligation is more than the amount paid to the association, the
89 insurer shall pay the excess surcharges collected to the
90 association. If the insurer's reconciled assessment obligation
91 is less than the initial amount paid to the association, the
92 association shall credit the insurer that amount against future
93 assessments.

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96 **T I T L E A M E N D M E N T**

97 Remove lines 3-7 and insert:

98 assessments; amending s. 631.914, F.S.; requiring the Office of

99 Insurance Regulation to levy assessments for certain purposes;

100 revising and providing requirements for the levy of assessments;

101 requiring insurers and self-insurance funds to report certain

102 premiums; requiring insurers to collect policy surcharges and

103 pay