

1 A bill to be entitled
 2 An act relating to Florida Life and Health Insurance
 3 Guaranty Association; amending s. 631.713, F.S.;
 4 revising applicability of the Florida Life and Health
 5 Insurance Guaranty Association Act as to specified
 6 annuity contracts; amending s. 631.717, F.S.;
 7 specifying the maximum liability of the association
 8 for certain health insurance policies; amending s.
 9 631.718, F.S.; increasing the Class A assessment
 10 amount for member insurers; providing an effective
 11 date.

12
 13 Be It Enacted by the Legislature of the State of Florida:

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 15 Section 1. Paragraph (1) of subsection (3) of section
 16 631.713, Florida Statutes, is amended to read:

17 631.713 Application of part.—

18 (3) This part does not apply to:

19 (1) Any annuity contract or group annuity contract that is
 20 not issued to and owned by an individual, except to the extent
 21 of any annuity benefits;

22 1. Guaranteed directly and not through an intermediary to
 23 an individual by an insurer under such contract or certificate;~~;~~

24 2. Under an annuity issued by an insurer under 26 U.S.C.
 25 s. 408(b); or

26 3. Under an annuity issued by an insurer and held by a
 27 custodian or trustee in accordance with 26 U.S.C. s. 408(a).

28
 29 This paragraph applies to every insolvency regardless of its
 30 date of inception, and an assessment base may not include
 31 premiums for such excluded products.

32 Section 2. Subsection (9) of section 631.717, Florida
 33 Statutes, is amended to read:

34 631.717 Powers and duties of the association.—

35 (9) The association's liability for the contractual
 36 obligations of the insolvent insurer shall be as great as, but
 37 no greater than, the contractual obligations of the insurer in
 38 the absence of such insolvency, unless such obligations are
 39 reduced as permitted by subsection (4), but the aggregate
 40 liability of the association with respect to one life may ~~shall~~
 41 not exceed the following:

42 (a) For life insurance, \$100,000 in net cash surrender and
 43 net cash withdrawal values. ~~for life insurance,~~

44 (b) For deferred annuity contracts, \$250,000 in net cash
 45 surrender and net cash withdrawal values. ~~for deferred annuity~~
 46 ~~contracts, or~~

47 (c) For all benefits \$300,000, ~~for all benefits~~ including
 48 cash values, except as provided in paragraph (d) ~~with respect to~~
 49 ~~any one life.~~

50 (d) For basic hospital expense health insurance policies,

51 basic medical-surgical health insurance policies, or major
52 medical expense health insurance policies, \$500,000.

53

54 ~~In no event shall~~ The association is not be liable for any
55 penalties or interest.

56 Section 3. Paragraph (a) of subsection (3) of section
57 631.718, Florida Statutes, is amended to read:

58 631.718 Assessments.—

59 (3) (a) The amount of any Class A assessment shall be
60 determined by the board and may be made on a non-pro rata basis.
61 The assessment may not be credited against future insolvency
62 assessments and may not exceed \$500 ~~\$250~~ per member insurer in
63 any one calendar year.

64 Section 4. This act shall take effect July 1, 2017.