

By the Committee on Appropriations; and Senator Broxson

576-04383-17

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1                   A bill to be entitled  
2           An act relating to the Florida Life and Health  
3           Insurance Guaranty Association; amending s. 631.713,  
4           F.S.; revising applicability of the Florida Life and  
5           Health Insurance Guaranty Association Act as to  
6           specified annuity contracts; amending s. 631.717,  
7           F.S.; revising the association's maximum aggregate  
8           liability for the contractual obligations of an  
9           insolvent insurer with respect to one life; specifying  
10          the association's maximum liability as to certain  
11          health insurance policies beginning on a specified  
12          date; providing an effective date.

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

15  
16           Section 1. Paragraph (1) of subsection (3) of section  
17           631.713, Florida Statutes, is amended to read:

18           631.713 Application of part.—

19           (3) This part does not apply to:

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

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

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

27           3. Under an annuity issued by an insurer and held by a  
28           custodian or trustee in accordance with 26 U.S.C. s. 408(a).  
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30 This paragraph applies to every insolvency regardless of its  
31 date of inception, and an assessment base may not include  
32 premiums for such excluded products.

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

35 631.717 Powers and duties of the association.—

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

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

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

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

51 (d) Effective January 1, 2020, for basic hospital expense  
52 health insurance policies, basic medical-surgical health  
53 insurance policies, or major medical expense health insurance  
54 policies, but not including long-term care policies, \$500,000.

55  
56 In no event is ~~shall~~ the association ~~be~~ liable for any penalties  
57 or interest.

58 Section 3. This act shall take effect July 1, 2017.