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Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on Agriculture, Environment, and
General Government)

A bill to be entitled

An act relating to insurer guaranty associations;
amending s. 631.713, F.S.; revising applicability of
part III of ch. 631, F.S., as to health maintenance
organizations, long-term care insurance benefits,
certain health care benefits, and certain structured
settlement annuity benefits; amending s. 631.716,
F.S.; revising the number of members and composition
of the Florida Life and Health Insurance Guaranty
Association's board of directors; specifying
requirements relating to the director of the Florida
Health Maintenance Organization Consumer Assistance
Plan to be confirmed to the association's board;
specifying rights of the director or his or her
alternate; deleting an obsolete provision; amending s.
631.717, F.S.; adding the reissuance of covered
policies to a list of duties of the association
relating to insolvent insurers; providing
construction; specifying duties of the association as
to potential long-term care insurer impairments or
insolvencies, sharing information, and providing
assistance to the Florida Health Maintenance
Organization Consumer Assistance Plan's board of
directors; revising applicability of a specified limit
on the association's liability for the contractual
obligations of an insolvent insurer; conforming a



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27 provision to changes made by the act; requiring that
28 the Department of Financial Services, rather than a
29 receivership court, approve certain alternative
30 policies or contracts; authorizing the board to file
31 directly for actuarially justified rate or premium
32 increases; amending s. 631.718, F.S.; specifying the
33 calculation and allocation of Class B assessments for
34 long-term care insurance; specifying a limit on
35 certain assessments on a member insurer or member
36 health maintenance organization; providing that the
37 Financial Services Commission, rather than the
38 department, prescribes the form of a certain
39 certificate of contribution; providing that the Office
40 of Insurance Regulation, rather than the department,
41 approves certain assets shown on insurer financial
42 statements; conforming provisions to changes made by
43 the act; amending s. 631.721, F.S.; deleting an
44 obsolete provision; revising the requirements of the
45 association's plan of operation relating to long-term
46 care insurer impairments and insolvencies; conforming
47 a cross-reference; creating s. 631.738, F.S.;
48 providing that certain provisions do not apply to
49 certain member insurers and health maintenance
50 organizations; amending s. 631.816, F.S.; adding
51 duties of the board of directors of the Florida Health
52 Maintenance Organization Consumer Assistance Plan to
53 conform to changes made by the act; amending s.
54 631.818, F.S.; adding to the duties of the plan to
55 conform to changes made by the act; amending s.



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56 631.819, F.S.; specifying requirements for long-term
57 care insurer impairment and insolvency assessments for
58 member health maintenance organizations; requiring the
59 plan to issue certificates of contribution to member
60 health maintenance organizations paying certain
61 assessments; specifying requirements of, and the use
62 of, such certificates; amending s. 631.820, F.S.;
63 conforming provisions to changes made by the act;
64 amending s. 631.821, F.S.; making a technical change;
65 providing applicability; providing a directive to the
66 Division of Law Revision; providing an effective date.

67

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

69

70 Section 1. Subsection (3) of section 631.713, Florida
71 Statutes, is amended to read:

72 631.713 Application of part.—

73 (3) This part does not apply to:

74 (a) That portion or part of a variable life insurance
75 contract or variable annuity contract not guaranteed by an
76 insurer.

77 (b) That portion or part of any policy or contract under
78 which the risk is borne by the policyholder.

79 (c) Any policy or contract or part thereof assumed by the
80 impaired or insolvent insurer under a contract of reinsurance,
81 other than reinsurance for which assumption certificates have
82 been issued.

83 (d) Fraternal benefit societies as defined in s. 632.601.

84 (e) Health maintenance organizations, except for



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85 assessments levied pursuant to ss. 631.715(2)(a)1.,
86 631.718(3)(b), and 631.819(2)(c) for long-term care insurer
87 impairments or insolvencies insurance.

88 (f) Dental service plan insurance.

89 (g) Pharmaceutical service plan insurance.

90 (h) Optometric service plan insurance.

91 (i) Ambulance service association insurance.

92 (j) Preneed funeral merchandise or service contract
93 insurance.

94 (k) Prepaid health clinic insurance.

95 (l) Any annuity contract or group annuity contract that is
96 not issued to and owned by an individual, except to the extent
97 of any annuity benefits:

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

100 2. Under an annuity issued by an insurer under 26 U.S.C. s.
101 408(b); or

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

104

105 This paragraph applies to every insolvency regardless of its
106 date of inception, and an assessment base may not include
107 premiums for such excluded products.

108 (m) Any federal employees' group policy or contract that,
109 under 5 U.S.C. s. 8909(f), is prohibited from being subject to
110 an assessment under s. 631.718.

111 (n) Except as provided in this paragraph, a portion of a
112 policy or contract, to the extent that the rate of interest on
113 which the policy or contract is based, or the interest rate,



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114 crediting rate, or similar factor determined by use of an index
115 or other external reference stated in the policy or contract
116 employed in calculating returns or changes in value:

117 1. Averaged over the period of 4 years immediately
118 preceding the date on which the member insurer becomes an
119 impaired or insolvent insurer under this part, whichever is
120 earlier, exceeds the rate of interest determined by subtracting
121 2 percentage points from Moody's Corporate Bond Yield Average
122 averaged for that same 4-year period or for such lesser period
123 if the policy or contract was issued less than 4 years before
124 the member insurer becomes an impaired or insolvent insurer
125 under this part, whichever is earlier; and

126 2. On and after the date on which the member insurer
127 becomes an impaired or insolvent insurer under this part,
128 whichever is earlier, exceeds the rate of interest determined by
129 subtracting 3 percentage points from the most current version of
130 Moody's Corporate Bond Yield Average.

131
132 This paragraph does not apply to any portion of a policy or
133 contract, including a rider, which provides long-term care or
134 any other health insurance benefit.

135 (o) A portion of a policy or contract to the extent the
136 policy or contract provides for interest or other changes in
137 value to be determined by the use of an index or other external
138 reference stated in the policy or contract, but which has not
139 been credited to the policy or contract, or as to which the
140 policy or contract owner's rights are subject to forfeiture, as
141 of the date the member insurer becomes an impaired or insolvent
142 insurer under this part. However, if the interest or change in



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143 value is credited less frequently than annually as determined by
144 using the procedures defined in the policy or contract, interest
145 or change in value shall be credited by using the procedure
146 defined in the policy or contract as if the contractual date of
147 crediting interest or changing values was the date of impairment
148 or insolvency, whichever is earlier, and shall not be subject to
149 forfeiture.

150 (p) A policy or contract providing any hospital, medical,
151 prescription drug, or other health care benefits pursuant to
152 Title XVIII (Medicare), Title XIX (Medicaid), or Title XXI (the
153 Children's Health Insurance Program) of the Social Security Act
154 Medicare part C or part D or any regulations promulgated
155 thereunder issued pursuant to Medicare Part C or Part D.

156 (q) Structured settlement annuity benefits to which a
157 payee, or a beneficiary if the payee is deceased, has
158 transferred his or her rights in a structured settlement
159 factoring transaction, as that term is defined in 26 U.S.C. s.
160 5891(c) (3) (A).

161 Section 2. Subsection (1) of section 631.716, Florida
162 Statutes, is amended to read:

163 631.716 Board of directors.—

164 (1) (a) The board of directors of the association shall have
165 at least 9, but no more than 11, members. The members shall be
166 comprised of not fewer than five nor more than nine member
167 insurers, serving terms as established in the plan of operation
168 and 1 Florida Health Maintenance Organization Consumer
169 Assistance Plan director confirmed pursuant to paragraph (b). At
170 all times, at least 1 ~~one~~ member of the board must ~~shall~~ be a
171 domestic insurer as defined in s. 624.06(1). The members of the



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172 board who are member insurers shall be elected by member
173 insurers, subject to the approval of the department.

174 (b) The board shall confirm, subject to the approval of the
175 department, the Florida Health Maintenance Organization Consumer
176 Assistance Plan director. The confirmed director must not be a
177 member insurer serving on the board of the association. The
178 director confirmed to the board must be designated by the
179 Florida Health Maintenance Organization Consumer Assistance
180 Plan's board of directors to serve on the board and represent
181 the interests of the Florida Health Maintenance Organization
182 Consumer Assistance Plan and its board of directors. An
183 individual serving as a Florida Health Maintenance Organization
184 Consumer Assistance Plan director on the board must be a member
185 of the Florida Health Maintenance Organization Consumer
186 Assistance Plan's board of directors. The Florida Health
187 Maintenance Organization Consumer Assistance Plan director, or
188 his or her alternate, has the right to be present at all
189 meetings of the board and has full voting rights on all issues.

190 (c) A vacancy on the board shall be filled for the
191 remaining period of the term by a majority vote of the remaining
192 board members, subject to the approval of the department. ~~Prior~~
193 ~~to the selection of the initial board of directors and the~~
194 ~~organization of the association, the department shall give~~
195 ~~notice to all member insurers of the time and place of the~~
196 ~~organizational meeting. At the organizational meeting, each~~
197 ~~member insurer shall be entitled to one vote, in person or by~~
198 ~~proxy. If the board of directors is not elected within 60 days~~
199 ~~after notice of the organizational meeting, the department may~~
200 ~~appoint the initial members.~~



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201 Section 3. Present subsections (9) through (12) of section
202 631.717, Florida Statutes, are redesignated as subsections (12)
203 through (15), respectively, new subsections (9), (10), and (11)
204 are added to that section, subsections (2) and (3), paragraph
205 (c) of present subsection (9), and paragraph (g) of present
206 subsection (12) are amended, and paragraph (h) is added to
207 present subsection (12) of that section, to read:

208 631.717 Powers and duties of the association.—

209 (2) If a domestic insurer is an insolvent insurer, the
210 association shall, subject to the approval of the department:

211 (a) Guarantee, assume, reissue, or reinsure, or cause to be
212 guaranteed, assumed, reissued, or reinsured, the covered
213 policies of persons referred to in s. 631.713(2); and

214 (b) Provide moneys, pledges, notes, guarantees, or other
215 means that are proper and reasonably necessary to implement
216 paragraph (a) in order to assure payment of the contractual
217 obligations of the insolvent insurer with regard to persons
218 referred to in s. 631.713(2).

219 (3) If a foreign or alien insurer is an insolvent insurer,
220 the association shall, subject to the approval of the
221 department:

222 (a) Guarantee, assume, reissue, or reinsure, or cause to be
223 guaranteed, assumed, reissued, or reinsured, the covered
224 policies of residents of this state; and

225 (b) Provide moneys, pledges, notes, guarantees, or other
226 means that are proper and reasonably necessary to implement
227 paragraph (a) in order to assure payment of the contractual
228 obligations of the insolvent insurer with regard to persons
229 referred to in s. 631.713(2).



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However, this subsection does not apply when the department has determined that the foreign or alien insurer's domiciliary jurisdiction or state of entry provides, by statute, protection substantially similar to that provided by this part for residents of this state.

(9) For purposes of this part, benefits provided by a long-term care rider to a life insurance policy or annuity contract are considered the same type of benefits as the base life insurance policy or annuity contract to which the rider relates.

(10) In the event of a potential long-term care insurer impairment or insolvency, the association shall coordinate its activities with the Florida Health Maintenance Organization Consumer Assistance Plan, including the development of any plan for handling the administration of the impairment or insolvency.

(11) The association shall share information, including data, with and assist, as applicable, the board of directors of the Florida Health Maintenance Organization Consumer Assistance Plan with the administration and collection of member health maintenance organization assessments for long-term care insurer impairments or insolvencies pursuant to ss. 631.715(2)(a)1., 631.718(3)(b), 631.818(2), and 631.819(2)(c).

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



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259 (c) For all other benefits, including in long-term care
260 policies, \$300,000, including cash values, except as provided in
261 paragraph (d).

262
263 In no event is the association liable for any penalties or
264 interest.

265 ~~(15)-(12)~~

266 (g) In carrying out its duties in connection with
267 guaranteeing, assuming, reissuing, or reinsuring policies or
268 contracts under subsections (2) and (3), the association may,
269 subject to approval of the department ~~receivership court~~, issue
270 an alternative policy or contract to substitute coverage for a
271 policy or contract providing that provides an interest rate,
272 crediting rate, or similar factor that was determined by use of
273 an index or other external reference stated in the policy or
274 contract and employed in calculating returns or changes in value
275 ~~by issuing an alternative policy or contract~~. In lieu of the
276 index or other external reference provided for in the original
277 policy or contract, the alternative policy or contract must
278 provide for a fixed interest rate, payment of dividends with
279 minimum guarantees, or a different method for calculating
280 interest or changes in value. In such case:

281 1. There is no requirement for evidence of insurability,
282 waiting period, or other exclusion that would not have applied
283 under the replaced policy or contract.

284 2. The alternative policy or contract shall be
285 substantially similar to the replaced policy or contract in all
286 other material terms.

287 (h) In accordance with the terms and conditions of the



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288 policy or contract, the board may directly file for actuarially
289 justified rate or premium increases for any policy or contract
290 for which it provides coverage under this part.

291 Section 4. Paragraph (b) of subsection (3), paragraph (a)
292 of subsection (5), and subsection (8) of section 631.718,
293 Florida Statutes, are amended to read:

294 631.718 Assessments.—

295 (3)

296 (b)1. The amount of any Class B assessment, except for
297 assessments related to long-term care insurance, must ~~shall~~ be
298 allocated for assessment purposes among the accounts pursuant to
299 an allocation formula, which may be based on the premiums or
300 reserves of the impaired or insolvent insurer.

301 2. The amount of the Class B assessment for long-term care
302 insurance written by the impaired or insolvent insurer must be
303 allocated according to a methodology included in the plan of
304 operation and approved by the department. The methodology must
305 provide for 50 percent of the assessment to be allocated to
306 health member insurers and 50 percent to be allocated to life
307 and annuity member insurers.

308 3. For the purposes of the methodology outlined in
309 subparagraph 2. and included in the plan of operation, the
310 health member insurers' share of the assessment must be
311 calculated by including the assessable premiums of member health
312 maintenance organizations of the Florida Health Maintenance
313 Organization Consumer Assistance Plan.

314 (5) (a)1. The total of all assessments upon a member insurer
315 for each account may not in any one calendar year exceed 1
316 percent of the sum of the insurer's premiums written in this



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317 state regarding business covered by the account received during
318 the 3 calendar years preceding the year in which the assessment
319 is made, divided by three. If premium information for the 3-year
320 period is not reasonably available for each member insurer, the
321 association may use any reasonably available premium
322 information.

323 2. For long-term care insurer impairments and insolvencies
324 only, the total assessments upon a member insurer or member
325 health maintenance organization of the Florida Health
326 Maintenance Organization Consumer Assistance Plan may not, in
327 any one calendar year, exceed 0.5 percent of the sum of the
328 member insurer's or member health maintenance organization's
329 premiums written in this state regarding business covered by the
330 account received during the calendar year preceding the year in
331 which the assessment is made. If premium information is not
332 reasonably available for each member insurer or member health
333 maintenance organization of the Florida Health Maintenance
334 Organization Consumer Assistance Plan, the association or the
335 Florida Health Maintenance Organization Consumer Assistance Plan
336 may use any reasonably available premium information.

337 (8) The association shall issue to each member insurer
338 paying an assessment under this part, other than a Class A
339 assessment, a certificate of contribution, in a form prescribed
340 by the commission ~~department~~, for the amount of the assessment
341 so paid. All outstanding certificates are of equal dignity and
342 priority without reference to amounts or dates of issue. A
343 certificate of contribution may be shown by the insurer in its
344 financial statement as an asset in such form and for such
345 amount, if any, and period of time as the office ~~department~~



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346 approves. However, any amount offset pursuant to s. 631.72 may
347 not be shown as an asset of the insurer on any of its financial
348 statements.

349 Section 5. Paragraph (b) of subsection (1), paragraph (f)
350 of subsection (3), and subsection (4) of section 631.721,
351 Florida Statutes, are amended to read:

352 631.721 Plan of operation.-

353 (1)

354 ~~(b) If the association fails to submit a suitable proposed~~
355 ~~plan of operation within 180 days following October 1, 1979, or~~
356 If at any time thereafter the association fails to submit
357 suitable amendments to the plan, the department shall, after
358 notice and hearing, adopt such reasonable rules as are necessary
359 to effectuate the provisions of this part. Such rules shall
360 continue in force until modified by the department or superseded
361 by a proposed plan submitted by the association and approved by
362 the department.

363 (3) The plan of operation shall, in addition to
364 requirements enumerated elsewhere in this part:

365 (f) Establish any additional procedures for assessments
366 under s. 631.718, including procedures to share assessment
367 information, including data, with and assist, as applicable, the
368 board of directors of the Florida Health Maintenance
369 Organization Consumer Assistance Plan with the administration,
370 collection, and deposit of member health maintenance
371 organization assessments for long-term care insurer impairments
372 and insolvencies into the health account established under s.
373 631.715.

374 (4) The plan of operation may provide that any or all



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375 powers and duties of the association, except those under ss.
376 631.717(13)(c) and 631.718 ~~ss. 631.717(10)(c) and 631.718~~, are
377 delegated to a corporation, association, or other organization
378 which performs or will perform functions similar to those of
379 this association, or its equivalent, in two or more states. Such
380 a corporation, association, or organization shall be reimbursed
381 for any payments made on behalf of the association and shall be
382 paid for its performance of any function of the association. A
383 delegation under this subsection shall take effect only with the
384 approval of both the board of directors and the department and
385 may be made only to a corporation, association, or organization
386 which extends protection not substantially less favorable and
387 effective than that provided by this part.

388 Section 6. Section 631.738, Florida Statutes, is created to
389 read:

390 631.738 Applicability as to certain member insurers and
391 health maintenance organizations.—The provisions of this part
392 which relate to long-term care assessment obligations do not
393 apply to:

394 (1) Any member insurer or health maintenance organization
395 that, on or before the effective date of this act, has been
396 adjudged insolvent by a court of competent jurisdiction or has
397 been determined by the department or by the office to be
398 impaired.

399 (2) Any nonprofit health maintenance organization that
400 operates only in this state and whose statutory capital and
401 surplus is less than \$200 million as of December 31 of the year
402 preceding the year in which the assessment is made.

403 Section 7. Subsection (7) is added to section 631.816,



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404 Florida Statutes, to read:

405 631.816 Board of directors.—

406 (7) Subject to the approval of the department, the board
407 shall designate one representative to serve as a member of the
408 board of directors of the Florida Life and Health Insurance
409 Guaranty Association pursuant to s. 631.716(1). The
410 representative, or his or her alternate, has the right to be
411 present during all meetings of the association board of
412 directors and shall have full voting rights.

413 Section 8. Present subsections (2) through (6) of section
414 631.818, Florida Statutes, are redesignated as subsections (3)
415 through (7), respectively, a new subsection (2) is added to that
416 section, present subsection (4) is amended, present paragraph
417 (f) of present subsection (6) is redesignated as paragraph (g),
418 and a new paragraph (f) is added to that subsection, to read:

419 631.818 Powers and duties of the plan.—

420 (2) In the event of a long-term care insurer impairment or
421 insolvency, pursuant to s. 631.819(2)(c), the plan shall:

422 (a) Collect and transmit all information requested by the
423 Florida Life and Health Insurance Guaranty Association for the
424 association to determine the appropriate assessment base of the
425 health insurance account pursuant to ss. 631.715(2)(a)1. and
426 631.718(3)(b).

427 (b) Levy and collect assessments from HMOs.

428 (c) Coordinate the administration and collection of member
429 HMO assessments for long-term care insurer impairments and
430 insolvencies with the Florida Life and Health Insurance Guaranty
431 Association.

432 (5)(4) The plan may render assistance and advice to the



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433 department, at the department's request, concerning
434 rehabilitation, payment of claims, continuance of coverage, or
435 the performance of other contractual obligations of any HMO
436 subject to a delinquency proceeding ~~or a proceeding under s.~~
437 ~~624.90.~~

438 (7) ~~(6)~~ The plan may:

439 (f) In the event of a long-term care insurer impairment or
440 insolvency, coordinate with the Florida Life and Health
441 Insurance Guaranty Association to carry out the responsibilities
442 of the association for the limited purpose of the long-term care
443 insurer impairment or insolvency, including the development of
444 any plan for handling the administration of the impairment or
445 insolvency.

446 Section 9. Subsections (1) and (3) of section 631.819,
447 Florida Statutes, are amended, paragraph (c) is added to
448 subsection (2), and subsection (6) is added to that section, to
449 read:

450 631.819 Assessments.—

451 (1) For the purposes of providing the funds necessary to
452 carry out the powers and duties of the plan, the board of
453 directors shall assess the member HMOs at such time and for such
454 amounts as the board finds necessary. Assessments shall be due
455 not less than 30 days after written notice to the member HMOs
456 ~~insurers.~~

457 (2) Assessments for funds to meet the requirements of the
458 plan with respect to an insolvent HMO shall not be made until
459 necessary to implement the purposes of this part. In order to
460 carry out its duties and powers under this part, upon the
461 insolvency of an HMO, the plan shall levy and collect



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462 assessments as follows:

463 (c) For the purposes of long-term care insurer impairment
464 and insolvency assessments under s. 631.718(3)(b), member HMOs
465 must be assessed in the same manner as member insurers of the
466 Florida Life and Health Insurance Guaranty Association under
467 part III of this chapter. Long-term care insurer impairment and
468 insolvency assessments must be levied and collected by the plan
469 pursuant to this part, deposited into the health insurance
470 account established under s. 631.715, and used solely for long-
471 term care insurer impairment or insolvency obligations.
472 Assessments collected from member HMOs are considered part of
473 and satisfy the obligations of the health insurance account
474 under ss. 631.715(2)(a)1. and 631.718(3)(b).

475 (3) All assessments against HMOs, including long-term care
476 insurer impairment and insolvency assessments, must ~~shall~~ be
477 levied as a percentage of annual earned premium revenue for non-
478 Medicare and non-Medicaid contracts. In no event may the plan
479 assess in any calendar year more than 0.5 percent of each HMO's
480 annual earned premium revenue for non-Medicare and non-Medicaid
481 contracts.

482 (6) The plan shall issue, in a form prescribed by the
483 commission, a certificate of contribution to each member HMO
484 paying a long-term care insurer impairment or insolvency
485 assessment under this part for the amount of the assessment so
486 paid. All outstanding certificates are of equal dignity and
487 priority without reference to amounts or dates of issue. A
488 certificate of contribution may be shown by the member HMO in
489 its financial statement as an asset in such form and for such
490 amount and period of time as the office approves. However, any



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491 amount offset pursuant to s. 631.828 may not be shown as an
492 asset of the member HMO on any of its financial statements.

493 Section 10. Paragraph (f) of subsection (3) and paragraph
494 (a) of subsection (4) of section 631.820, Florida Statutes, are
495 amended to read:

496 631.820 Plan of operation.—

497 (3) The plan of operation shall, in addition to
498 requirements enumerated elsewhere in this part:

499 (f) Establish any additional procedures for assessments
500 under this part, including procedures to coordinate the
501 administration and collection of member HMO assessments for
502 long-term care insurer impairments and insolvencies with the
503 board of directors of the Florida Life and Health Insurance
504 Guaranty Association.

505 (4) (a) The plan of operation may provide that any or all
506 powers and duties of the plan, except those under ss.
507 631.818(7) (b) and (c) and 631.819 ss. 631.818(6) (b) and (c) and
508 631.819, are delegated to an administrator that ~~which~~ may be a
509 corporation, association, or other organization that ~~which~~
510 performs or will perform functions similar to those of this
511 plan, or its equivalent.

512 Section 11. Subsection (2) of section 631.821, Florida
513 Statutes, is amended to read:

514 631.821 Powers and duties of the department.—

515 (2) Any action of the board of directors of the plan may be
516 appealed to the office by any member HMO if such appeal is taken
517 within 21 days of the action being appealed; however, the HMO
518 must comply with such action pending exhaustion of appeal ~~under~~
519 ~~s. 631.818(2)~~. Any appeal shall be promptly determined by the



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520 office, and final action or order of the office shall be subject
521 to judicial review in a court of competent jurisdiction.

522 Section 12. The amendments made by this act to ss. 631.713,
523 631.717, 631.718, 631.721, 631.818, 631.819, and 631.820,
524 Florida Statutes, apply only to assessments that result from a
525 long-term care insurer being adjudged insolvent by a court of
526 competent jurisdiction or being determined by the Office of
527 Insurance Regulation to be impaired on or after the effective
528 date of this act.

529 Section 13. The Division of Law Revision is directed to
530 replace the phrase "the effective date of this act" wherever it
531 occurs in this act with the date this act becomes a law.

532 Section 14. This act shall take effect upon becoming a law.