By Senator Brandes

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1 A bill to be entitled
2 An act relating to insurer guaranty associations;
3 amending s. 631.713, F.S.; revising applicability of
4 part III of ch. 631, F.S., as to health maintenance
5 organizations, long-term care insurance benefits,
6 certain health care benefits, and certain structured
7 settlement annuity benefits; amending s. 631.714,
8 F.S.; defining the term "long-term care assessment
9 obligations"; amending s. 631.716, F.S.; revising the
10 number of members and composition of the Florida Life
11 and Health Insurance Guaranty Association's board of
12 directors; specifying requirements relating to the
13 director of the Health Maintenance Organization
14 Consumer Assistance Plan to be confirmed to the
15 association's board; specifying rights of the director
16 or his or her designee; deleting an obsolete
17 provision; amending s. 631.717, F.S.; adding the
18 reissuance of covered policies to a list of duties of
19 the association relating to insolvent insurers;
20 providing construction; specifying duties of the
21 association as to potential long-term care insurer
22 impairments or insolvencies, sharing information, and
23 providing assistance to the Health Maintenance
24 Organization Consumer Assistance Plan's board of
25 directors; revising applicability of a specified limit
26 on the association's liability for the contractual
27 obligations of an insolvent insurer; conforming a
28 provision to changes made by the act; requiring that
29 the Department of Financial Services, rather than a

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30 receivership court, approve certain alternative
31 policies or contracts; authorizing the board to file
32 directly for actuarially justified rate or premium
33 increases; amending s. 631.718, F.S.; specifying the
34 calculation and allocation of Class B assessments for
35 long-term care insurance; specifying a limit on
36 certain assessments on a member insurer or member
37 health maintenance organization; conforming provisions
38 to changes made by the act; amending s. 631.721, F.S.;
39 deleting an obsolete provision; revising the
40 requirements of the association's plan of operation
41 relating to long-term care insurer impairments and
42 insolvencies; conforming a cross-reference; creating
43 s. 631.738, F.S.; providing applicability of certain
44 provisions to certain member insurers; amending s.
45 631.816, F.S.; adding duties of the board of directors
46 of the Health Maintenance Organization Consumer
47 Assistance Plan to conform to changes made by the act;
48 amending s. 631.818, F.S.; adding to the duties of the
49 plan to conform to changes made by the act; amending
50 s. 631.819, F.S.; specifying requirements for long-
51 term care insurer impairment and insolvency
52 assessments for member health maintenance
53 organizations; requiring the plan to issue
54 certificates of contribution to member health
55 maintenance organizations paying certain assessments;
56 specifying requirements of, and the use of, such
57 certificates; amending s. 631.820, F.S.; conforming
58 provisions to changes made by the act; amending s.

59 631.821, F.S.; making a technical change; providing a
60 directive to the Division of Law Revision; providing
61 an effective date.
62
63 Be It Enacted by the Legislature of the State of Florida:
64
65 Section 1. Subsection (3) of section 631.713, Florida
66 Statutes, is amended to read:
67 631.713 Application of part.—
68 (3) This part does not apply to:
69 (a) That portion or part of a variable life insurance
70 contract or variable annuity contract not guaranteed by an
71 insurer.
72 (b) That portion or part of any policy or contract under
73 which the risk is borne by the policyholder.
74 (c) Any policy or contract or part thereof assumed by the
75 impaired or insolvent insurer under a contract of reinsurance,
76 other than reinsurance for which assumption certificates have
77 been issued.
78 (d) Fraternal benefit societies as defined in s. 632.601.
79 (e) Health maintenance organizations, except for
80 assessments levied pursuant to ss. 631.715(2)(a)1.,
81 631.718(3)(b), and 631.819(2)(c) for long-term care insurer
82 impairments or insolvencies ~~insurance~~.
83 (f) Dental service plan insurance.
84 (g) Pharmaceutical service plan insurance.
85 (h) Optometric service plan insurance.
86 (i) Ambulance service association insurance.
87 (j) Preneed funeral merchandise or service contract

88 insurance.
89 (k) Prepaid health clinic insurance.
90 (l) Any annuity contract or group annuity contract that is
91 not issued to and owned by an individual, except to the extent
92 of any annuity benefits:
93 1. Guaranteed directly and not through an intermediary to
94 an individual by an insurer under such contract or certificate;
95 2. Under an annuity issued by an insurer under 26 U.S.C. s.
96 408(b); or
97 3. Under an annuity issued by an insurer and held by a
98 custodian or trustee in accordance with 26 U.S.C. s. 408(a).
99
100 This paragraph applies to every insolvency regardless of its
101 date of inception, and an assessment base may not include
102 premiums for such excluded products.
103 (m) Any federal employees' group policy or contract that,
104 under 5 U.S.C. s. 8909(f), is prohibited from being subject to
105 an assessment under s. 631.718.
106 (n) Except as provided in this paragraph, a portion of a
107 policy or contract, to the extent that the rate of interest on
108 which the policy or contract is based, or the interest rate,
109 crediting rate, or similar factor determined by use of an index
110 or other external reference stated in the policy or contract
111 employed in calculating returns or changes in value:
112 1. Averaged over the period of 4 years immediately
113 preceding the date on which the member insurer becomes an
114 impaired or insolvent insurer under this part, whichever is
115 earlier, exceeds the rate of interest determined by subtracting
116 2 percentage points from Moody's Corporate Bond Yield Average

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117 averaged for that same 4-year period or for such lesser period
118 if the policy or contract was issued less than 4 years before
119 the member insurer becomes an impaired or insolvent insurer
120 under this part, whichever is earlier; and
121 2. On and after the date on which the member insurer
122 becomes an impaired or insolvent insurer under this part,
123 whichever is earlier, exceeds the rate of interest determined by
124 subtracting 3 percentage points from the most current version of
125 Moody's Corporate Bond Yield Average.
126
127 This paragraph does not apply to any portion of a policy or
128 contract, including a rider, which provides long-term care or
129 any other health insurance benefit.
130 (o) A portion of a policy or contract to the extent the
131 policy or contract provides for interest or other changes in
132 value to be determined by the use of an index or other external
133 reference stated in the policy or contract, but which has not
134 been credited to the policy or contract, or as to which the
135 policy or contract owner's rights are subject to forfeiture, as
136 of the date the member insurer becomes an impaired or insolvent
137 insurer under this part. However, if the interest or change in
138 value is credited less frequently than annually as determined by
139 using the procedures defined in the policy or contract, interest
140 or change in value shall be credited by using the procedure
141 defined in the policy or contract as if the contractual date of
142 crediting interest or changing values was the date of impairment
143 or insolvency, whichever is earlier, and shall not be subject to
144 forfeiture.
145 (p) A policy or contract providing any hospital, medical,

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146 prescription drug, or other health care benefits pursuant to
147 ~~Medicare~~ part C or part D of subchapter XVIII, chapter 7 of
148 Title 42 of the United States Code, commonly known as Medicare
149 Parts C and D; subchapter XIX, chapter 7 of Title 42 of the
150 United States Code, commonly known as Medicaid; or any
151 regulations promulgated thereunder ~~issued pursuant to Medicare~~
152 ~~Part C or Part D~~.
153 (q) Structured settlement annuity benefits to which a
154 payee, or a beneficiary if the payee is deceased, has
155 transferred his or her rights in a structured settlement
156 factoring transaction, as that term is defined in 26 U.S.C. s.
157 5891(c)(3)(A).
158 Section 2. Present subsections (7) through (10) of section
159 631.714, Florida Statutes, are redesignated as subsections (8)
160 through (11), respectively, and a new subsection (7) is added to
161 that section, to read:
162 631.714 Definitions.—As used in this part, the term:
163 (7) “Long-term care assessment obligations” means the long-
164 term care impairment and long-term care insolvency assessment
165 obligations of the association which are subject to assessment
166 pursuant to ss. 631.715(2)(a)1. and 631.718(3)(b) in
167 coordination with the Health Maintenance Organization Consumer
168 Assistance Plan, through a methodology provided in the
169 association’s plan of operation. All obligations other than
170 long-term care assessment obligations are subject to assessment
171 exclusively by the association in accordance with s.
172 631.718(2)(b) and (3)(c), without contribution or involvement of
173 the Health Maintenance Organization Consumer Assistance Plan.
174 Section 3. Subsection (1) of section 631.716, Florida

175 Statutes, is amended to read:
176 631.716 Board of directors.—
177 (1)(a) The board of directors of the association shall have
178 at least 9, but no more than 11, members. The members shall be
179 comprised of ~~not fewer than five nor more than nine~~ member
180 insurers~~,~~ serving terms as established in the plan of operation
181 and 1 Health Maintenance Organization Consumer Assistance Plan
182 director confirmed pursuant to paragraph (b). At all times, at
183 least 1 ~~one~~ member of the board must ~~shall~~ be a domestic insurer
184 as defined in s. 624.06(1). The members of the board who are
185 member insurers shall be elected by member insurers, subject to
186 the approval of the department.
187 (b) The board shall confirm, subject to the approval of the
188 department, the Health Maintenance Organization Consumer
189 Assistance Plan director. The director confirmed to the board
190 must be designated by the Health Maintenance Organization
191 Consumer Assistance Plan’s board of directors to serve on the
192 board and represent the interests of the Health Maintenance
193 Organization Consumer Assistance Plan and its board of
194 directors. An individual serving as a Health Maintenance
195 Organization Consumer Assistance Plan director on the board must
196 be a member of the Health Maintenance Organization Consumer
197 Assistance Plan. The Health Maintenance Organization Consumer
198 Assistance Plan director, or his or her designee, has the right
199 to be present at all meetings of the board and has full voting
200 rights on all issues.
201 (c) A vacancy on the board shall be filled for the
202 remaining period of the term by a majority vote of the remaining
203 board members, subject to the approval of the department. ~~Prior~~

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204 ~~to the selection of the initial board of directors and the~~
205 ~~organization of the association, the department shall give~~
206 ~~notice to all member insurers of the time and place of the~~
207 ~~organizational meeting. At the organizational meeting, each~~
208 ~~member insurer shall be entitled to one vote, in person or by~~
209 ~~proxy. If the board of directors is not elected within 60 days~~
210 ~~after notice of the organizational meeting, the department may~~
211 ~~appoint the initial members.~~
212 Section 4. Present subsections (9) through (12) of section
213 631.717, Florida Statutes, are redesignated as subsections (12)
214 through (15), respectively, new subsections (9), (10), and (11)
215 are added to that section, subsections (2) and (3), paragraph
216 (c) of present subsection (9), and paragraph (g) of present
217 subsection (12) are amended, and paragraph (h) is added to
218 present subsection (12) of that section, to read:
219 631.717 Powers and duties of the association.—
220 (2) If a domestic insurer is an insolvent insurer, the
221 association shall, subject to the approval of the department:
222 (a) Guarantee, assume, reissue, or reinsure, or cause to be
223 guaranteed, assumed, reissued, or reinsured, the covered
224 policies of persons referred to in s. 631.713(2); 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).
230 (3) If a foreign or alien insurer is an insolvent insurer,
231 the association shall, subject to the approval of the
232 department:

233 (a) Guarantee, assume, reissue, or reinsure, or cause to be
234 guaranteed, assumed, reissued, or reinsured, the covered
235 policies of residents of this state; and
236 (b) Provide moneys, pledges, notes, guarantees, or other
237 means that are proper and reasonably necessary to implement
238 paragraph (a) in order to assure payment of the contractual
239 obligations of the insolvent insurer with regard to persons
240 referred to in s. 631.713(2).
241
242 However, this subsection does not apply when the department has
243 determined that the foreign or alien insurer's domiciliary
244 jurisdiction or state of entry provides, by statute, protection
245 substantially similar to that provided by this part for
246 residents of this state.
247 (9) For purposes of this part, benefits provided by a long-
248 term care rider to a life insurance policy or annuity contract
249 are considered the same type of benefits as the base life
250 insurance policy or annuity contract to which the rider relates.
251 (10) In the event of a potential long-term care insurer
252 impairment or insolvency, the association shall coordinate its
253 activities with the Health Maintenance Organization Consumer
254 Assistance Plan, including the development of any plan for
255 handling the administration of the impairment or insolvency.
256 (11) The association shall share information, including
257 data, with and assist, as applicable, the board of directors of
258 the Health Maintenance Organization Consumer Assistance Plan
259 with the administration and collection of member health
260 maintenance organization assessments for long-term care insurer
261 impairments or insolvencies pursuant to ss. 631.715(2)(a)1.,

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262 631.718(3)(b), 631.818(2), and 631.819(2)(c).
263 (12) ~~(9)~~ The association’s liability for the contractual
264 obligations of the insolvent insurer must be as great as, but no
265 greater than, the contractual obligations of the insurer in the
266 absence of such insolvency, unless such obligations are reduced
267 as permitted by subsection (4), but the aggregate liability of
268 the association with respect to one life shall not exceed the
269 following:
270 (c) For all other benefits, including in long-term care
271 policies, $300,000, including cash values, except as provided in
272 paragraph (d).
273
274 In no event is the association liable for any penalties or
275 interest.
276 (15) ~~(12)~~
277 (g) In carrying out its duties in connection with
278 guaranteeing, assuming, reissuing, or reinsuring policies or
279 contracts under subsections (2) and (3), the association may,
280 subject to approval of the department ~~receivership court~~, issue
281 an alternative policy or contract to substitute coverage for a
282 policy or contract providing ~~that provides~~ an interest rate,
283 crediting rate, or similar factor that was determined by use of
284 an index or other external reference stated in the policy or
285 contract and employed in calculating returns or changes in value
286 ~~by issuing an alternative policy or contract~~. In lieu of the
287 index or other external reference provided for in the original
288 policy or contract, the alternative policy or contract must
289 provide for a fixed interest rate, payment of dividends with
290 minimum guarantees, or a different method for calculating

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291 interest or changes in value. In such case:
292 1. There is no requirement for evidence of insurability,
293 waiting period, or other exclusion that would not have applied
294 under the replaced policy or contract.
295 2. The alternative policy or contract shall be
296 substantially similar to the replaced policy or contract in all
297 other material terms.
298 (h) In accordance with the terms and conditions of the
299 policy or contract, the board may directly file for actuarially
300 justified rate or premium increases for any policy or contract
301 for which it provides coverage under this part.
302 Section 5. Paragraph (b) of subsection (3), paragraph (a)
303 of subsection (5), and subsection (8) of section 631.718,
304 Florida Statutes, are amended to read:
305 631.718 Assessments.—
306 (3)
307 (b)1. The amount of any Class B assessment, except for
308 assessments related to long-term care insurance, must ~~shall~~ be
309 allocated for assessment purposes among the accounts pursuant to
310 an allocation formula, which may be based on the premiums or
311 reserves of the impaired or insolvent insurer.
312 2. The amount of the Class B assessment for long-term care
313 insurance written by the impaired or insolvent insurer must be
314 allocated according to a methodology included in the plan of
315 operation and approved by the department. The methodology must
316 provide for 50 percent of the assessment to be allocated to
317 accident and health member insurers and 50 percent to be
318 allocated to life and annuity member insurers.
319 3. For the purposes of the methodology outlined in

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320 subparagraph 2. and included in the plan of operation, the
321 accident and health member insurers' share of the assessment
322 must be calculated by including the assessable premiums of
323 member health maintenance organizations of the Health
324 Maintenance Organization Consumer Assistance Plan.
325 (5)(a)1. The total of all assessments upon a member insurer
326 for each account may not in any one calendar year exceed 1
327 percent of the sum of the insurer's premiums written in this
328 state regarding business covered by the account received during
329 the 3 calendar years preceding the year in which the assessment
330 is made, divided by three. If premium information for the 3-year
331 period is not reasonably available for each member insurer, the
332 association may use any reasonably available premium
333 information.
334 2. For long-term care insurer impairments and insolvencies
335 only, the total assessments upon a member insurer or member
336 health maintenance organization of the Health Maintenance
337 Organization Consumer Assistance Plan may not, in any one
338 calendar year, exceed 0.5 percent of the sum of the member
339 insurer or member health maintenance organization's premiums
340 written in this state regarding business covered by the account
341 received during the calendar year preceding the year in which
342 the assessment is made. If premium information is not reasonably
343 available for each member insurer or member health maintenance
344 organization of the Health Maintenance Organization Consumer
345 Assistance Plan, the association or the Health Maintenance
346 Organization Consumer Assistance Plan may use any reasonably
347 available premium information.
348 (8) The association shall issue to each member insurer

349 paying an assessment under this part, other than a Class A
350 assessment, a certificate of contribution, in a form prescribed
351 by the department, for the amount of the assessment so paid. All
352 outstanding certificates are of equal dignity and priority
353 without reference to amounts or dates of issue. A certificate of
354 contribution may be shown by the insurer in its financial
355 statement as an asset in such form and for such amount, if any,
356 and period of time as the department approves. However, any
357 amount offset pursuant to s. 631.72 may not be shown as an asset
358 of the insurer on any of its financial statements.
359 Section 6. Paragraph (b) of subsection (1), paragraph (f)
360 of subsection (3), and subsection (4) of section 631.721,
361 Florida Statutes, are amended to read:
362 631.721 Plan of operation.—
363 (1)
364 (b) ~~If the association fails to submit a suitable proposed~~
365 ~~plan of operation within 180 days following October 1, 1979, or~~
366 If at any time ~~thereafter~~ the association fails to submit
367 suitable amendments to the plan, the department shall, after
368 notice and hearing, adopt such reasonable rules as are necessary
369 to effectuate the provisions of this part. Such rules shall
370 continue in force until modified by the department or superseded
371 by a proposed plan submitted by the association and approved by
372 the department.
373 (3) The plan of operation shall, in addition to
374 requirements enumerated elsewhere in this part:
375 (f) Establish any additional procedures for assessments
376 under s. 631.718, including procedures to share assessment
377 information, including data, with and assist, as applicable, the

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378 board of directors of the Health Maintenance Organization
379 Consumer Assistance Plan with the administration, collection,
380 and deposit of member health maintenance organization
381 assessments for long-term care insurer impairments and
382 insolvencies into the health account established under s.
383 631.715.
384 (4) The plan of operation may provide that any or all
385 powers and duties of the association, except those under ss.
386 631.717(13)(c) and 631.718 ~~ss. 631.717(10)(c) and 631.718~~, are
387 delegated to a corporation, association, or other organization
388 which performs or will perform functions similar to those of
389 this association, or its equivalent, in two or more states. Such
390 a corporation, association, or organization shall be reimbursed
391 for any payments made on behalf of the association and shall be
392 paid for its performance of any function of the association. A
393 delegation under this subsection shall take effect only with the
394 approval of both the board of directors and the department and
395 may be made only to a corporation, association, or organization
396 which extends protection not substantially less favorable and
397 effective than that provided by this part.
398 Section 7. Section 631.738, Florida Statutes, is created to
399 read:
400 631.738 Applicability as to certain member insurers.—The
401 provisions of this part which relate to long-term care
402 assessment obligations do not apply to any member insurer that,
403 on or before the effective date of this act, has been adjudged
404 insolvent by a court of competent jurisdiction or has been
405 determined by the department to be impaired.
406 Section 8. Subsection (7) is added to section 631.816,

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407 Florida Statutes, to read:
408 631.816 Board of directors.—
409 (7) Subject to the approval of the department, the board
410 shall designate one representative to serve as a member of the
411 board of directors of the Florida Life and Health Insurance
412 Guaranty Association pursuant to s. 631.716(1). The
413 representative, or his or her designee, has the right to be
414 present during all meetings of the association board of
415 directors and shall have full voting rights.
416 Section 9. Present subsections (2) through (6) of section
417 631.818, Florida Statutes, are redesignated as subsections (3)
418 through (7), respectively, a new subsection (2) is added to that
419 section, present subsection (4) is amended, present paragraph
420 (f) of present subsection (6) is redesignated as paragraph (g),
421 and a new paragraph (f) is added to that subsection, to read:
422 631.818 Powers and duties of the plan.—
423 (2) In the event of a long-term care insurer impairment or
424 insolvency, pursuant to s. 631.819(2)(c), the plan shall:
425 (a) Collect and transmit all information requested by the
426 Florida Life and Health Insurance Guaranty Association for the
427 association to determine the appropriate assessment base of the
428 health insurance account pursuant to ss. 631.715(2)(a)1. and
429 631.718(3)(b).
430 (b) Levy and collect assessments from HMOs.
431 (c) Coordinate the administration and collection of member
432 HMO assessments for long-term care insurer impairments and
433 insolvencies with the Florida Life and Health Insurance Guaranty
434 Association.
435 (5) ~~(4)~~ The plan may render assistance and advice to the

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436 department, at the department’s request, concerning
437 rehabilitation, payment of claims, continuance of coverage, or
438 the performance of other contractual obligations of any HMO
439 subject to a delinquency proceeding ~~or a proceeding under s.~~
440 ~~624.90~~.
441 (7) ~~(6)~~ The plan may:
442 (f) In the event of a long-term care insurer impairment or
443 insolvency, coordinate with the Florida Life and Health
444 Insurance Guaranty Association to carry out the responsibilities
445 of the association for the limited purpose of the long-term care
446 insurer impairment or insolvency, including the development of
447 any plan for handling the administration of the impairment or
448 insolvency.
449 Section 10. Subsections (1) and (3) of section 631.819,
450 Florida Statutes, are amended, paragraph (c) is added to
451 subsection (2), and subsection (6) is added to that section, to
452 read:
453 631.819 Assessments.—
454 (1) For the purposes of providing the funds necessary to
455 carry out the powers and duties of the plan, the board of
456 directors shall assess the member HMOs at such time and for such
457 amounts as the board finds necessary. Assessments shall be due
458 not less than 30 days after written notice to the member HMOs
459 ~~insurers~~.
460 (2) Assessments for funds to meet the requirements of the
461 plan with respect to an insolvent HMO shall not be made until
462 necessary to implement the purposes of this part. In order to
463 carry out its duties and powers under this part, upon the
464 insolvency of an HMO, the plan shall levy and collect

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465 assessments as follows:
466 (c) For the purposes of long-term care insurer impairment
467 and insolvency assessments under s. 631.718(3)(b), member HMOs
468 must be assessed in the same manner as member insurers of the
469 Florida Life and Health Insurance Guaranty Association under
470 part III of this chapter. Long-term care insurer impairment and
471 insolvency assessments must be levied and collected by the plan
472 pursuant to this part, deposited into the health insurance
473 account established under s. 631.715, and used solely for long-
474 term care insurer impairment or insolvency obligations.
475 Assessments collected from member HMOs are considered part of
476 and satisfy the obligations of the health insurance account
477 under ss. 631.715(2)(a)1. and 631.718(3)(b).
478 (3) All assessments against HMOs, including long-term care
479 insurer impairment and insolvency assessments, must ~~shall~~ be
480 levied as a percentage of annual earned premium revenue for non-
481 Medicare and non-Medicaid contracts. In no event may the plan
482 assess in any calendar year more than 0.5 percent of each HMO's
483 annual earned premium revenue for non-Medicare and non-Medicaid
484 contracts.
485 (6) The plan shall issue, in a form prescribed by the
486 department, a certificate of contribution to each member HMO
487 paying a long-term care insurer impairment or insolvency
488 assessment under this part for the amount of the assessment so
489 paid. All outstanding certificates are of equal dignity and
490 priority without reference to amounts or dates of issue. A
491 certificate of contribution may be shown by the member HMO in
492 its financial statement as an asset in such form and for such
493 amount and period of time as the department approves. However,

494 any amount offset pursuant to s. 631.828 may not be shown as an
495 asset of the member HMO on any of its financial statements.
496 Section 11. Paragraph (f) of subsection (3) and paragraph
497 (a) of subsection (4) of section 631.820, Florida Statutes, are
498 amended to read:
499 631.820 Plan of operation.—
500 (3) The plan of operation shall, in addition to
501 requirements enumerated elsewhere in this part:
502 (f) Establish any additional procedures for assessments
503 under this part, including procedures to coordinate the
504 administration and collection of member HMO assessments for
505 long-term care insurer impairments and insolvencies with the
506 board of directors of the Florida Life and Health Insurance
507 Guaranty Association.
508 (4)(a) The plan of operation may provide that any or all
509 powers and duties of the plan, except those under ss.
510 631.818(7)(b) and (c) and 631.819 ~~ss. 631.818(6)(b) and (c) and~~
511 ~~631.819~~, are delegated to an administrator that ~~which~~ may be a
512 corporation, association, or other organization that ~~which~~
513 performs or will perform functions similar to those of this
514 plan, or its equivalent.
515 Section 12. Subsection (2) of section 631.821, Florida
516 Statutes, is amended to read:
517 631.821 Powers and duties of the department.—
518 (2) Any action of the board of directors of the plan may be
519 appealed to the office by any member HMO if such appeal is taken
520 within 21 days of the action being appealed; however, the HMO
521 must comply with such action pending exhaustion of appeal ~~under~~
522 ~~s. 631.818(2)~~. Any appeal shall be promptly determined by the

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523 office, and final action or order of the office shall be subject
524 to judicial review in a court of competent jurisdiction.
525 Section 13. <u>The Division of Law Revision is directed to</u>
526 <u>replace the phrase “the effective date of this act” wherever it</u>
527 <u>occurs in this act with the date this act becomes a law.</u>
528 Section 14. This act shall take effect upon becoming a law.

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