

By the Committee on Banking and Insurance; and 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 Florida Health Maintenance  
14      Organization Consumer Assistance Plan to be confirmed  
15      to the association's board; specifying rights of the  
16      director or his or her alternate; 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 Florida 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 and health  
45 maintenance organizations; amending s. 631.816, F.S.;  
46 adding duties of the board of directors of the Florida  
47 Health Maintenance Organization Consumer Assistance  
48 Plan to conform to changes made by the act; amending  
49 s. 631.818, F.S.; adding to the duties of the plan to  
50 conform to changes made by the act; amending s.  
51 631.819, F.S.; specifying requirements for long-term  
52 care insurer impairment and insolvency assessments for  
53 member health maintenance organizations; requiring the  
54 plan to issue certificates of contribution to member  
55 health maintenance organizations paying certain  
56 assessments; specifying requirements of, and the use  
57 of, such certificates; amending s. 631.820, F.S.;  
58 conforming provisions to changes made by the act;

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59 amending s. 631.821, F.S.; making a technical change;  
60 providing a directive to the Division of Law Revision;  
61 providing 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

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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 Title XVIII (Medicare), Title XIX (Medicaid), or Title XXI (the  
148 Children's Health Insurance Program) of the Social Security Act  
149 ~~Medicare part C or part D~~ or any regulations promulgated  
150 thereunder issued pursuant to Medicare Part C or Part D.

151 (q) Structured settlement annuity benefits to which a  
152 payee, or a beneficiary if the payee is deceased, has  
153 transferred his or her rights in a structured settlement  
154 factoring transaction, as that term is defined in 26 U.S.C. s.  
155 5891(c)(3)(A).

156 Section 2. Present subsections (7) through (10) of section  
157 631.714, Florida Statutes, are redesignated as subsections (8)  
158 through (11), respectively, and a new subsection (7) is added to  
159 that section, to read:

160 631.714 Definitions.—As used in this part, the term:

161 (7) "Long-term care assessment obligations" means the long-  
162 term care impairment and long-term care insolvency assessment  
163 obligations of the association which are subject to assessment  
164 pursuant to ss. 631.715(2)(a)1. and 631.718(3)(b) in  
165 coordination with the Florida Health Maintenance Organization  
166 Consumer Assistance Plan, through a methodology provided in the  
167 association's plan of operation. All obligations other than  
168 long-term care assessment obligations are subject to assessment  
169 exclusively by the association in accordance with s.  
170 631.718(2)(b) and (3)(c), without contribution or involvement of  
171 the Florida Health Maintenance Organization Consumer Assistance  
172 Plan.

173 Section 3. Subsection (1) of section 631.716, Florida  
174 Statutes, is amended to read:

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175 631.716 Board of directors.—

176 (1) (a) The board of directors of the association shall have  
177 at least 9, but no more than 11, members. The members shall be  
178 comprised of ~~not fewer than five nor more than nine~~ member  
179 insurers, serving terms as established in the plan of operation  
180 and 1 Florida Health Maintenance Organization Consumer  
181 Assistance Plan director confirmed pursuant to paragraph (b),  
182 who shall be a nonmember-insurer board representative. At all  
183 times, at least 1 ~~one~~ member of the board must ~~shall~~ be a  
184 domestic insurer as defined in s. 624.06(1). The members of the  
185 board who are member insurers shall be elected by member  
186 insurers, subject to the approval of the department.

187 (b) The board shall confirm, subject to the approval of the  
188 department, the Florida Health Maintenance Organization Consumer  
189 Assistance Plan director. The director confirmed to the board  
190 must be designated by the Florida Health Maintenance  
191 Organization Consumer Assistance Plan's board of directors to  
192 serve on the board and represent the interests of the Florida  
193 Health Maintenance Organization Consumer Assistance Plan and its  
194 board of directors. An individual serving as a Florida Health  
195 Maintenance Organization Consumer Assistance Plan director on  
196 the board must be a member of the Florida Health Maintenance  
197 Organization Consumer Assistance Plan board of directors. The  
198 Florida Health Maintenance Organization Consumer Assistance Plan  
199 director, or his or her alternate, has the right to be present  
200 at all meetings of the board and has full voting rights on all  
201 issues.

202 (c) A vacancy on the board shall be filled for the  
203 remaining period of the term by a majority vote of the remaining

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204 board members, subject to the approval of the department. ~~Prior~~  
205 ~~to the selection of the initial board of directors and the~~  
206 ~~organization of the association, the department shall give~~  
207 ~~notice to all member insurers of the time and place of the~~  
208 ~~organizational meeting. At the organizational meeting, each~~  
209 ~~member insurer shall be entitled to one vote, in person or by~~  
210 ~~proxy. If the board of directors is not elected within 60 days~~  
211 ~~after notice of the organizational meeting, the department may~~  
212 ~~appoint the initial members.~~

213 Section 4. Present subsections (9) through (12) of section  
214 631.717, Florida Statutes, are redesignated as subsections (12)  
215 through (15), respectively, new subsections (9), (10), and (11)  
216 are added to that section, subsections (2) and (3), paragraph  
217 (c) of present subsection (9), and paragraph (g) of present  
218 subsection (12) are amended, and paragraph (h) is added to  
219 present subsection (12) of that section, to read:

220 631.717 Powers and duties of the association.—

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

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

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

231 (3) If a foreign or alien insurer is an insolvent insurer,  
232 the association shall, subject to the approval of the



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233 department:

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

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

242

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

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

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

257 (11) The association shall share information, including  
258 data, with and assist, as applicable, the board of directors of  
259 the Florida Health Maintenance Organization Consumer Assistance  
260 Plan with the administration and collection of member health  
261 maintenance organization assessments for long-term care insurer

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262 impairments or insolvencies pursuant to ss. 631.715(2)(a)1.,  
263 631.718(3)(b), 631.818(2), and 631.819(2)(c).

264 ~~(12)(9)~~ The association's liability for the contractual  
265 obligations of the insolvent insurer must be as great as, but no  
266 greater than, the contractual obligations of the insurer in the  
267 absence of such insolvency, unless such obligations are reduced  
268 as permitted by subsection (4), but the aggregate liability of  
269 the association with respect to one life shall not exceed the  
270 following:

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

274  
275 In no event is the association liable for any penalties or  
276 interest.

277 ~~(15)(12)~~

278 (g) In carrying out its duties in connection with  
279 guaranteeing, assuming, reissuing, or reinsuring policies or  
280 contracts under subsections (2) and (3), the association may,  
281 subject to approval of the department ~~receivership court~~, issue  
282 an alternative policy or contract to substitute coverage for a  
283 policy or contract providing ~~that provides~~ an interest rate,  
284 crediting rate, or similar factor that was determined by use of  
285 an index or other external reference stated in the policy or  
286 contract and employed in calculating returns or changes in value  
287 ~~by issuing an alternative policy or contract~~. In lieu of the  
288 index or other external reference provided for in the original  
289 policy or contract, the alternative policy or contract must  
290 provide for a fixed interest rate, payment of dividends with

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291 minimum guarantees, or a different method for calculating  
292 interest or changes in value. In such case:

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

296 2. The alternative policy or contract shall be  
297 substantially similar to the replaced policy or contract in all  
298 other material terms.

299 (h) In accordance with the terms and conditions of the  
300 policy or contract, the board may directly file for actuarially  
301 justified rate or premium increases for any policy or contract  
302 for which it provides coverage under this part.

303 Section 5. Paragraph (b) of subsection (3), paragraph (a)  
304 of subsection (5), and subsection (8) of section 631.718,  
305 Florida Statutes, are amended to read:

306 631.718 Assessments.—

307 (3)

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

313 2. The amount of the Class B assessment for long-term care  
314 insurance written by the impaired or insolvent insurer must be  
315 allocated according to a methodology included in the plan of  
316 operation and approved by the department. The methodology must  
317 provide for 50 percent of the assessment to be allocated to  
318 accident and health member insurers and 50 percent to be  
319 allocated to life and annuity member insurers.

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320 3. For the purposes of the methodology outlined in  
321 subparagraph 2. and included in the plan of operation, the  
322 accident and health member insurers' share of the assessment  
323 must be calculated by including the assessable premiums of  
324 member health maintenance organizations of the Florida Health  
325 Maintenance Organization Consumer Assistance Plan.

326 (5) (a) 1. The total of all assessments upon a member insurer  
327 for each account may not in any one calendar year exceed 1  
328 percent of the sum of the insurer's premiums written in this  
329 state regarding business covered by the account received during  
330 the 3 calendar years preceding the year in which the assessment  
331 is made, divided by three. If premium information for the 3-year  
332 period is not reasonably available for each member insurer, the  
333 association may use any reasonably available premium  
334 information.

335 2. For long-term care insurer impairments and insolvencies  
336 only, the total assessments upon a member insurer or member  
337 health maintenance organization of the Florida Health  
338 Maintenance Organization Consumer Assistance Plan may not, in  
339 any one calendar year, exceed 0.5 percent of the sum of the  
340 member insurer or member health maintenance organization's  
341 premiums written in this state regarding business covered by the  
342 account received during the calendar year preceding the year in  
343 which the assessment is made. If premium information is not  
344 reasonably available for each member insurer or member health  
345 maintenance organization of the Florida Health Maintenance  
346 Organization Consumer Assistance Plan, the association or the  
347 Florida Health Maintenance Organization Consumer Assistance Plan  
348 may use any reasonably available premium information.

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349 (8) The association shall issue to each member insurer  
350 paying an assessment under this part, other than a Class A  
351 assessment, a certificate of contribution, in a form prescribed  
352 by the department, for the amount of the assessment so paid. All  
353 outstanding certificates are of equal dignity and priority  
354 without reference to amounts or dates of issue. A certificate of  
355 contribution may be shown by the insurer in its financial  
356 statement as an asset in such form and for such amount, if any,  
357 and period of time as the department approves. However, any  
358 amount offset pursuant to s. 631.72 may not be shown as an asset  
359 of the insurer on any of its financial statements.

360 Section 6. Paragraph (b) of subsection (1), paragraph (f)  
361 of subsection (3), and subsection (4) of section 631.721,  
362 Florida Statutes, are amended to read:

363 631.721 Plan of operation.—

364 (1)

365 ~~(b) If the association fails to submit a suitable proposed~~  
366 ~~plan of operation within 180 days following October 1, 1979, or~~  
367 If at any time thereafter the association fails to submit  
368 suitable amendments to the plan, the department shall, after  
369 notice and hearing, adopt such reasonable rules as are necessary  
370 to effectuate the provisions of this part. Such rules shall  
371 continue in force until modified by the department or superseded  
372 by a proposed plan submitted by the association and approved by  
373 the department.

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

376 (f) Establish any additional procedures for assessments  
377 under s. 631.718, including procedures to share assessment

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378 information, including data, with and assist, as applicable, the  
379 board of directors of the Florida Health Maintenance  
380 Organization Consumer Assistance Plan with the administration,  
381 collection, and deposit of member health maintenance  
382 organization assessments for long-term care insurer impairments  
383 and insolvencies into the health account established under s.  
384 631.715.

385 (4) The plan of operation may provide that any or all  
386 powers and duties of the association, except those under ss.  
387 631.717(13)(c) and 631.718 ~~ss. 631.717(10)(c) and 631.718~~, are  
388 delegated to a corporation, association, or other organization  
389 which performs or will perform functions similar to those of  
390 this association, or its equivalent, in two or more states. Such  
391 a corporation, association, or organization shall be reimbursed  
392 for any payments made on behalf of the association and shall be  
393 paid for its performance of any function of the association. A  
394 delegation under this subsection shall take effect only with the  
395 approval of both the board of directors and the department and  
396 may be made only to a corporation, association, or organization  
397 which extends protection not substantially less favorable and  
398 effective than that provided by this part.

399 Section 7. Section 631.738, Florida Statutes, is created to  
400 read:

401 631.738 Applicability as to certain member insurers and  
402 health maintenance organizations.—The provisions of this part  
403 which relate to long-term care assessment obligations do not  
404 apply to:

405 (1) Any member insurer or health maintenance organization  
406 that, on or before the effective date of this act, has been

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407 adjudged insolvent by a court of competent jurisdiction or has  
408 been determined by the department or by the office to be  
409 impaired.

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

414 Section 8. Subsection (7) is added to section 631.816,  
415 Florida Statutes, to read:

416 631.816 Board of directors.—

417 (7) Subject to the approval of the department, the board  
418 shall designate one representative to serve as a member of the  
419 board of directors of the Florida Life and Health Insurance  
420 Guaranty Association pursuant to s. 631.716(1). The  
421 representative, or his or her alternate, has the right to be  
422 present during all meetings of the association board of  
423 directors and shall have full voting rights.

424 Section 9. Present subsections (2) through (6) of section  
425 631.818, Florida Statutes, are redesignated as subsections (3)  
426 through (7), respectively, a new subsection (2) is added to that  
427 section, present subsection (4) is amended, present paragraph  
428 (f) of present subsection (6) is redesignated as paragraph (g),  
429 and a new paragraph (f) is added to that subsection, to read:

430 631.818 Powers and duties of the plan.—

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

433 (a) Collect and transmit all information requested by the  
434 Florida Life and Health Insurance Guaranty Association for the  
435 association to determine the appropriate assessment base of the

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436 health insurance account pursuant to ss. 631.715(2)(a)1. and  
437 631.718(3)(b).

438 (b) Levy and collect assessments from HMOs.

439 (c) Coordinate the administration and collection of member  
440 HMO assessments for long-term care insurer impairments and  
441 insolvencies with the Florida Life and Health Insurance Guaranty  
442 Association.

443 (5)~~(4)~~ The plan may render assistance and advice to the  
444 department, at the department's request, concerning  
445 rehabilitation, payment of claims, continuance of coverage, or  
446 the performance of other contractual obligations of any HMO  
447 subject to a delinquency proceeding ~~or a proceeding under s.~~  
448 ~~624.90.~~

449 (7)~~(6)~~ The plan may:

450 (f) In the event of a long-term care insurer impairment or  
451 insolvency, coordinate with the Florida Life and Health  
452 Insurance Guaranty Association to carry out the responsibilities  
453 of the association for the limited purpose of the long-term care  
454 insurer impairment or insolvency, including the development of  
455 any plan for handling the administration of the impairment or  
456 insolvency.

457 Section 10. Subsections (1) and (3) of section 631.819,  
458 Florida Statutes, are amended, paragraph (c) is added to  
459 subsection (2), and subsection (6) is added to that section, to  
460 read:

461 631.819 Assessments.—

462 (1) For the purposes of providing the funds necessary to  
463 carry out the powers and duties of the plan, the board of  
464 directors shall assess the member HMOs at such time and for such



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465 amounts as the board finds necessary. Assessments shall be due  
466 not less than 30 days after written notice to the member HMOs  
467 insurers.

468 (2) Assessments for funds to meet the requirements of the  
469 plan with respect to an insolvent HMO shall not be made until  
470 necessary to implement the purposes of this part. In order to  
471 carry out its duties and powers under this part, upon the  
472 insolvency of an HMO, the plan shall levy and collect  
473 assessments as follows:

474 (c) For the purposes of long-term care insurer impairment  
475 and insolvency assessments under s. 631.718(3)(b), member HMOs  
476 must be assessed in the same manner as member insurers of the  
477 Florida Life and Health Insurance Guaranty Association under  
478 part III of this chapter. Long-term care insurer impairment and  
479 insolvency assessments must be levied and collected by the plan  
480 pursuant to this part, deposited into the health insurance  
481 account established under s. 631.715, and used solely for long-  
482 term care insurer impairment or insolvency obligations.  
483 Assessments collected from member HMOs are considered part of  
484 and satisfy the obligations of the health insurance account  
485 under ss. 631.715(2)(a)1. and 631.718(3)(b).

486 (3) All assessments against HMOs, including long-term care  
487 insurer impairment and insolvency assessments, must ~~shall~~ be  
488 levied as a percentage of annual earned premium revenue for non-  
489 Medicare and non-Medicaid contracts. In no event may the plan  
490 assess in any calendar year more than 0.5 percent of each HMO's  
491 annual earned premium revenue for non-Medicare and non-Medicaid  
492 contracts.

493 (6) The plan shall issue, in a form prescribed by the

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494 department, a certificate of contribution to each member HMO  
495 paying a long-term care insurer impairment or insolvency  
496 assessment under this part for the amount of the assessment so  
497 paid. All outstanding certificates are of equal dignity and  
498 priority without reference to amounts or dates of issue. A  
499 certificate of contribution may be shown by the member HMO in  
500 its financial statement as an asset in such form and for such  
501 amount and period of time as the department approves. However,  
502 any amount offset pursuant to s. 631.828 may not be shown as an  
503 asset of the member HMO on any of its financial statements.

504 Section 11. Paragraph (f) of subsection (3) and paragraph  
505 (a) of subsection (4) of section 631.820, Florida Statutes, are  
506 amended to read:

507 631.820 Plan of operation.—

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

510 (f) Establish any additional procedures for assessments  
511 under this part, including procedures to coordinate the  
512 administration and collection of member HMO assessments for  
513 long-term care insurer impairments and insolvencies with the  
514 board of directors of the Florida Life and Health Insurance  
515 Guaranty Association.

516 (4) (a) The plan of operation may provide that any or all  
517 powers and duties of the plan, except those under ss.  
518 631.818(7)(b) and (c) and 631.819 ~~ss. 631.818(6)(b) and (c) and~~  
519 ~~631.819~~, are delegated to an administrator that ~~which~~ may be a  
520 corporation, association, or other organization that ~~which~~  
521 performs or will perform functions similar to those of this  
522 plan, or its equivalent.

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523 Section 12. Subsection (2) of section 631.821, Florida  
524 Statutes, is amended to read:

525 631.821 Powers and duties of the department.—

526 (2) Any action of the board of directors of the plan may be  
527 appealed to the office by any member HMO if such appeal is taken  
528 within 21 days of the action being appealed; however, the HMO  
529 must comply with such action pending exhaustion of appeal ~~under~~  
530 ~~s. 631.818(2)~~. Any appeal shall be promptly determined by the  
531 office, and final action or order of the office shall be subject  
532 to judicial review in a court of competent jurisdiction.

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

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