

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  
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 Florida Health Maintenance Organization  
47 Consumer Assistance Plan to conform to changes made by  
48 the act; amending s. 631.818, F.S.; adding to the  
49 duties of the plan to conform to changes made by the  
50 act; amending s. 631.819, F.S.; specifying

51 requirements for long-term care insurer impairment and  
 52 insolvency 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.  
 96 s. 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  
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,  
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  
164 long-term care impairment and long-term care insolvency  
165 assessment obligations of the association which are subject to  
166 assessment pursuant to ss. 631.715(2)(a)1. and 631.718(3)(b) in  
167 coordination with the Florida Health Maintenance Organization  
168 Consumer 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 Florida Health Maintenance Organization Consumer Assistance  
174 Plan.

175 Section 3. Subsection (1) of section 631.716, Florida

176 Statutes, is amended to read:

177 631.716 Board of directors.—

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

189 (b) The board shall confirm, subject to the approval of  
 190 the department, the Florida Health Maintenance Organization  
 191 Consumer Assistance Plan director. The director confirmed to the  
 192 board must be designated by the Florida Health Maintenance  
 193 Organization Consumer Assistance Plan's board of directors to  
 194 serve on the board and represent the interests of the Florida  
 195 Health Maintenance Organization Consumer Assistance Plan and its  
 196 board of directors. An individual serving as a Florida Health  
 197 Maintenance Organization Consumer Assistance Plan director on  
 198 the board must be a member of the Florida Health Maintenance  
 199 Organization Consumer Assistance Plan's board of directors. The  
 200 Florida Health Maintenance Organization Consumer Assistance Plan



201 director, or his or her alternate, has the right to be present  
202 at all meetings of the board and has full voting rights on all  
203 issues.

204 (c) A vacancy on the board shall be filled for the  
205 remaining period of the term by a majority vote of the remaining  
206 board members, subject to the approval of the department. ~~Prior~~  
207 ~~to the selection of the initial board of directors and the~~  
208 ~~organization of the association, the department shall give~~  
209 ~~notice to all member insurers of the time and place of the~~  
210 ~~organizational meeting. At the organizational meeting, each~~  
211 ~~member insurer shall be entitled to one vote, in person or by~~  
212 ~~proxy. If the board of directors is not elected within 60 days~~  
213 ~~after notice of the organizational meeting, the department may~~  
214 ~~appoint the initial members.~~

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

222 631.717 Powers and duties of the association.—

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

225 (a) Guarantee, assume, reissue, or reinsure, or cause to

226 | be guaranteed, assumed, reissued, or reinsured, the covered  
 227 | policies of persons referred to in s. 631.713(2); and

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

233 |       (3) If a foreign or alien insurer is an insolvent insurer,  
 234 | the association shall, subject to the approval of the  
 235 | department:

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

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

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

250 |       (9) For purposes of this part, benefits provided by a

251 long-term care rider to a life insurance policy or annuity  
252 contract are considered the same type of benefits as the base  
253 life insurance policy or annuity contract to which the rider  
254 relates.

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

260 (11) The association shall share information, including  
261 data, with and assist, as applicable, the board of directors of  
262 the Florida Health Maintenance Organization Consumer Assistance  
263 Plan with the administration and collection of member health  
264 maintenance organization assessments for long-term care insurer  
265 impairments or insolvencies pursuant to ss. 631.715(2)(a)1.,  
266 631.718(3)(b), 631.818(2), and 631.819(2)(c).

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

274 (c) For all other benefits, including in long-term care  
275 policies, \$300,000, including cash values, except as provided in

276 paragraph (d).

277

278 In no event is the association liable for any penalties or  
279 interest.

280 ~~(15)-(12)~~

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

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

299 2. The alternative policy or contract shall be  
300 substantially similar to the replaced policy or contract in all

301 other material terms.

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

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

309 631.718 Assessments.—

310 (3)

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

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

323 3. For the purposes of the methodology outlined in  
324 subparagraph 2. and included in the plan of operation, the  
325 accident and health member insurers' share of the assessment

326 must be calculated by including the assessable premiums of  
327 member health maintenance organizations of the Florida Health  
328 Maintenance Organization Consumer Assistance Plan.

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

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

351 may use any reasonably available premium information.

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

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

366 631.721 Plan of operation.—

367 (1)

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

376 the department.

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

379 (f) Establish any additional procedures for assessments  
380 under s. 631.718, including procedures to share assessment  
381 information, including data, with and assist, as applicable, the  
382 board of directors of the Florida Health Maintenance  
383 Organization Consumer Assistance Plan with the administration,  
384 collection, and deposit of member health maintenance  
385 organization assessments for long-term care insurer impairments  
386 and insolvencies into the health account established under s.  
387 631.715.

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



401 effective than that provided by this part.

402 Section 7. Section 631.738, Florida Statutes, is created  
403 to read:

404 631.738 Applicability as to certain member insurers.—The  
405 provisions of this part which relate to long-term care  
406 assessment obligations do not apply to any member insurer that,  
407 on or before the effective date of this act, has been adjudged  
408 insolvent by a court of competent jurisdiction or has been  
409 determined by the department to be impaired.

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

412 631.816 Board of directors.—

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

420 Section 9. Present subsections (2) through (6) of section  
421 631.818, Florida Statutes, are redesignated as subsections (3)  
422 through (7), respectively, a new subsection (2) is added to that  
423 section, present subsection (4) is amended, present paragraph  
424 (f) of present subsection (6) is redesignated as paragraph (g),  
425 and a new paragraph (f) is added to that subsection, to read:

426           631.818 Powers and duties of the plan.—  
 427           (2) In the event of a long-term care insurer impairment or  
 428 insolvency, pursuant to s. 631.819(2)(c), the plan shall:  
 429           (a) Collect and transmit all information requested by the  
 430 Florida Life and Health Insurance Guaranty Association for the  
 431 association to determine the appropriate assessment base of the  
 432 health insurance account pursuant to ss. 631.715(2)(a)1. and  
 433 631.718(3)(b).  
 434           (b) Levy and collect assessments from HMOs.  
 435           (c) Coordinate the administration and collection of member  
 436 HMO assessments for long-term care insurer impairments and  
 437 insolvencies with the Florida Life and Health Insurance Guaranty  
 438 Association.  
 439           ~~(5)-(4)~~ The plan may render assistance and advice to the  
 440 department, at the department's request, concerning  
 441 rehabilitation, payment of claims, continuance of coverage, or  
 442 the performance of other contractual obligations of any HMO  
 443 subject to a delinquency proceeding ~~or a proceeding under s.~~  
 444 ~~624.90.~~  
 445           ~~(7)-(6)~~ The plan may:  
 446           (f) In the event of a long-term care insurer impairment or  
 447 insolvency, coordinate with the Florida Life and Health  
 448 Insurance Guaranty Association to carry out the responsibilities  
 449 of the association for the limited purpose of the long-term care  
 450 insurer impairment or insolvency, including the development of

451 any plan for handling the administration of the impairment or  
452 insolvency.

453 Section 10. Subsections (1) and (3) of section 631.819,  
454 Florida Statutes, are amended, paragraph (c) is added to  
455 subsection (2), and subsection (6) is added to that section, to  
456 read:

457 631.819 Assessments.—

458 (1) For the purposes of providing the funds necessary to  
459 carry out the powers and duties of the plan, the board of  
460 directors shall assess the member HMOs at such time and for such  
461 amounts as the board finds necessary. Assessments shall be due  
462 not less than 30 days after written notice to the member HMOs  
463 ~~insurers~~.

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

470 (c) For the purposes of long-term care insurer impairment  
471 and insolvency assessments under s. 631.718(3)(b), member HMOs  
472 must be assessed in the same manner as member insurers of the  
473 Florida Life and Health Insurance Guaranty Association under  
474 part III of this chapter. Long-term care insurer impairment and  
475 insolvency assessments must be levied and collected by the plan

476 pursuant to this part, deposited into the health insurance  
477 account established under s. 631.715, and used solely for long-  
478 term care insurer impairment or insolvency obligations.

479 Assessments collected from member HMOs are considered part of  
480 and satisfy the obligations of the health insurance account  
481 under ss. 631.715(2)(a)1. and 631.718(3)(b).

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

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

500 Section 11. Paragraph (f) of subsection (3) and paragraph

501 (a) of subsection (4) of section 631.820, Florida Statutes, are  
 502 amended to read:

503 631.820 Plan of operation.—

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

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

512 (4) (a) The plan of operation may provide that any or all  
 513 powers and duties of the plan, except those under ss.  
 514 631.818(7)(b) and (c) and 631.819 ss. ~~631.818(6)(b) and (c) and~~  
 515 ~~631.819~~, are delegated to an administrator that ~~which~~ may be a  
 516 corporation, association, or other organization that ~~which~~  
 517 performs or will perform functions similar to those of this  
 518 plan, or its equivalent.

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

521 631.821 Powers and duties of the department.—

522 (2) Any action of the board of directors of the plan may  
 523 be appealed to the office by any member HMO if such appeal is  
 524 taken within 21 days of the action being appealed; however, the  
 525 HMO must comply with such action pending exhaustion of appeal

HB 673

2019

526 | ~~under s. 631.818(2)~~. Any appeal shall be promptly determined by  
527 | the office, and final action or order of the office shall be  
528 | subject to judicial review in a court of competent jurisdiction.

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  
533 | law.