

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>      </u>	(Y/N)
ADOPTED AS AMENDED	<u>      </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>      </u>	(Y/N)
FAILED TO ADOPT	<u>      </u>	(Y/N)
WITHDRAWN	<u>      </u>	(Y/N)
OTHER	<u>      </u>	

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1 Committee/Subcommittee hearing bill: Commerce Committee  
 2 Representative Fabricio offered the following:

**Amendment (with title amendment)**

Remove lines 71-160 and insert:

to be recouped. If an insurer elects not to recoup advances, the amount recorded as an asset shall be reduced to zero.

2. Assessments levied under subparagraph (f)2. are paid after policy surcharges are collected so that the recognition of assets is based on actual premium written offset by the obligation to the association. If an insurer elects not to recoup advances, the amount recorded as an asset shall be reduced to zero.

(f)1. The association, office, and insurers remitting assessments pursuant to paragraph (a) or paragraph (e) must comply with the following:

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17 a. In the order levying an assessment, the office shall  
18 specify the actual percentage amount to be advanced to the  
19 association and thereafter collected uniformly from all the  
20 policyholders of insurers subject to the assessment and the date  
21 on which the assessment year begins, which may not begin before  
22 90 days after the association board certifies such an  
23 assessment.

24 b. Insurers shall make an initial payment to the  
25 association before the beginning of the assessment year on or  
26 before the date specified in the order of the office. Each  
27 insurer shall have at least 30 days' written notice as to the  
28 date on which the initial assessment payment is due and payable.  
29 The association may request that the order issued by the office  
30 authorize insurers to remit the advance payments in quarterly  
31 installments.

32 c. Insurers that have written insurance in the calendar  
33 year before the year in which the assessment is certified by the  
34 board shall make payments ~~an initial payment~~ based on the direct  
35 written premium in this state for the classes protected by the  
36 account from the previous calendar year as set forth in the  
37 insurer's annual statement, multiplied by the uniform percentage  
38 of premium specified in the order issued by the office. Insurers  
39 that have not written insurance in the previous calendar year in  
40 any of the lines under the account which are being assessed, but  
41 which are writing insurance as of, or after, the date the board

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42 certifies the assessment to the office, shall pay an amount  
43 based on a good faith estimate of the amount of direct written  
44 premium anticipated to be written in the subject lines of  
45 business for the assessment year, multiplied by the uniform  
46 percentage of premium specified in the order issued by the  
47 office.

48 d. Insurers shall file one or more a reconciliation  
49 reports ~~report~~ with the association which indicate ~~indicates~~ the  
50 amount of ~~the initial~~ payment to the association ~~before the~~  
51 ~~assessment year~~, whether such amount was based on direct written  
52 premium contained in a previous calendar year annual statement  
53 or a good faith projection, the amount actually collected during  
54 the assessment year, and such other information contained on a  
55 form and schedule adopted by the association and provided to the  
56 insurers in advance. If the insurer collected from policyholders  
57 more surcharges than the amount initially paid, the insurer  
58 shall pay the excess amount to the association. If the insurer  
59 collected surcharges from policyholders in an amount that ~~which~~  
60 is less than the amount initially paid to the association, the  
61 association shall credit the insurer that amount against future  
62 assessments. Such payment reconciliation report, and any payment  
63 of excess amounts collected from policyholders, shall be  
64 completed and remitted to the association within 90 days after  
65 the end of the assessment year. The association shall send a

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66 final reconciliation report on all insurers to the office within  
67 120 days after each assessment year.

68 e. Insurers remitting reconciliation reports under this  
69 paragraph to the association are subject to s. 626.9541(1)(e).

70 2. For assessments required under paragraph (a) or  
71 paragraph (e), the association may use a quarterly installment  
72 method instead of the method described in sub-subparagraphs 1.b.  
73 and c. or in combination thereof based on the association's  
74 projected cash flow. If the association projects that it has  
75 cash on hand for the payment of anticipated claims in the  
76 applicable account for at least 6 months, the board may make an  
77 estimate of the assessment needed and may recommend to the  
78 office the assessment percentage that may be collected as a  
79 quarterly assessment. The office may, in the order levying the  
80 assessment on insurers, specify that the assessment is due and  
81 payable quarterly as the funds are collected from insureds  
82 throughout the assessment year, in which case the assessment  
83 shall be a uniform percentage of premium collected during the  
84 assessment year and shall be collected from all policyholders  
85 with policies in the classes protected by the account.

86 a. All insurers shall pay ~~collect~~ the assessment to the  
87 association without regard to whether the insurers reported  
88 premium in the year preceding the assessment.

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89           b. Insurers are not required to advance funds if the  
90 association and the office elect to use the quarterly  
91 installment option.

92           c. An insurer that elects not to recoup the assessment  
93 shall make quarterly payments to the association equal to the  
94 amount of premium written in the previous quarter for the  
95 classes protected by the account, multiplied by the uniform  
96 percentage of premium specified in the order issued by the  
97 office.

98           d. All funds paid to the association ~~collected~~ shall be  
99 retained by the association for the payment of current or future  
100 claims.

101           e. Insurers shall file one or more reconciliation reports  
102 with the association which indicate the amount actually  
103 collected during the assessment year, and such other information  
104 contained on a form and schedule adopted by the association and  
105 provided to the insurers in advance.

106  
107 This subparagraph does not alter the obligation of an insurer to  
108 remit assessments levied pursuant to this subsection to the  
109 association.

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111  
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113                                   **T I T L E   A M E N D M E N T**

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114 Remove lines 9-11 and insert:  
115 providing the calculation of insurers' assets under a  
116 specified circumstance; prohibiting insurers' assets  
117 from being recorded under a specified circumstance;  
118 revising provisions relating to payments of  
119 assessments and insurers' reconciliation reports to  
120 the association; requiring insurers to pay assessments  
121 to the association, rather than to collect such  
122 assessments; specifying the payments that certain  
123 insurers must make to the association; requiring  
124 insurers to treat insureds'