

By Senator Hutson

7-00836B-22

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1 A bill to be entitled
 2 An act relating to property insurer reimbursements;
 3 amending s. 215.555, F.S.; defining the term "unsound
 4 insurer"; revising requirements for coverage under the
 5 Florida Hurricane Catastrophe Fund of certain policies
 6 assumed by authorized insurers or the Citizens
 7 Property Insurance Corporation; providing
 8 construction; providing an effective date.

9
 10 Be It Enacted by the Legislature of the State of Florida:

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 12 Section 1. Paragraph (e) of subsection (5) of section
 13 215.555, Florida Statutes, is amended, and paragraph (p) is
 14 added to subsection (2) of that section, to read:

15 215.555 Florida Hurricane Catastrophe Fund.—

16 (2) DEFINITIONS.—As used in this section:

17 (p) "Unsound insurer" means an insurer determined by the
 18 Office of Insurance Regulation to be in unsound condition as
 19 defined in s. 624.80(2) or an insurer placed in receivership
 20 under chapter 631.

21 (5) REIMBURSEMENT PREMIUMS.—

22 (e)1. If an authorized insurer or the Citizens Property
 23 Insurance Corporation assumes or otherwise provides coverage for
 24 policies of an unsound insurer ~~an insurer placed in liquidation~~
 25 ~~under chapter 631 pursuant to s. 627.351(6)~~, the authorized
 26 insurer or the Citizens Property Insurance Corporation may,
 27 pursuant to conditions mutually agreed to between the authorized
 28 insurer or the Citizens Property Insurance Corporation and the
 29 State Board of Administration, seek to obtain coverage for such

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30 policies under its contract with the fund or accept an
31 assignment of the unsound ~~liquidated~~ insurer's contract with the
32 fund. However, if a covered event has occurred before the
33 effective date of the transfer of the policies, the authorized
34 insurer or the Citizens Property Insurance Corporation may only
35 obtain coverage for such policies through an assignment as
36 provided in subparagraph 3.

37 2. If an authorized insurer or the Citizens Property
38 Insurance Corporation assumes policies from an unsound insurer
39 and elects to cover these policies under its ~~the corporation's~~
40 contract with the fund, it shall notify the board of its insured
41 values with respect to such policies within a specified time
42 mutually agreed to between the authorized insurer or the
43 Citizens Property Insurance Corporation and the board, after
44 such assumption ~~or other coverage transaction~~, and the fund
45 shall treat such policies as having been in effect as of June 30
46 of that year.

47 3. If an authorized insurer or the Citizens Property
48 Insurance Corporation accepts ~~In the event of~~ an assignment of
49 an unsound insurer's contract, the fund shall apply the unsound
50 insurer's ~~that~~ contract to such policies and treat the
51 authorized insurer or the Citizens Property Insurance
52 Corporation as if it ~~the corporation~~ were the unsound ~~liquidated~~
53 insurer for the remaining term of the contract, with ~~and the~~
54 ~~corporation shall have~~ all rights and duties of the unsound
55 ~~liquidated~~ insurer beginning on the date it provides coverage
56 for such policies. This subparagraph may not be construed to
57 limit the fund's right to receive the premium due under the
58 unsound insurer's contract, ~~but the corporation is not subject~~

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59 ~~to any preexisting rights, liabilities, or duties of the~~
60 ~~liquidated insurer. The assignment, including any unresolved~~
61 ~~issues between the liquidated insurer and Citizens Property~~
62 ~~Insurance Corporation under the contract, shall be provided for~~
63 ~~in the liquidation order or otherwise determined by the court.~~
64 ~~However, if a covered event occurs before the effective date of~~
65 ~~the assignment, the corporation may not obtain coverage for such~~
66 ~~policies under its contract with the fund and shall accept an~~
67 ~~assignment of the liquidated insurer's contract as provided in~~
68 ~~this paragraph.~~

69 Section 2. This act shall take effect July 1, 2022.