

HB 695

2022

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.

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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 ~~placed in liquidation under~~
25 ~~chapter 631 pursuant to s. 627.351(6),~~ the authorized insurer or

26 | the Citizens Property Insurance Corporation may, pursuant to
 27 | conditions mutually agreed to between the authorized insurer or
 28 | the Citizens Property Insurance Corporation and the State Board
 29 | of Administration, seek to obtain coverage for such policies
 30 | under its contract with the fund or accept an assignment of the
 31 | unsound ~~liquidated~~ insurer's contract with the fund. However, if
 32 | a covered event has occurred before the effective date of the
 33 | transfer of the policies, the authorized insurer or the Citizens
 34 | Property Insurance Corporation may obtain coverage for such
 35 | policies only through an assignment as provided in subparagraph
 36 | 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

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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~~
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.