The Committee on Budget (Fasano) recommended the following:

**Senate Amendment (with directory and title amendments)**

Between lines 249 and 250

insert:

(6) REVENUE BONDS.—

(b) *Emergency assessments*—

1. If the board determines that the amount of revenue produced under subsection (5) is insufficient to fund the obligations, costs, and expenses of the fund and the corporation, including repayment of revenue bonds and that portion of the debt service coverage not met by reimbursement premiums, the board shall direct the Office of Insurance Regulation to levy, by order, an emergency assessment on direct
premiums for all property and casualty lines of business in this state, including property and casualty business of surplus lines insurers regulated under part VIII of chapter 626, but not including any workers’ compensation premiums or medical malpractice premiums. As used in this subsection, the term “property and casualty business” includes all lines of business identified on Form 2, Exhibit of Premiums and Losses, in the annual statement required of authorized insurers by s. 624.424 and any rule adopted under this section, except for those lines identified as accident and health insurance and except for policies written under the National Flood Insurance Program. The assessment shall be specified as a percentage of direct written premium and is subject to annual adjustments by the board in order to meet debt obligations. The same percentage shall apply to all policies in lines of business subject to the assessment issued or renewed during the 12-month period beginning on the effective date of the assessment.

2. A premium is not subject to an annual assessment under this paragraph in excess of 6 percent of premium with respect to obligations arising out of losses attributable to any one contract year, and a premium is not subject to an aggregate annual assessment under this paragraph in excess of 10 percent of premium. An annual assessment under this paragraph shall continue as long as the revenue bonds issued with respect to which the assessment was imposed are outstanding, including any bonds the proceeds of which were used to refund the revenue bonds, unless adequate provision has been made for the payment of the bonds under the documents authorizing issuance of the bonds.
3. Emergency assessments shall be collected from policyholders. Emergency assessments shall be remitted by insurers as a percentage of direct written premium for the preceding calendar quarter as specified in the order from the Office of Insurance Regulation. The office shall verify the accurate and timely collection and remittance of emergency assessments and shall report the information to the board in a form and at a time specified by the board. Each insurer collecting assessments shall provide the information with respect to premiums and collections as may be required by the office to enable the office to monitor and verify compliance with this paragraph.

4. With respect to assessments of surplus lines premiums, each surplus lines agent shall collect the assessment at the same time as the agent collects the surplus lines tax required by s. 626.932, and the surplus lines agent shall remit the assessment to the Florida Surplus Lines Service Office created by s. 626.921 at the same time as the agent remits the surplus lines tax to the Florida Surplus Lines Service Office. The emergency assessment on each insured procuring coverage and filing under s. 626.938 shall be remitted by the insured to the Florida Surplus Lines Service Office at the time the insured pays the surplus lines tax to the Florida Surplus Lines Service Office. The Florida Surplus Lines Service Office shall remit the collected assessments to the fund or corporation as provided in the order levied by the Office of Insurance Regulation. The Florida Surplus Lines Service Office shall verify the proper application of such emergency assessments and shall assist the board in ensuring the accurate and timely collection and
remittance of assessments as required by the board. The Florida Surplus Lines Service Office shall annually calculate the aggregate written premium on property and casualty business, other than workers’ compensation and medical malpractice, procured through surplus lines agents and insureds procuring coverage and filing under s. 626.938 and shall report the information to the board in a form and at a time specified by the board.

5. Any assessment authority not used for a particular contract year may be used for a subsequent contract year. If, for a subsequent contract year, the board determines that the amount of revenue produced under subsection (5) is insufficient to fund the obligations, costs, and expenses of the fund and the corporation, including repayment of revenue bonds and that portion of the debt service coverage not met by reimbursement premiums, the board shall direct the Office of Insurance Regulation to levy an emergency assessment up to an amount not exceeding the amount of unused assessment authority from a previous contract year or years, plus an additional 4 percent provided that the assessments in the aggregate do not exceed the limits specified in subparagraph 2.

6. The assessments otherwise payable to the corporation under this paragraph shall be paid to the fund unless and until the Office of Insurance Regulation and the Florida Surplus Lines Service Office have received from the corporation and the fund a notice, which shall be conclusive and upon which they may rely without further inquiry, that the corporation has issued bonds and the fund has no agreements in effect with local governments under paragraph (c). On or after the date of the notice and
until the date the corporation has no bonds outstanding, the
fund shall have no right, title, or interest in or to the
assessments, except as provided in the fund’s agreement with the
corporation.

7. Emergency assessments are not premium and are not
subject to the premium tax, to the surplus lines tax, to any
fees, or to any commissions. An insurer is liable for all
assessments that it collects and must treat the failure of an
insured to pay an assessment as a failure to pay the premium. An
insurer is not liable for uncollectible assessments.

8. When an insurer is required to return an unearned
premium, it shall also return any collected assessment
attributable to the unearned premium. A credit adjustment to the
collected assessment may be made by the insurer with regard to
future remittances that are payable to the fund or corporation,
but the insurer is not entitled to a refund.

9. When a surplus lines insured or an insured who has
procured coverage and filed under s. 626.938 is entitled to the
return of an unearned premium, the Florida Surplus Lines Service
Office shall provide a credit or refund to the agent or such
insured for the collected assessment attributable to the
unearned premium prior to remitting the emergency assessment
collected to the fund or corporation.

10. The exemption of medical malpractice insurance premiums
from emergency assessments under this paragraph is repealed May
31, 2011, and medical malpractice insurance premiums shall
be subject to emergency assessments attributable to loss events
occurring in the contract years commencing on June 1, 2011.
And the directory clause is amended as follows:
  Delete lines 221 and 222
and insert:
subsection (2) and paragraph (b) of subsection (6) of section 215.555, Florida Statutes, are amended to read:

And the title is amended as follows:
Delete line 5
and insert:
  Catastrophe Fund, to exclude certain losses; moving up the date for repealing the exemption for medical malpractice insurance premiums from emergency assessments; providing