

THE FLORIDA SENATE
2019 SUMMARY OF LEGISLATION PASSED
Committee on Banking and Insurance

CS/CS/HB 673 — Insurer Guaranty Associations

by Commerce Committee; Insurance and Banking Subcommittee; and Rep. Fischer (CS/CS/SB 626 by Appropriations Committee; Banking and Insurance Committee; and Senators Brandes and Broxson)

The bill revises provisions relating to the Florida Life and Health Insurance Guaranty Association (association) and the Florida Health Maintenance Organization Consumer Assistance Plan (HMOCAP). In response to recent long-term care insurer insolvencies, the bill incorporates some recent changes made to a National Association of Insurance Commissioners' (NAIC) model act and additional recommendations of stakeholders. The bill:

- Expands the assessment base of the association to fund long-term care insurer impairments and insolvencies by including health maintenance organizations (HMOs), life insurers, and annuity insurers. Any assessments related to long-term care insurers would be allocated 50 percent to health member insurers and HMOs, and the remaining 50 percent to life and annuity member insurers. Total assessments on member insurers and HMOs are capped at 0.5 percent of premiums per year. Currently, only health insurers are assessed.
- Exempts any nonprofit HMO from the long-term care insurance assessment if it operates only in Florida and has statutory capital and surplus of less than \$200 million as of December 31 of the year preceding the year in which the assessment is made.
- Increases the number of directors that may be on the association's board of directors and requires that one director be a director of the HMOCAP.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 40-0; House 114-0