

THE FLORIDA SENATE
2020 SUMMARY OF LEGISLATION PASSED
Committee on Banking and Insurance

SB 540 — Insurance Guaranty Associations

by Senators Rader and Rouson

The bill allows Florida Insurance Guaranty Association (FIGA) employees to adjust losses if the employee holds or has held within the past 10 years, licensure which allows for the adjustment of such losses. Employees of other guaranty associations may also adjust losses for FIGA if such employees maintain the appropriate experience and training for adjusting such claims. The use of other state's guaranty association employees must be done pursuant to a contract between FIGA and the employee's guaranty association or the guaranty association's authorized representative.

The bill clarifies that the assessment due from FIGA and Florida Workers' Compensation Insurance Guaranty Association (FWCIGA) member insurers will be a uniform percentage of premium collected instead of a proportion of the total net direct written premium for the prior calendar year.

The bill establishes that assessment installment payments made by FIGA member insurers may be made quarterly rather than monthly.

The bill clarifies the method by which assessments are levied against insurers and collected by FWCIGA related to policy deductibles and to retrospectively rated policies.

The bill provides FWCIGA with the authority to audit reports from insurers regarding payments made to FWCIGA and the amount collected from policyholders. The bill clarifies that assessments paid that are required to be remitted by the insurer prior to the insurer surcharging policyholders constitute advances of funds to FWCIGA, to allow for proper accounting treatment.

If approved by the Governor, these provisions take effect July 1, 2020.

Vote: Senate 40-0; House 116-0