

1 A bill to be entitled

2 An act relating to insurance guaranty associations;
3 amending s. 625.012, F.S.; revising the definition of
4 the term "asset" to include Florida Insurance Guaranty
5 Association assessments, under certain conditions, for
6 purposes of determining the financial condition of an
7 insurer; amending ss. 631.717 and 631.737, F.S.;
8 transferring a provision relating to the obligation of
9 the Florida Life and Health Insurance Guaranty
10 Association to pay valid claims under certain
11 circumstances; providing an effective date.

12
13 Be It Enacted by the Legislature of the State of Florida:

14
15 Section 1. Subsections (15) and (16) of section 625.012,
16 Florida Statutes, are renumbered as subsections (16) and (17),
17 respectively, and a new subsection (15) is added to that
18 section, to read:

19 625.012 "Assets" defined.—In any determination of the
20 financial condition of an insurer, there shall be allowed as
21 "assets" only such assets as are owned by the insurer and which
22 consist of:

23 (15) (a) Assessments levied pursuant to s. 631.57(3) (a) and
24 (e) that are paid before policy surcharges are collected and
25 result in a receivable for policy surcharges to be collected in
26 the future. This amount, to the extent it is likely that it will

27 be realized, meets the definition of an admissible asset as
 28 specified in the National Association of Insurance
 29 Commissioners' Statement of Statutory Accounting Principles No.
 30 4. The asset shall be established and recorded separately from
 31 the liability regardless of whether it is based on a
 32 retrospective or prospective premium-based assessment. If an
 33 insurer is unable to fully recoup the amount of the assessment
 34 because of a reduction in writings or withdrawal from the
 35 market, the amount recorded as an asset shall be reduced to the
 36 amount reasonably expected to be recouped.

37 (b) Assessments levied as monthly installments pursuant to
 38 s. 631.57(3)(e)1.c. that are paid after policy surcharges are
 39 collected so that the recognition of assets is based on actual
 40 premium written offset by the obligation to the Florida
 41 Insurance Guaranty Association.

42 Section 2. Subsection (11) of section 631.717, Florida
 43 Statutes, is amended to read:

44 631.717 Powers and duties of the association.—

45 (11) The association is ~~shall not be~~ liable for any civil
 46 action under s. 624.155 arising from any acts alleged to have
 47 been committed by a member insurer before ~~prior to~~ its
 48 liquidation. ~~This subsection does not affect the association's~~
 49 ~~obligation to pay valid insurance policy or contract claims if~~
 50 ~~warranted after its independent de novo review of the policies,~~
 51 ~~contracts, and claims presented to it, whether domestic or~~
 52 ~~foreign, after a Florida domestic rehabilitation or a~~

53 ~~liquidation.~~

54 Section 3. Section 631.737, Florida Statutes, is amended
55 to read:

56 631.737 Rescission and review generally.—The association
57 shall review claims and matters regarding covered policies based
58 upon the record available to it on and after the date of
59 liquidation. Notwithstanding any other provision of this part,
60 in order to allow for orderly claims administration by the
61 association, entry of a liquidation order by a court of
62 competent jurisdiction tolls ~~shall be deemed to toll~~ for 1 year
63 any rescission or noncontestable period allowed by the contract,
64 the policy, or by law. The association's obligation is to pay
65 any valid insurance policy or contract claims, if warranted,
66 after its independent de novo review of the policies, contracts,
67 and claims presented to it, whether domestic or foreign,
68 following a rehabilitation or a liquidation.

69 Section 4. This act shall take effect July 1, 2015.