

ENROLLED

CS/HB 307, Engrossed 1

2017 Legislature

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 2 An act relating to the Florida Life and Health
 3 Insurance Guaranty Association; amending s. 631.713,
 4 F.S.; revising applicability of the Florida Life and
 5 Health Insurance Guaranty Association Act as to
 6 specified annuity contracts; amending s. 631.717,
 7 F.S.; revising the association's maximum aggregate
 8 liability for the contractual obligations of an
 9 insolvent insurer with respect to one life; specifying
 10 the association's maximum liability as to certain
 11 health insurance policies beginning on a specified
 12 date; providing an effective date.

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 14 Be It Enacted by the Legislature of the State of Florida:

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 16 Section 1. Paragraph (1) of subsection (3) of section
 17 631.713, Florida Statutes, is amended to read:

18 631.713 Application of part.—

19 (3) This part does not apply to:

20 (1) Any annuity contract or group annuity contract that is
 21 not issued to and owned by an individual, except to the extent
 22 of any annuity benefits:

23 1. Guaranteed directly and not through an intermediary to
 24 an individual by an insurer under such contract or certificate;~~-~~

25 2. Under an annuity issued by an insurer under 26 U.S.C.

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26 s. 408(b); or

27 3. Under an annuity issued by an insurer and held by a
 28 custodian or trustee in accordance with 26 U.S.C. s. 408(a).

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 30 This paragraph applies to every insolvency regardless of its
 31 date of inception, and an assessment base may not include
 32 premiums for such excluded products.

33 Section 2. Subsection (9) of section 631.717, Florida
 34 Statutes, is amended to read:

35 631.717 Powers and duties of the association.—

36 (9) The association's liability for the contractual
 37 obligations of the insolvent insurer must ~~shall~~ be as great as,
 38 but no greater than, the contractual obligations of the insurer
 39 in the absence of such insolvency, unless such obligations are
 40 reduced as permitted by subsection (4), but the aggregate
 41 liability of the association with respect to one life shall not
 42 exceed the following:

43 (a) For life insurance, \$100,000 in net cash surrender and
 44 net cash withdrawal values. ~~for life insurance,~~

45 (b) For deferred annuity contracts, \$250,000 in net cash
 46 surrender and net cash withdrawal values. ~~for deferred annuity~~
 47 ~~contracts, or~~

48 (c) For all benefits, \$300,000, ~~for all benefits~~ including
 49 cash values, except as provided in paragraph (d) ~~with respect to~~
 50 ~~any one life.~~

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51 (d) Effective January 1, 2020, for basic hospital expense
52 health insurance policies, basic medical-surgical health
53 insurance policies, or major medical expense health insurance
54 policies, but not including long-term care policies, \$500,000.
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56 In no event is ~~shall~~ the association ~~be~~ liable for any penalties
57 or interest.

58 Section 3. This act shall take effect July 1, 2017.