

By Senator Rouson

19-00398-17

2017728\_\_

1                   A bill to be entitled  
2           An act relating to property insurance; amending s.  
3           627.351, F.S.; revising limitations on the aggregate  
4           amount of certain emergency assessments levied by the  
5           board of governors of the Citizens Property Insurance  
6           Corporation; prohibiting the corporation from pledging  
7           more than a specified percent of its commercial lines  
8           account emergency assessment authority to secure the  
9           issuance of bonds or any other security; amending s.  
10          631.57, F.S.; revising a limitation on a certain  
11          obligation of the Florida Insurance Guaranty  
12          Association for policies covering condominium  
13          associations or homeowners' associations; specifying  
14          future revisions of the limitation; requiring the  
15          Office of Insurance Regulation to levy specified  
16          additional emergency assessments against certain  
17          insurers for specified purposes; specifying  
18          requirements for levying such assessments; exempting  
19          an insurer from making a certain initial payment;  
20          providing applicability; amending s. 625.012, F.S.;  
21          conforming a cross-reference; providing an effective  
22          date.

23  
24 Be It Enacted by the Legislature of the State of Florida:

25  
26           Section 1. Paragraph (b) of subsection (6) of section  
27           627.351, Florida Statutes, is amended to read:

28           627.351 Insurance risk apportionment plans.—

29           (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

30           (b)1. All insurers authorized to write one or more subject  
31           lines of business in this state are subject to assessment by the  
32           corporation and, for the purposes of this subsection, are

19-00398-17

2017728\_\_

33 referred to collectively as "assessable insurers." Insurers  
34 writing one or more subject lines of business in this state  
35 pursuant to part VIII of chapter 626 are not assessable  
36 insurers; however, insureds who procure one or more subject  
37 lines of business in this state pursuant to part VIII of chapter  
38 626 are subject to assessment by the corporation and are  
39 referred to collectively as "assessable insureds." An insurer's  
40 assessment liability begins on the first day of the calendar  
41 year following the year in which the insurer was issued a  
42 certificate of authority to transact insurance for subject lines  
43 of business in this state and terminates 1 year after the end of  
44 the first calendar year during which the insurer no longer holds  
45 a certificate of authority to transact insurance for subject  
46 lines of business in this state.

47 2.a. All revenues, assets, liabilities, losses, and  
48 expenses of the corporation shall be divided into three separate  
49 accounts as follows:

50 (I) A personal lines account for personal residential  
51 policies issued by the corporation which provides comprehensive,  
52 multiperil coverage on risks that are not located in areas  
53 eligible for coverage by the Florida Windstorm Underwriting  
54 Association as those areas were defined on January 1, 2002, and  
55 for policies that do not provide coverage for the peril of wind  
56 on risks that are located in such areas;

57 (II) A commercial lines account for commercial residential  
58 and commercial nonresidential policies issued by the corporation  
59 which provides coverage for basic property perils on risks that  
60 are not located in areas eligible for coverage by the Florida  
61 Windstorm Underwriting Association as those areas were defined

19-00398-17

2017728\_\_

62 on January 1, 2002, and for policies that do not provide  
63 coverage for the peril of wind on risks that are located in such  
64 areas; and

65 (III) A coastal account for personal residential policies  
66 and commercial residential and commercial nonresidential  
67 property policies issued by the corporation which provides  
68 coverage for the peril of wind on risks that are located in  
69 areas eligible for coverage by the Florida Windstorm  
70 Underwriting Association as those areas were defined on January  
71 1, 2002. The corporation may offer policies that provide  
72 multiperil coverage and shall offer policies that provide  
73 coverage only for the peril of wind for risks located in areas  
74 eligible for coverage in the coastal account. Effective July 1,  
75 2014, the corporation shall cease offering new commercial  
76 residential policies providing multiperil coverage and shall  
77 instead continue to offer commercial residential wind-only  
78 policies, and may offer commercial residential policies  
79 excluding wind. The corporation may, however, continue to renew  
80 a commercial residential multiperil policy on a building that is  
81 insured by the corporation on June 30, 2014, under a multiperil  
82 policy. In issuing multiperil coverage, the corporation may use  
83 its approved policy forms and rates for the personal lines  
84 account. An applicant or insured who is eligible to purchase a  
85 multiperil policy from the corporation may purchase a multiperil  
86 policy from an authorized insurer without prejudice to the  
87 applicant's or insured's eligibility to prospectively purchase a  
88 policy that provides coverage only for the peril of wind from  
89 the corporation. An applicant or insured who is eligible for a  
90 corporation policy that provides coverage only for the peril of

19-00398-17

2017728\_\_

91 wind may elect to purchase or retain such policy and also  
92 purchase or retain coverage excluding wind from an authorized  
93 insurer without prejudice to the applicant's or insured's  
94 eligibility to prospectively purchase a policy that provides  
95 multiperil coverage from the corporation. It is the goal of the  
96 Legislature that there be an overall average savings of 10  
97 percent or more for a policyholder who currently has a wind-only  
98 policy with the corporation, and an ex-wind policy with a  
99 voluntary insurer or the corporation, and who obtains a  
100 multiperil policy from the corporation. It is the intent of the  
101 Legislature that the offer of multiperil coverage in the coastal  
102 account be made and implemented in a manner that does not  
103 adversely affect the tax-exempt status of the corporation or  
104 creditworthiness of or security for currently outstanding  
105 financing obligations or credit facilities of the coastal  
106 account, the personal lines account, or the commercial lines  
107 account. The coastal account must also include quota share  
108 primary insurance under subparagraph (c)2. The area eligible for  
109 coverage under the coastal account also includes the area within  
110 Port Canaveral, which is bordered on the south by the City of  
111 Cape Canaveral, bordered on the west by the Banana River, and  
112 bordered on the north by Federal Government property.

113 b. The three separate accounts must be maintained as long  
114 as financing obligations entered into by the Florida Windstorm  
115 Underwriting Association or Residential Property and Casualty  
116 Joint Underwriting Association are outstanding, in accordance  
117 with the terms of the corresponding financing documents. If the  
118 financing obligations are no longer outstanding, the corporation  
119 may use a single account for all revenues, assets, liabilities,

19-00398-17

2017728\_\_

120 losses, and expenses of the corporation. Consistent with this  
121 subparagraph and prudent investment policies that minimize the  
122 cost of carrying debt, the board shall exercise its best efforts  
123 to retire existing debt or obtain the approval of necessary  
124 parties to amend the terms of existing debt, so as to structure  
125 the most efficient plan for consolidating the three separate  
126 accounts into a single account.

127 c. Creditors of the Residential Property and Casualty Joint  
128 Underwriting Association and the accounts specified in sub-sub-  
129 subparagraphs a.(I) and (II) may have a claim against, and  
130 recourse to, those accounts and no claim against, or recourse  
131 to, the account referred to in sub-sub-subparagraph a.(III).  
132 Creditors of the Florida Windstorm Underwriting Association have  
133 a claim against, and recourse to, the account referred to in  
134 sub-sub-subparagraph a.(III) and no claim against, or recourse  
135 to, the accounts referred to in sub-sub-subparagraphs a.(I) and  
136 (II).

137 d. Revenues, assets, liabilities, losses, and expenses not  
138 attributable to particular accounts shall be prorated among the  
139 accounts.

140 e. The Legislature finds that the revenues of the  
141 corporation are revenues that are necessary to meet the  
142 requirements set forth in documents authorizing the issuance of  
143 bonds under this subsection.

144 f. The income of the corporation may not inure to the  
145 benefit of any private person.

146 3. With respect to a deficit in an account:

147 a. After accounting for the Citizens policyholder surcharge  
148 imposed under sub-subparagraph i., if the remaining projected

19-00398-17

2017728\_\_

149 deficit incurred in the coastal account in a particular calendar  
150 year:

151 (I) Is not greater than 2 percent of the aggregate  
152 statewide direct written premium for the subject lines of  
153 business for the prior calendar year, the entire deficit shall  
154 be recovered through regular assessments of assessable insurers  
155 under paragraph (q) and assessable insureds.

156 (II) Exceeds 2 percent of the aggregate statewide direct  
157 written premium for the subject lines of business for the prior  
158 calendar year, the corporation shall levy regular assessments on  
159 assessable insurers under paragraph (q) and on assessable  
160 insureds in an amount equal to the greater of 2 percent of the  
161 projected deficit or 2 percent of the aggregate statewide direct  
162 written premium for the subject lines of business for the prior  
163 calendar year. Any remaining projected deficit shall be  
164 recovered through emergency assessments under sub-subparagraph  
165 d.

166 b. Each assessable insurer's share of the amount being  
167 assessed under sub-subparagraph a. must be in the proportion  
168 that the assessable insurer's direct written premium for the  
169 subject lines of business for the year preceding the assessment  
170 bears to the aggregate statewide direct written premium for the  
171 subject lines of business for that year. The assessment  
172 percentage applicable to each assessable insured is the ratio of  
173 the amount being assessed under sub-subparagraph a. to the  
174 aggregate statewide direct written premium for the subject lines  
175 of business for the prior year. Assessments levied by the  
176 corporation on assessable insurers under sub-subparagraph a.  
177 must be paid as required by the corporation's plan of operation

19-00398-17

2017728\_\_

178 and paragraph (q). Assessments levied by the corporation on  
179 assessable insureds under sub-subparagraph a. shall be collected  
180 by the surplus lines agent at the time the surplus lines agent  
181 collects the surplus lines tax required by s. 626.932, and paid  
182 to the Florida Surplus Lines Service Office at the time the  
183 surplus lines agent pays the surplus lines tax to that office.  
184 Upon receipt of regular assessments from surplus lines agents,  
185 the Florida Surplus Lines Service Office shall transfer the  
186 assessments directly to the corporation as determined by the  
187 corporation.

188 c. After accounting for the Citizens policyholder surcharge  
189 imposed under sub-subparagraph i., the remaining projected  
190 deficits in the personal lines account and in the commercial  
191 lines account in a particular calendar year shall be recovered  
192 through emergency assessments under sub-subparagraph d.

193 d. Upon a determination by the board of governors that a  
194 projected deficit in an account exceeds the amount that is  
195 expected to be recovered through regular assessments under sub-  
196 subparagraph a., plus the amount that is expected to be  
197 recovered through surcharges under sub-subparagraph i., the  
198 board, after verification by the office, shall levy emergency  
199 assessments for as many years as necessary to cover the  
200 deficits, to be collected by assessable insurers and the  
201 corporation and collected from assessable insureds upon issuance  
202 or renewal of policies for subject lines of business, excluding  
203 National Flood Insurance policies. The amount collected in a  
204 particular year must be a uniform percentage of that year's  
205 direct written premium for subject lines of business and all  
206 accounts of the corporation, excluding National Flood Insurance

19-00398-17

2017728\_\_

207 Program policy premiums, as annually determined by the board and  
208 verified by the office. The office shall verify the arithmetic  
209 calculations involved in the board's determination within 30  
210 days after receipt of the information on which the determination  
211 was based. The office shall notify assessable insurers and the  
212 Florida Surplus Lines Service Office of the date on which  
213 assessable insurers shall begin to collect and assessable  
214 insureds shall begin to pay such assessment. The date must be at  
215 least 90 days after the date the corporation levies emergency  
216 assessments pursuant to this sub-subparagraph. Notwithstanding  
217 any other provision of law, the corporation and each assessable  
218 insurer that writes subject lines of business shall collect  
219 emergency assessments from its policyholders without such  
220 obligation being affected by any credit, limitation, exemption,  
221 or deferment. Emergency assessments levied by the corporation on  
222 assessable insureds shall be collected by the surplus lines  
223 agent at the time the surplus lines agent collects the surplus  
224 lines tax required by s. 626.932 and paid to the Florida Surplus  
225 Lines Service Office at the time the surplus lines agent pays  
226 the surplus lines tax to that office. The emergency assessments  
227 collected shall be transferred directly to the corporation on a  
228 periodic basis as determined by the corporation and held by the  
229 corporation solely in the applicable account. The aggregate  
230 amount of emergency assessments levied for an account in any  
231 calendar year may be less than but may not exceed the greater of  
232 10 percent of the amount needed to cover the deficit, plus  
233 interest, fees, commissions, required reserves, and other costs  
234 associated with financing the original deficit for the personal  
235 lines or the coastal accounts, or 10 percent of the aggregate



19-00398-17

2017728\_\_

236 statewide direct written premium for subject lines of business  
237 and all accounts of the corporation for the prior year, plus  
238 interest, fees, commissions, required reserves, and other costs  
239 associated with financing the deficit for the personal lines or  
240 the coastal accounts. The aggregate amount of emergency  
241 assessments levied for the commercial account in any calendar  
242 year may be less than but may not exceed the greater of 9  
243 percent of the amount needed to cover the deficit, plus  
244 interest, fees, commissions, required reserves, and other costs  
245 associated with financing the original deficit, or 9 percent of  
246 the aggregate statewide direct written premium for subject lines  
247 of business and all accounts of the corporation for the prior  
248 year, plus interest, fees, commissions, required reserves, and  
249 other costs associated with financing the deficit. The  
250 corporation may not pledge more than 9 percent of the commercial  
251 lines account emergency assessment authority set forth in this  
252 sub-subparagraph to secure the issuance of bonds or any other  
253 security.

254 e. The corporation may pledge the proceeds of assessments,  
255 projected recoveries from the Florida Hurricane Catastrophe  
256 Fund, other insurance and reinsurance recoverables, policyholder  
257 surcharges and other surcharges, and other funds available to  
258 the corporation as the source of revenue for and to secure bonds  
259 issued under paragraph (q), bonds or other indebtedness issued  
260 under subparagraph (c)3., or lines of credit or other financing  
261 mechanisms issued or created under this subsection, or to retire  
262 any other debt incurred as a result of deficits or events giving  
263 rise to deficits, or in any other way that the board determines  
264 will efficiently recover such deficits. The purpose of the lines

19-00398-17

2017728\_\_

265 of credit or other financing mechanisms is to provide additional  
266 resources to assist the corporation in covering claims and  
267 expenses attributable to a catastrophe. As used in this  
268 subsection, the term "assessments" includes regular assessments  
269 under sub-subparagraph a. or subparagraph (q)1. and emergency  
270 assessments under sub-subparagraph d. Emergency assessments  
271 collected under sub-subparagraph d. are not part of an insurer's  
272 rates, are not premium, and are not subject to premium tax,  
273 fees, or commissions; however, failure to pay the emergency  
274 assessment shall be treated as failure to pay premium. The  
275 emergency assessments shall continue as long as any bonds issued  
276 or other indebtedness incurred with respect to a deficit for  
277 which the assessment was imposed remain outstanding, unless  
278 adequate provision has been made for the payment of such bonds  
279 or other indebtedness pursuant to the documents governing such  
280 bonds or indebtedness.

281 f. As used in this subsection for purposes of any deficit  
282 incurred on or after January 25, 2007, the term "subject lines  
283 of business" means insurance written by assessable insurers or  
284 procured by assessable insureds for all property and casualty  
285 lines of business in this state, but not including workers'  
286 compensation or medical malpractice. As used in this sub-  
287 subparagraph, the term "property and casualty lines of business"  
288 includes all lines of business identified on Form 2, Exhibit of  
289 Premiums and Losses, in the annual statement required of  
290 authorized insurers under s. 624.424 and any rule adopted under  
291 this section, except for those lines identified as accident and  
292 health insurance and except for policies written under the  
293 National Flood Insurance Program or the Federal Crop Insurance

19-00398-17

2017728\_\_

294 Program. For purposes of this sub-subparagraph, the term  
295 "workers' compensation" includes both workers' compensation  
296 insurance and excess workers' compensation insurance.

297 g. The Florida Surplus Lines Service Office shall determine  
298 annually the aggregate statewide written premium in subject  
299 lines of business procured by assessable insureds and report  
300 that information to the corporation in a form and at a time the  
301 corporation specifies to ensure that the corporation can meet  
302 the requirements of this subsection and the corporation's  
303 financing obligations.

304 h. The Florida Surplus Lines Service Office shall verify  
305 the proper application by surplus lines agents of assessment  
306 percentages for regular assessments and emergency assessments  
307 levied under this subparagraph on assessable insureds and assist  
308 the corporation in ensuring the accurate, timely collection and  
309 payment of assessments by surplus lines agents as required by  
310 the corporation.

311 i. Upon determination by the board of governors that an  
312 account has a projected deficit, the board shall levy a Citizens  
313 policyholder surcharge against all policyholders of the  
314 corporation.

315 (I) The surcharge shall be levied as a uniform percentage  
316 of the premium for the policy of up to 15 percent of such  
317 premium, which funds shall be used to offset the deficit.

318 (II) The surcharge is payable upon cancellation or  
319 termination of the policy, upon renewal of the policy, or upon  
320 issuance of a new policy by the corporation within the first 12  
321 months after the date of the levy or the period of time  
322 necessary to fully collect the surcharge amount.

19-00398-17

2017728\_\_

323 (III) The corporation may not levy any regular assessments  
324 under paragraph (q) pursuant to sub-subparagraph a. or sub-  
325 subparagraph b. with respect to a particular year's deficit  
326 until the corporation has first levied the full amount of the  
327 surcharge authorized by this sub-subparagraph.

328 (IV) The surcharge is not considered premium and is not  
329 subject to commissions, fees, or premium taxes. However, failure  
330 to pay the surcharge shall be treated as failure to pay premium.

331 j. If the amount of any assessments or surcharges collected  
332 from corporation policyholders, assessable insurers or their  
333 policyholders, or assessable insureds exceeds the amount of the  
334 deficits, such excess amounts shall be remitted to and retained  
335 by the corporation in a reserve to be used by the corporation,  
336 as determined by the board of governors and approved by the  
337 office, to pay claims or reduce any past, present, or future  
338 plan-year deficits or to reduce outstanding debt.

339 Section 2. Paragraph (a) of subsection (1) and paragraph  
340 (e) of subsection (3) of section 631.57, Florida Statutes, are  
341 amended to read:

342 631.57 Powers and duties of the association.—

343 (1) The association shall:

344 (a)1. Be obligated to the extent of the covered claims  
345 existing:

346 a. Prior to adjudication of insolvency and arising within  
347 30 days after the determination of insolvency;

348 b. Before the policy expiration date if less than 30 days  
349 after the determination; or

350 c. Before the insured replaces the policy or causes its  
351 cancellation, if she or he does so within 30 days of the

19-00398-17

2017728\_\_

352 determination.

353 2. The obligation under subparagraph 1. includes only the  
 354 amount of each covered claim which is in excess of \$100 and is  
 355 less than \$300,000, except that policies providing coverage for  
 356 homeowner's insurance shall provide for an additional \$200,000  
 357 for the portion of a covered claim which relates only to the  
 358 damage to the structure and contents.

359 3.a. Notwithstanding subparagraph 2., the obligation under  
 360 subparagraph 1. for policies covering condominium associations  
 361 or homeowners' associations, which associations have a  
 362 responsibility to provide insurance coverage on residential  
 363 units within the association, shall include that amount of each  
 364 covered property insurance claim which is less than ~~\$100,000~~  
 365 ~~multiplied by~~ the number of condominium units or other  
 366 residential units multiplied by:

367 (I) Before July 1, 2017, \$100,000.

368 (II) Beginning July 1, 2017, and ending June 30, 2018,  
 369 \$150,000.

370 (III) Beginning July 1, 2018, and ending June 30, 2019,  
 371 \$200,000.

372 (IV) Beginning July 1, 2019, and ending June 30, 2020,  
 373 \$250,000.

374 (V) Beginning July 1, 2020, \$300,000.~~†~~

375  
 376 However, as to homeowners' associations, this sub-subparagraph  
 377 applies only to claims for damage or loss to residential units  
 378 and structures attached to residential units.

379 b. Notwithstanding sub-subparagraph a., the association has  
 380 no obligation to pay covered claims that are to be paid from the

19-00398-17

2017728\_\_

381 proceeds of bonds issued under s. 631.695. However, the  
382 association shall assign and pledge the first available moneys  
383 from all or part of the assessments to be made under paragraph  
384 (3) (a) to or on behalf of the issuer of such bonds for the  
385 benefit of the holders of such bonds. The association shall  
386 administer any such covered claims and present valid covered  
387 claims for payment in accordance with the provisions of the  
388 assistance program in connection with which such bonds have been  
389 issued.

390 4. In no event shall the association be obligated to a  
391 policyholder or claimant in an amount in excess of the  
392 obligation of the insolvent insurer under the policy from which  
393 the claim arises.

394 (3)

395 (e)1. In addition to assessments authorized in paragraph  
396 (a), and to the extent necessary to secure the funds for the  
397 account specified in s. 631.55(2) (b) for the direct payment of  
398 covered claims of insurers rendered insolvent by the effects of  
399 a hurricane and to pay the reasonable costs to administer such  
400 claims, or to retire indebtedness, including, without  
401 limitation, the principal, redemption premium, if any, and  
402 interest on, and related costs of issuance of, bonds issued  
403 under s. 631.695 and the funding of any reserves and other  
404 payments required under the bond resolution or trust indenture  
405 pursuant to which such bonds have been issued, the office, upon  
406 certification of the board of directors, shall levy emergency  
407 assessments upon insurers holding a certificate of authority.  
408 The emergency assessments levied against any insurer may not  
409 exceed in any one calendar year more than 2 percent of that

19-00398-17

2017728\_\_

410 insurer's net written premiums in this state for the kinds of  
411 insurance within the account specified in s. 631.55(2)(b).

412 2.a. In addition to the emergency assessment authorized in  
413 subparagraph 1., to retire indebtedness, including, without  
414 limitation, the principal, redemption premium, if any, and  
415 interest on, and related costs of issuance of bonds issued under  
416 s. 631.695 and the funding of any reserves and other payments  
417 required under the bond resolution or trust indenture pursuant  
418 to which such bonds have been issued, the office, upon  
419 certification of the board of directors, shall levy additional  
420 emergency assessments against insurers subject to assessment  
421 under this part in an amount not to exceed a dollar amount equal  
422 to or less than 1 percent of the aggregate statewide direct  
423 written premium for subject lines of business eligible for  
424 assessment under the Citizens Property Insurance Corporation's  
425 commercial lines account assessment authority set forth in s.  
426 627.351(6)(b)3.d.

427 b. Assessments levied under this subparagraph must be  
428 levied only against the lines of business subject to assessment  
429 under this part and must be levied only utilizing the monthly  
430 installment method set forth in subparagraph (f)2. An insurer is  
431 not required to make an initial payment as set forth in sub-  
432 subparagraph (f)1.b. and c.

433 c. This subparagraph applies to emergency assessments  
434 levied on or after July 1, 2022, or 30 days after all Citizens  
435 Property Insurance Corporation Personal Lines Account/Commercial  
436 Lines Account Senior Secured Bonds Series 2012A-1, 2012 Series  
437 A-2, and 2012 Series A-3 are defeased, whichever occurs earlier.

438 3.2. Emergency assessments authorized under this paragraph

19-00398-17

2017728\_\_

439 shall be levied by the office upon insurers in accordance with  
440 paragraph (f), upon certification as to the need for such  
441 assessments by the board of directors. If the board participates  
442 in the issuance of bonds in accordance with s. 631.695,  
443 emergency assessments shall be levied in each year that bonds  
444 issued under s. 631.695 and secured by such emergency  
445 assessments are outstanding in amounts up to such 2-percent  
446 limit as required in order to provide for the full and timely  
447 payment of the principal of, redemption premium, if any, and  
448 interest on, and related costs of issuance of, such bonds. The  
449 emergency assessments are assigned and pledged to the  
450 municipality, county, or legal entity issuing bonds under s.  
451 631.695 for the benefit of the holders of such bonds in order to  
452 provide for the payment of the principal of, redemption premium,  
453 if any, and interest on such bonds, the cost of issuance of such  
454 bonds, and the funding of any reserves and other payments  
455 required under the bond resolution or trust indenture pursuant  
456 to which such bonds have been issued, without further action by  
457 the association, the office, or any other party. If bonds are  
458 issued under s. 631.695 and the association determines to secure  
459 such bonds by a pledge of revenues received from the emergency  
460 assessments, such bonds, upon such pledge of revenues, shall be  
461 secured by and payable from the proceeds of such emergency  
462 assessments, and the proceeds of emergency assessments levied  
463 under this paragraph shall be remitted directly to and  
464 administered by the trustee or custodian appointed for such  
465 bonds.

466 4.3. Emergency assessments used to defease bonds issued  
467 under this part may be payable in a single payment or, at the



19-00398-17

2017728\_\_

468 option of the association, may be payable in 12 monthly  
469 installments with the first installment being due and payable at  
470 the end of the month after an emergency assessment is levied and  
471 subsequent installments being due by the end of each succeeding  
472 month.

473 ~~5.4.~~ If emergency assessments are imposed, the report  
474 required by s. 631.695(7) must include an analysis of the  
475 revenues generated from the emergency assessments imposed under  
476 this paragraph.

477 ~~6.5.~~ If emergency assessments are imposed, the references  
478 in sub-subparagraph (1)(a)3.b. and s. 631.695(2) and (7) to  
479 assessments levied under paragraph (a) must include emergency  
480 assessments imposed under this paragraph.

481 ~~7.6.~~ If the board of directors participates in the issuance  
482 of bonds in accordance with s. 631.695, an annual assessment  
483 under this paragraph shall continue while the bonds issued with  
484 respect to which the assessment was imposed are outstanding,  
485 including any bonds the proceeds of which were used to refund  
486 bonds issued pursuant to s. 631.695, unless adequate provision  
487 has been made for the payment of the bonds in the documents  
488 authorizing the issuance of such bonds.

489 Section 3. Paragraph (b) of subsection (15) of section  
490 625.012, Florida Statutes, is amended to read:

491 625.012 "Assets" defined.—In any determination of the  
492 financial condition of an insurer, there shall be allowed as  
493 "assets" only such assets as are owned by the insurer and which  
494 consist of:

495 (15)

496 (b) Assessments levied as monthly installments pursuant to

19-00398-17

2017728\_\_

497 s. 631.57(3)(e)4. which ~~s. 631.57(3)(e)3. that~~ are paid after  
498 policy surcharges are collected so that the recognition of  
499 assets is based on actual premium written offset by the  
500 obligation to the Florida Insurance Guaranty Association.

501 Section 4. This act shall take effect upon becoming a law.