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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2022	.	
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Appropriations Subcommittee on Agriculture, Environment, and General Government (Burgess) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 110 - 195  
and insert:  
expected to be recouped. If an insurer elects not to recoup, the amount recorded as an asset must be reduced to zero.

2. Unless an insurer elects not to recoup, assessments levied under subparagraph (f)2. are paid after policy surcharges are collected so that the recognition of assets is based on actual premium written offset by the obligation to the



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11 association. If an insurer elects not to recoup, no asset shall  
12 be recorded.

13 (f)1. The association, office, and insurers remitting  
14 assessments pursuant to paragraph (a) or paragraph (e) must  
15 comply with the following:

16 a. In the order levying an assessment, the office shall  
17 specify the actual percentage amount to be advanced to the  
18 association and thereafter collected uniformly from all the  
19 policyholders of insurers subject to the assessment and the date  
20 on which the assessment year begins, which may not begin before  
21 90 days after the association board certifies such an  
22 assessment.

23 b. Insurers shall make an initial payment to the  
24 association before the beginning of the assessment year on or  
25 before the date specified in the order of the office. Each  
26 insurer shall have at least 30 days' written notice as to the  
27 date on which the initial assessment payment is due and payable.  
28 The association may request that the order issued by the office  
29 authorize insurers to remit the advance payments in four  
30 quarterly installments throughout the assessment year.

31 c. Insurers that have written insurance in the calendar  
32 year before the year in which the assessment is certified by the  
33 board shall make payments ~~an initial payment~~ based on the direct  
34 written premium in this state for the classes protected by the  
35 account from the previous calendar year as set forth in the  
36 insurer's annual statement, multiplied by the uniform percentage  
37 of premium specified in the order issued by the office. Insurers  
38 that have not written insurance in the previous calendar year in  
39 any of the lines under the account which are being assessed, but



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40 which are writing insurance as of, or after, the date the board  
41 certifies the assessment to the office, shall pay an amount  
42 based on a good faith estimate of the amount of direct written  
43 premium anticipated to be written in the subject lines of  
44 business for the assessment year, multiplied by the uniform  
45 percentage of premium specified in the order issued by the  
46 office.

47 d. Insurers shall file one or more ~~a~~ reconciliation reports  
48 ~~report~~ with the association which indicate ~~indicates~~ the amount  
49 of ~~the initial~~ payment to the association ~~before the assessment~~  
50 ~~year~~, whether such amount was based on direct written premium  
51 contained in a previous calendar year annual statement or a good  
52 faith projection, the amount actually collected during the  
53 assessment year, and such other information contained on a form  
54 and schedule adopted by the association and provided to the  
55 insurers in advance. If the insurer collected from policyholders  
56 more surcharges than the amount initially paid, the insurer  
57 shall pay the excess amount to the association. If the insurer  
58 collected surcharges from policyholders in an amount that ~~which~~  
59 is less than the amount initially paid to the association, the  
60 association shall credit the insurer that amount against future  
61 assessments. Such payment reconciliation report, and any payment  
62 of excess amounts collected from policyholders, shall be  
63 completed and remitted to the association within 90 days after  
64 the end of the assessment year. The association shall send a  
65 final reconciliation report on all insurers to the office within  
66 120 days after each assessment year.

67 e. Insurers remitting reconciliation reports under this  
68 paragraph to the association are subject to s. 626.9541(1)(e).



69           2. For assessments required under paragraph (a) or  
70 paragraph (e), the association may use a quarterly installment  
71 method instead of the method described in sub-subparagraphs 1.b.  
72 and c. or in combination thereof based on the association's  
73 projected cash flow. If the association projects that it has  
74 cash on hand for the payment of anticipated claims in the  
75 applicable account for at least 6 months, the board may make an  
76 estimate of the assessment needed and may recommend to the  
77 office the assessment percentage that may be collected as a  
78 quarterly assessment. The office may, in the order levying the  
79 assessment on insurers, specify that the assessment is due and  
80 payable quarterly as the funds are collected from insureds  
81 throughout the assessment year, in which case the assessment  
82 shall be a uniform percentage of premium collected during the  
83 assessment year and shall be collected from all policyholders  
84 with policies in the classes protected by the account. All  
85 insurers shall collect the assessment without regard to whether  
86 the insurers reported premium in the year preceding the  
87 assessment. Insurers are not required to advance funds if the  
88 association and the office elect to use the quarterly  
89 installment option. All funds collected shall be retained by the  
90 association for the payment of current or future claims. This  
91 subparagraph does not alter the obligation of an insurer to  
92 remit assessments levied pursuant to this subsection to the  
93 association. Notwithstanding this subparagraph, an insurer may  
94 elect not to collect from policyholders, in which case such  
95 insurer must make quarterly payments to the association equal to  
96 the amount of premium written in the previous quarter for  
97 policies in the classes protected by the account multiplied by



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98 the uniform percentage of premium set forth in the order levying  
99 the assessment. Insurers shall file one or more reconciliation

100

101 ===== T I T L E A M E N D M E N T =====

102 And the title is amended as follows:

103 Delete lines 16 - 25

104 and insert:

105 recoup advances; specifying requirements for insurers  
106 electing not to recoup; revising a requirement for  
107 information regarding assessment percentages which  
108 must be specified by the Office of Insurance  
109 Regulation in orders levying assessments; authorizing  
110 the association to request that orders levying  
111 assessments issued by the office authorize a certain  
112 installment frequency for the remittance of advance  
113 payments by insurers; revising the requirement that  
114 certain insurers make payments, rather than initial  
115 payments, on a certain basis; requiring insurers to  
116 make quarterly payments to association under certain  
117 circumstances; revising insurer