

1                                   A bill to be entitled  
 2           An act relating to emergency assessments for property  
 3           insurance; amending s. 627.351, F.S.; revising  
 4           limitations on the aggregate amount of certain  
 5           emergency assessments levied by the board of governors  
 6           of the Citizens Property Insurance Corporation;  
 7           prohibiting the corporation from pledging more than a  
 8           specified percent of its commercial lines account  
 9           emergency assessment authority to secure the issuance  
 10          of bonds or any other security; amending s. 631.57,  
 11          F.S.; revising a limitation on a certain obligation of  
 12          the Florida Insurance Guaranty Association for  
 13          policies covering condominium associations or  
 14          homeowners' associations; specifying future revisions  
 15          of the limitation; requiring the Office of Insurance  
 16          Regulation to levy specified additional emergency  
 17          assessments against certain insurers for specified  
 18          purposes; specifying requirements for levying such  
 19          assessments; exempting an insurer from making a  
 20          certain initial payment; providing applicability;  
 21          amending s. 625.012, F.S.; conforming a cross-  
 22          reference; providing an effective 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  
 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  
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  
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,  
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  
 128 | Joint Underwriting Association and the accounts specified in  
 129 | sub-sub-subparagraphs a.(I) and (II) may have a claim against,  
 130 | and recourse to, those accounts and no claim against, or  
 131 | recourse to, the account referred to in sub-sub-subparagraph  
 132 | a.(III). Creditors of the Florida Windstorm Underwriting  
 133 | Association have a claim against, and recourse to, the account  
 134 | referred to in sub-sub-subparagraph a.(III) and no claim  
 135 | against, or recourse to, the accounts referred to in sub-sub-  
 136 | subparagraphs a.(I) and (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  
 148 | surcharge imposed under sub-subparagraph i., if the remaining  
 149 | projected deficit incurred in the coastal account in a  
 150 | particular calendar 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  
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  
189 surcharge imposed under sub-subparagraph i., the remaining  
190 projected deficits in the personal lines account and in the  
191 commercial lines account in a particular calendar year shall be  
192 recovered through emergency assessments under sub-subparagraph  
193 d.

194 d. Upon a determination by the board of governors that a  
195 projected deficit in an account exceeds the amount that is  
196 expected to be recovered through regular assessments under sub-  
197 subparagraph a., plus the amount that is expected to be  
198 recovered through surcharges under sub-subparagraph i., the  
199 board, after verification by the office, shall levy emergency  
200 assessments for as many years as necessary to cover the



201 deficits, to be collected by assessable insurers and the  
202 corporation and collected from assessable insureds upon issuance  
203 or renewal of policies for subject lines of business, excluding  
204 National Flood Insurance policies. The amount collected in a  
205 particular year must be a uniform percentage of that year's  
206 direct written premium for subject lines of business and all  
207 accounts of the corporation, excluding National Flood Insurance  
208 Program policy premiums, as annually determined by the board and  
209 verified by the office. The office shall verify the arithmetic  
210 calculations involved in the board's determination within 30  
211 days after receipt of the information on which the determination  
212 was based. The office shall notify assessable insurers and the  
213 Florida Surplus Lines Service Office of the date on which  
214 assessable insurers shall begin to collect and assessable  
215 insureds shall begin to pay such assessment. The date must be at  
216 least 90 days after the date the corporation levies emergency  
217 assessments pursuant to this sub-subparagraph. Notwithstanding  
218 any other provision of law, the corporation and each assessable  
219 insurer that writes subject lines of business shall collect  
220 emergency assessments from its policyholders without such  
221 obligation being affected by any credit, limitation, exemption,  
222 or deferment. Emergency assessments levied by the corporation on  
223 assessable insureds shall be collected by the surplus lines  
224 agent at the time the surplus lines agent collects the surplus  
225 lines tax required by s. 626.932 and paid to the Florida Surplus

226 Lines Service Office at the time the surplus lines agent pays  
227 the surplus lines tax to that office. The emergency assessments  
228 collected shall be transferred directly to the corporation on a  
229 periodic basis as determined by the corporation and held by the  
230 corporation solely in the applicable account. The aggregate  
231 amount of emergency assessments levied for an account in any  
232 calendar year may be less than but may not exceed the greater of  
233 10 percent of the amount needed to cover the deficit, plus  
234 interest, fees, commissions, required reserves, and other costs  
235 associated with financing the original deficit for the personal  
236 lines or the coastal accounts, or 10 percent of the aggregate  
237 statewide direct written premium for subject lines of business  
238 and all accounts of the corporation for the prior year, plus  
239 interest, fees, commissions, required reserves, and other costs  
240 associated with financing the deficit for the personal lines or  
241 the coastal accounts. The aggregate amount of emergency  
242 assessments levied for the commercial account in any calendar  
243 year may be less than but may not exceed the greater of 9  
244 percent of the amount needed to cover the deficit, plus  
245 interest, fees, commissions, required reserves, and other costs  
246 associated with financing the original deficit, or 9 percent of  
247 the aggregate statewide direct written premium for subject lines  
248 of business and all accounts of the corporation for the prior  
249 year, plus interest, fees, commissions, required reserves, and  
250 other costs associated with financing the deficit. The

251 corporation may not pledge more than 9 percent of the commercial  
252 lines account emergency assessment authority set forth in this  
253 sub-subparagraph to secure the issuance of bonds or any other  
254 security.

255 e. The corporation may pledge the proceeds of assessments,  
256 projected recoveries from the Florida Hurricane Catastrophe  
257 Fund, other insurance and reinsurance recoverables, policyholder  
258 surcharges and other surcharges, and other funds available to  
259 the corporation as the source of revenue for and to secure bonds  
260 issued under paragraph (q), bonds or other indebtedness issued  
261 under subparagraph (c)3., or lines of credit or other financing  
262 mechanisms issued or created under this subsection, or to retire  
263 any other debt incurred as a result of deficits or events giving  
264 rise to deficits, or in any other way that the board determines  
265 will efficiently recover such deficits. The purpose of the lines  
266 of credit or other financing mechanisms is to provide additional  
267 resources to assist the corporation in covering claims and  
268 expenses attributable to a catastrophe. As used in this  
269 subsection, the term "assessments" includes regular assessments  
270 under sub-subparagraph a. or subparagraph (q)1. and emergency  
271 assessments under sub-subparagraph d. Emergency assessments  
272 collected under sub-subparagraph d. are not part of an insurer's  
273 rates, are not premium, and are not subject to premium tax,  
274 fees, or commissions; however, failure to pay the emergency  
275 assessment shall be treated as failure to pay premium. The

276 emergency assessments shall continue as long as any bonds issued  
277 or other indebtedness incurred with respect to a deficit for  
278 which the assessment was imposed remain outstanding, unless  
279 adequate provision has been made for the payment of such bonds  
280 or other indebtedness pursuant to the documents governing such  
281 bonds or indebtedness.

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

298 g. The Florida Surplus Lines Service Office shall  
299 determine annually the aggregate statewide written premium in  
300 subject lines of business procured by assessable insureds and

301 report that information to the corporation in a form and at a  
302 time the corporation specifies to ensure that the corporation  
303 can meet the requirements of this subsection and the  
304 corporation's financing obligations.

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

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

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

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

324 (III) The corporation may not levy any regular assessments  
325 under paragraph (q) pursuant to sub-subparagraph a. or sub-

326 subparagraph b. with respect to a particular year's deficit  
 327 until the corporation has first levied the full amount of the  
 328 surcharge authorized by this sub-subparagraph.

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

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

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

344 631.57 Powers and duties of the association.—

345 (1) The association shall:

346 (a)1. Be obligated to the extent of the covered claims  
 347 existing:

348 a. Prior to adjudication of insolvency and arising within  
 349 30 days after the determination of insolvency;

350 b. Before the policy expiration date if less than 30 days

351 after the determination; or

352 c. Before the insured replaces the policy or causes its  
353 cancellation, if she or he does so within 30 days of the  
354 determination.

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

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

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

370 (II) Beginning July 1, 2017, and ending June 30, 2018,  
371 \$150,000.

372 (III) Beginning July 1, 2018, and ending June 30, 2019,  
373 \$200,000.

374 (IV) Beginning July 1, 2019, and ending June 30, 2020,  
375 \$250,000.

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

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

381 b. Notwithstanding sub-subparagraph a., the association  
382 has no obligation to pay covered claims that are to be paid from  
383 the proceeds of bonds issued under s. 631.695. However, the  
384 association shall assign and pledge the first available moneys  
385 from all or part of the assessments to be made under paragraph  
386 (3) (a) to or on behalf of the issuer of such bonds for the  
387 benefit of the holders of such bonds. The association shall  
388 administer any such covered claims and present valid covered  
389 claims for payment in accordance with the provisions of the  
390 assistance program in connection with which such bonds have been  
391 issued.

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

396 (3)

397 (e)1. In addition to assessments authorized in paragraph  
398 (a), and to the extent necessary to secure the funds for the  
399 account specified in s. 631.55(2) (b) for the direct payment of  
400 covered claims of insurers rendered insolvent by the effects of



401 a hurricane and to pay the reasonable costs to administer such  
402 claims, or to retire indebtedness, including, without  
403 limitation, the principal, redemption premium, if any, and  
404 interest on, and related costs of issuance of, bonds issued  
405 under s. 631.695 and the funding of any reserves and other  
406 payments required under the bond resolution or trust indenture  
407 pursuant to which such bonds have been issued, the office, upon  
408 certification of the board of directors, shall levy emergency  
409 assessments upon insurers holding a certificate of authority.  
410 The emergency assessments levied against any insurer may not  
411 exceed in any one calendar year more than 2 percent of that  
412 insurer's net written premiums in this state for the kinds of  
413 insurance within the account specified in s. 631.55(2)(b).

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

426 assessment under the Citizens Property Insurance Corporation's  
427 commercial lines account assessment authority set forth in s.  
428 627.351(6)(b)3.d.

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

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

440 3.2- Emergency assessments authorized under this paragraph  
441 shall be levied by the office upon insurers in accordance with  
442 paragraph (f), upon certification as to the need for such  
443 assessments by the board of directors. If the board participates  
444 in the issuance of bonds in accordance with s. 631.695,  
445 emergency assessments shall be levied in each year that bonds  
446 issued under s. 631.695 and secured by such emergency  
447 assessments are outstanding in amounts up to such 2-percent  
448 limit as required in order to provide for the full and timely  
449 payment of the principal of, redemption premium, if any, and  
450 interest on, and related costs of issuance of, such bonds. The

451 emergency assessments are assigned and pledged to the  
452 municipality, county, or legal entity issuing bonds under s.  
453 631.695 for the benefit of the holders of such bonds in order to  
454 provide for the payment of the principal of, redemption premium,  
455 if any, and interest on such bonds, the cost of issuance of such  
456 bonds, and the funding of any reserves and other payments  
457 required under the bond resolution or trust indenture pursuant  
458 to which such bonds have been issued, without further action by  
459 the association, the office, or any other party. If bonds are  
460 issued under s. 631.695 and the association determines to secure  
461 such bonds by a pledge of revenues received from the emergency  
462 assessments, such bonds, upon such pledge of revenues, shall be  
463 secured by and payable from the proceeds of such emergency  
464 assessments, and the proceeds of emergency assessments levied  
465 under this paragraph shall be remitted directly to and  
466 administered by the trustee or custodian appointed for such  
467 bonds.

468 ~~4.3.~~ Emergency assessments used to defease bonds issued  
469 under this part may be payable in a single payment or, at the  
470 option of the association, may be payable in 12 monthly  
471 installments with the first installment being due and payable at  
472 the end of the month after an emergency assessment is levied and  
473 subsequent installments being due by the end of each succeeding  
474 month.

475 ~~5.4.~~ If emergency assessments are imposed, the report

476 required by s. 631.695(7) must include an analysis of the  
 477 revenues generated from the emergency assessments imposed under  
 478 this paragraph.

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

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

491 Section 3. Paragraph (b) of subsection (15) of section  
 492 625.012, Florida Statutes, is amended to read:

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

497 (15)

498 (b) Assessments levied as monthly installments pursuant to  
 499 s. 631.57(3)(e)4. which ~~s. 631.57(3)(e)3.~~ that are paid after  
 500 policy surcharges are collected so that the recognition of

HB 639

2017

501 | assets is based on actual premium written offset by the  
502 | obligation to the Florida Insurance Guaranty Association.

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

504 |