

## CHAPTER 2015-167

### Committee Substitute for House Bill No. 189

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

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

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

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

(15)(a) Assessments levied pursuant to s. 631.57(3)(a) and (e) that are paid before policy surcharges are collected and result in a receivable for policy surcharges to be collected in the future. This amount, to the extent it is likely that it will be realized, meets the definition of an admissible asset as specified in the National Association of Insurance Commissioners’ Statement of Statutory Accounting Principles No. 4. The asset shall be established and recorded separately from the liability regardless of whether it is based on a retrospective or prospective premium-based assessment. If an insurer is unable to fully recoup the amount of the assessment because of a reduction in writings or withdrawal from the market, the amount recorded as an asset shall be reduced to the amount reasonably expected to be recouped.

(b) Assessments levied as monthly installments pursuant to s. 631.57(3)(e)1.c. that 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 Florida Insurance Guaranty Association.

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

631.717 Powers and duties of the association.—

(11) The association ~~is~~ shall not be liable for any civil action under s. 624.155 arising from any acts alleged to have been committed by a member insurer ~~before~~ prior to its liquidation. ~~This subsection does not affect the association’s obligation to pay valid insurance policy or contract claims if warranted after its independent de novo review of the policies, contracts, and~~

claims presented to it, whether domestic or foreign, after a Florida domestic rehabilitation or a liquidation.

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

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

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

Approved by the Governor June 16, 2015.

Filed in Office Secretary of State June 16, 2015.