

1986

Session Law 86-086

Florida Senate & House of Representatives

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LEGISLATIVE SUPPLEMENT "B" - SESSION LAW ABSTRACT

Year 86	Session Law No. 86-86	LOF Cite	#pp
Prime Bill# H 671	Sponsor HCI, F. G.	Comp./Sim. Bills SE 734	
JLMC Hist. Leg. Cites	Senate pp.#s 128 (SE 734)	House pp.#s 293 (HB 671)	#pp 2
Committee of Ref.	Senate Commerce (SE 734)	Previous versions?	
	House Health Care & Insurance (HB 671)		

Committee Records

H/S	Committee	Year	Record Series: Folder Title, etc.	Location Cite	#pp
H	Health Care	86	HB 671 (BF) - Staff Analysis File	19/1562	
			MF Full mt. 5/7/86	19/1560	
			" Submt. Health & Life Ins. 2/23/86	19/1501	
S	Commerce	86	SE 734 (CF)	18/1578	
			MF 5/5/86	18/1576	

Senate/House Journals

Page	?	Date	#pp	Page	?	Date	#pp
HJ 539	✓	5/27/86	2				
HJ 559		5/28/86					

Tape Recordings

H/S	Floor	Committee/subcommittee	Date	# Tapes	Location Cite
H		HCI, subcom - Health & Life Insurance	9/22/86		
H		HCI, Full mt	5/7/86		
S		Commerce (SE 734)	5/5/86		

Other Documentation

Record series title, folder title, etc.	Location Cite	#pp

By Representative Figg

By Committee on Health Care & Insurance and Representative Figg

1 A bill to be entitled
 2 An act relating to insurance; amending s.
 3 624.610, F.S., eliminating a prohibition
 4 against an insurer ceding or retroceding credit
 5 life insurance, credit disability insurance, or
 6 both to described insurers, providing an
 7 effective date.
 8
 9 Be It Enacted by the Legislature of the State of Florida:
 10
 11 Section 1. Subsection (1) of section 624.610, Florida
 12 Statutes, is amended to read:
 13 624.610 Reinsurance.--
 14 (1) An insurer may assume reinsurance only of such
 15 risks, and retain risk thereon within such limits, as it is
 16 otherwise authorized to insure or reinsure. ~~No insurer shall~~
 17 ~~cede or retrocede credit life insurance, credit disability~~
 18 ~~insurance, or both credit life and credit disability insurance~~
 19 ~~covering a risk located or written in this state to any~~
 20 ~~insurer not authorized to transact insurance in this state or~~
 21 ~~approved by the department for such line of insurance.~~
 22 Section 2. This act shall take effect October 1, 1986

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 18 ~~insurance, or both credit life and credit disability insurance~~
 19 ~~covering a risk located or written in this state to any~~
 20 ~~insurer not authorized to transact insurance in this state or~~
 21 ~~approved by the department for such line of insurance.~~
 22 Section 2. This act shall take effect upon becoming a
 23 law.

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HOUSE SUMMARY

Deletes the prohibition against an insurer ceding or retroceding credit life insurance, credit disability insurance, or both covering a risk located or written in this state to any insurer not authorized to transact insurance in this state or approved by the Department of Insurance for such line of insurance.

(6) All funds derived from the sale of temporary tags under the provisions of s 320 131 shall be deposited in the Motor Vehicle License Plate Replacement Trust Fund

Section 2 This act shall take effect October 1, 1986 (AND RENUMBER SUBSEQUENT SECTIONS)

Rep Watt moved the adoption of the amendment, which was adopted without objection

The Committee on Appropriations offered the following title amendment

Amendment 2—On page 1, line 2, after the semicolon insert amending s 320 0607, F S, changing procedures applicable to the replacement of license plates, validation stickers and mobile home stickers, providing for distribution of fees,

Rep Watt moved the adoption of the amendment, which was adopted without objection

Representative McEwan offered the following amendment

Amendment 3—On page 2, lines 26 & 27, strike "color and design" and insert the following colors orange, white and blue and the design shall be

Rep McEwan moved the adoption of the amendment

Representatives Silver, Watt, and Abrams offered the following substitute amendment

Substitute Amendment 3—On page 2, lines 26 and 27, strike "color and design" and insert the following colors orange, green and white and the design shall be

Rep Silver moved the adoption of the substitute amendment, which failed of adoption

The question recurred on the adoption of Amendment 3 which failed of adoption

Representatives Crotty, Gardner, Selph, Sansom, Evans-Jones, Bronson, Grindle, Arnold, Carlton, L R Hawkins, Hodges, R C Johnson, Lippman, McEwan, Meffert, Reddick, and Shackelford offered the following amendment

Amendment 4—On page 1, line 13, insert Section 1 Section 320 0808, Florida Statutes, is created to read

320 0808 Challenger license plates —

(1) The department shall develop a Challenger license plate to commemorate the seven astronauts who died when the space shuttle Challenger exploded on lift-off in 1986 The Challenger license plate shall be issued upon request to the owner of any vehicle who makes application and pays the applicable license tax and fees

(2) Each request shall be submitted annually to the department on an application form supplied by the department, accompanied by the following tax and fees

(a) The license tax required for the vehicle as set forth in s 320 08

(b) A Challenger license plate use fee of \$15

(c) A processing fee of \$2

(d) A replacement fee as required by s 320 06(1)(b)

Applications may be made any time during an applicant's registration period If application is made for a Challenger plate to replace an existing current valid license plate, the specialty plate shall be issued with appropriate decals attached at no tax for the plate, but all fees and service charges must be paid No refund shall be made to the applicant for any unused portion remaining on the original plate When application is made for a specialty plate at the beginning of the applicant's registration period, the tax, together with all applicable fees and service charges, shall be paid

(3) The Challenger license plate annual use fee shall be distributed to The Astronauts Memorial Foundation, Inc, for the purpose of designing, constructing, and the perpetual care of a memorial to the astronauts who have lost their lives while flying, training, or awaiting assignment to fly for the space agency The site for the memorial is the Kennedy

Space Center located in Cape Canaveral, Florida All such funds may be used only for this purpose

(4) If a vehicle owner who has been issued a Challenger license plate acquires a replacement vehicle within a registration period, the department shall authorize a transfer of the license plate to the replacement vehicle in accordance with the provisions of s 320 0609 There will be no refund of the annual use fee or processing fee

(5) Challenger license plates shall be the color and design approved by the department In addition, the plate may be imprinted with numerals from 1 to 999, inclusive, capital letters "A" through "Z" or a combination thereof The maximum number of characters, including both numerals and letters, shall be determined by the department Challenger license plates shall be of the same material and size as standard license plates issued by the state for any registration period The word "Florida" shall appear at the top of the plate and the word "Challenger" shall appear at the bottom of the plate, both words in small letters The birth month decal shall be placed on the lower left corner of the plate with the year of expiration decal on the lower right corner The Challenger license plate shall be manufactured and available for distribution to the public for a period of 5 years beginning on January 1, 1987, and ending on September 30, 1991 Thereafter, the Challenger plate shall not be manufactured, however, the inventory remaining on September 30, 1991, shall be available upon request

(6) The request for a Challenger license plate may be combined with a request that such plate be a personalized prestige license plate Such a request shall be upon a form supplied by the department and shall be subject to the additional fees required by s. 320 0805(2)(b) and (c), as well as the other requirements of s 320 0805 (and renumber the subsequent sections)

Rep Crotty moved the adoption of the amendment, which was adopted without objection

Representatives Crotty and Gardner offered the following title amendment

Amendment 5—On page 1, line 2, after the semicolon, insert creating s 320 0808, F S, providing for the issuance of Challenger license plates for a specified period, requiring an annual use fee and specifying use thereof, providing for registration period and fees,

Rep Crotty moved the adoption of the amendment, which was adopted without objection

Representative Gardner offered the following amendment

Amendment 6—On page 3, line 13, strike all of said line and insert Section 2 This act shall take effect October 1, 1987, except section 1 which shall take effect October 1, 1986

Rep Watt moved the adoption of the amendment, which was adopted without objection Under Rule 8 19, the bill was referred to the Engrossing Clerk

By the Committee on Health Care & Insurance and Representative Figg—

CS/HB 671—A bill to be entitled An act relating to insurance, amending s 624 610, F S, eliminating a prohibition against an insurer ceding or retroceding credit life insurance, credit disability insurance, or both to described insurers, providing an effective date

—was read the first time by title On motion by Rep Figg, the rules were waived by two-thirds vote and the bill was read the second time by title

Representative Gustafson offered the following amendment

Amendment 1—On page 1, between lines 21 and 22, insert new Section 2 to read as follows Section 2 Section 631 0515, Florida Statutes, is created to read

631 0515 Appointment of receiver, Insurance Holding Company —

(1) A delinquency proceeding pursuant to this Chapter constitutes the sole and exclusive method of dissolving, liquidating, rehabilitating, reorganizing, conserving or appointing a receiver of a Florida corporation which is not insolvent as defined by Section 607 004(9), which

through its shareholders, board of directors, or governing body is deadlocked in the management of its affairs, and which directly or indirectly owns all of the stock of a Florida domestic insurer. The Department may petition for an Order directing it to rehabilitate such corporation if the interests of policyholders or the public will be harmed as a result of the deadlock. The Department shall use due diligence to resolve the deadlock. Whether or not the Department petitions for an order, the circuit court shall not have jurisdiction pursuant to Section 607.271, 607.274 or 607.277 to dissolve, liquidate or appoint receivers with respect to a Florida corporation which directly or indirectly owns all of the stock of a Florida domestic insurer and which is not insolvent as defined by Section 607.004(9) (and renumber subsequent sections)

Rep Gustafson moved the adoption of the amendment, which was adopted without objection.

Representative Gustafson offered the following title amendment:

Amendment 2—On page 1, line 6, following "insurers," insert "creating s 631.0515, F S authorizing appointment of a receiver for an insurance holding company,"

Rep Gustafson moved the adoption of the amendment, which was adopted without objection. Under Rule 8 19, the bill was referred to the Engrossing Clerk.

HB 781—A bill to be entitled An act relating to probation and community control, amending s 948.01, F S, providing that pretrial intervention program members shall be considered as state employees for the purposes of ch 440, F S, relating to workers' compensation, providing an effective date.

—was read the second time by title and, under Rule 8 19, referred to the Engrossing Clerk.

By the Committee on Judiciary and Representatives Langton and Metcalf—

CS/HB 846—A bill to be entitled An act relating to confidentiality of criminal records, amending s 119.07, F S, providing for confidentiality of court and other records regarding child victims of sexual offenses, providing an effective date.

—was read the first time by title. On motion by Rep Langton, the rules were waived by two-thirds vote and the bill was read the second time by title and, under Rule 8 19, referred to the Engrossing Clerk.

HB 861—A bill to be entitled An act relating to beverage law enforcement, amending s 562.45, F S, authorizing counties and incorporated municipalities to enact ordinances regulating certain conduct at certain establishments licensed under the Beverage Law, providing an effective date.

—was read the second time by title.

Representatives T C Brown, Bell, and Wetherell offered the following amendment:

Amendment 1—On page 1, line 28, after the period, insert Section 2 Paragraph (g) of subsection (2) of section 561 20, Florida Statutes, is amended, and paragraph (h) is added to said subsection to read

561 20 Limitation upon number of licenses issued —

(2)

(g) In addition to any special licenses issued under the Beverage Law, the division may issue a special license for consumption on the premises only to any public fair or exposition which is organized in accordance with chapter 616 or to any civic center authority which is authorized by state law or by a local government ordinance. No licensee under this special license shall enter into any exclusive contract for its use. The special license may not be used in connection with any youth agricultural activity or during any regularly scheduled public fair or exposition, and such license may be used only in connection with special events held on the premises of the fairgrounds or civic center, which premises are considered to be licensed premises under the dominion and control of the public fair or exposition of civic center authority at all times. This special license is not transferable,

and the license tax shall be in accordance with those established in s 565 02(1)(b)-(f).

(h) In addition to any special licenses issued under the Beverage Law, the division may issue a special license for consumption on the premises only to any civic center authority which is authorized by law or by local government ordinance or which is otherwise owned by a political subdivision. Such license may be transferred to a qualified applicant that is authorized by contract with the civic center to provide food service at the civic center. The license shall at all times remain the exclusive property of the civic center and shall revert to the civic center upon any termination of the contract (renumber subsequent sections).

Rep Brown moved the adoption of the amendment, which was adopted without objection.

Representatives T C Brown, Bell, and Wetherell offered the following title amendment:

Amendment 2—On page 1, line 7, after the semicolon, insert amending s 561 20, F S, authorizing issuance of special licenses under the Beverage Law to civic centers, providing for transferability, providing for reversion,

Rep Brown moved the adoption of the amendment, which was adopted without objection. Under Rule 8 19, the bill was referred to the Engrossing Clerk.

HB 903—A bill to be entitled An act relating to adoption, creating an advisory council on adoption within the Department of Health and Rehabilitative Services, providing for membership and terms, providing duties, providing for an annual report, providing for reimbursement for expenses, providing for staff from the department, providing for review and repeal, providing an effective date.

—was read the second time by title and, under Rule 8 19, referred to the Engrossing Clerk.

HB 929—A bill to be entitled An act relating to public fairs and exhibitions, amending s 616 091, F S, providing safety standards for the operation of amusement devices at festivals, celebrations, bazaars and parking lot still dates, providing for registration and inspection fees, providing an appropriation, providing an effective date.

—was read the second time by title and, under Rule 8 19, referred to the Engrossing Clerk.

By the Committee on Judiciary and Representatives Gordon and Bloom—

CS/HB 1070—A bill to be entitled An act relating to pardons, providing that any person who has received a full and unconditional pardon for a felony or misdemeanor in this state may be granted a license by, employment in any occupation regulated by, or employment with the Department of Health and Rehabilitative Services, providing that the department shall not be required to deny, suspend, or revoke the license of such person's employer solely on the basis of having employed such person, providing an effective date.

—was read the first time by title. On motion by Rep Gordon, the rules were waived by two-thirds vote and the bill was read the second time by title.

Representative Gordon offered the following amendment:

Amendment 1—On page 1, lines 17-18, strike all of said lines and insert Section 1 Effect of pardons—Notwithstanding any other provisions of law to the contrary, if a person has received a full and unconditional pardon for a felony in any jurisdiction in the State of Florida, neither that person nor his employer may be denied any license, employment in any occupation, or the right to own or operate any business solely on the basis of conviction for the felony for which the person was pardoned. However, this section does not apply to a person who is pardoned for a sex offense and is seeking employment in a program caring for minors or developmentally disabled persons. This section also does not apply to a law enforcement officer or a correctional officer as defined in ss 943 085 - 943 255, Florida Statutes, or to a firefighter as defined in s 633 34 Florida Statutes. This section does not apply to a permanently revoked driver's license.

STORAGE NAME: CS/HB 671/ 5/BA

Date: April 21, 1986
Revised: May 12, 1986
Final: _____

HOUSE OF REPRESENTATIVES
COMMITTEE ON HEALTH CARE AND INSURANCE
STAFF ANALYSIS

19 1562

BILL #: CS/HB 671

RELATING TO: Insurance; Reinsuring Credit or Disability Insurance

SPONSOR(S): Committee on Health Care & Insurance and
Representative Figg

EFFECTIVE DATE: Upon becoming law.

COMPANION BILL(S): SB 734

OTHER COMMITTEES OF REFERENCE: (1) None
(2) _____

I. SUMMARY:

HB 671 eliminates the prohibition against insurers obtaining reinsurance on credit life or credit disability insurance covering a Florida risk with any reinsurer not authorized or approved by the Department. Insurers writing credit life or credit disability insurance would be subject to the same restrictions on reinsurance as all other insurers writing other types of insurance.

The present law in Florida, as provided in section 624.410, permits insurance companies authorized to do business in Florida to take credit on their financial statements, such as a reduction of liabilities, by ceding risks to (obtaining reinsurance from) reinsurers, under the conditions specified in the statute. This statute allows such credits to be taken if the reinsurer is authorized to do business in this state, or if the reinsurer is approved by the Department of Insurance for the purpose of reinsuring risks. There are additional ways specified in the statute to obtain credit for reinsuring with non-approved reinsurers. More specifically, section 624.410 presently allows insurers to reinsure any risk with, and take credit for reinsurance with: (1) an insurer authorized to do business in this state, (2) an insurer approved by the department that meets the criteria established for authorized insurers, (3) an insurance exchange domiciled in the United States if the underwriting member meets the financial requirements applicable to an authorized insurer, (4) a group of individual, unincorporated alien insurers which maintain at least \$50 million held in trust for U.S. policyholders in a U.S. bank (Lloyd's of London), (5) a non-approved reinsurer when it is demonstrated to the satisfaction of the department that such reinsurer meets the financial requirements applicable to an authorized insurer, or (6) a non-approved reinsurer

if funds are held in trust or secured by a letter of credit subject to control by the ceding insurer providing security for the payment of obligations under the reinsurance treaties.

The restrictions on taking credit in financial statements is presently the only sanction against an insurer reinsuring with an unauthorized or non-approved reinsurer, with two exceptions. The major exception is in s. 624.404(4) which expressly prohibits an insurer from reinsuring with one or more unauthorized (as opposed to non-approved) reinsurers, "substantially all" of its Florida business, one or more lines of insurance, all of the business produced through one or more agents or agencies, or on all of the business from a designated geographical territory. (House Bill 671 addresses this provision.)

The second type of express prohibition relating to reinsurance, and the one addressed by this bill, is in s. 624.410 which prohibits an insurer from ceding or retroceding credit life or credit disability insurance covering a risk located or written in this state to any unauthorized insurer or a non-approved reinsurer. It is believed that this prohibition was originally intended to prevent insurers from evading limitations that previously existed on agent commissions.

The bill eliminates the express prohibition relating to reinsuring credit life and credit disability insurance with unauthorized or non-approved reinsurers. This would not affect the current restrictions on taking credit in financial statements if such risks are reinsured with unauthorized or non-approved reinsurers, as specified in s. 624.410. Nor does the bill affect the restrictions in s. 624.404(4) which prohibit an insurer from reinsuring with an unauthorized insurer substantially all of its Florida business, one or more lines of insurance, all of the business produced through one or more agents or agencies, or all of the business from a designated geographical territory.

II. ECONOMIC IMPACT:

A. Public:

Insurers writing credit life and credit disability insurance would be subject to the same restrictions on reinsurance as all other insurers writing other types of insurance. Such insurers would benefit to the extent that greater access to reinsurance is provided. No substantial impact on policyholders would be expected.

B. Government:

None.

III. STATE COMPREHENSIVE PLAN IMPACT:


None.

IV. COMMENTS:

None.

V. SUBSTANTIAL CHANGE IN COMMITTEE SUBSTITUTE:

The only change in the original HB 671 and the committee substitute adopted by Health Care and Insurance is the change of the effective date from October 1, 1986 to "upon becoming law".

VI. PREPARED BY: Brian Deffenbaugh 

VII. STAFF DIRECTOR: Brian Deffenbaugh 

BD/sc