

CHAPTER 2017-131

Committee Substitute for House Bill No. 307

An act relating to the Florida Life and Health Insurance Guaranty Association; amending s. 631.713, F.S.; revising applicability of the Florida Life and Health Insurance Guaranty Association Act as to specified annuity contracts; amending s. 631.717, F.S.; revising the association's maximum aggregate liability for the contractual obligations of an insolvent insurer with respect to one life; specifying the association's maximum liability as to certain health insurance policies beginning on a specified date; providing an effective date.

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

Section 1. Paragraph (1) of subsection (3) of section 631.713, Florida Statutes, is amended to read:

631.713 Application of part.—

(3) This part does not apply to:

(1) Any annuity contract or group annuity contract that is not issued to and owned by an individual, except to the extent of any annuity benefits:

1. Guaranteed directly and not through an intermediary to an individual by an insurer under such contract or certificate;

2. Under an annuity issued by an insurer under 26 U.S.C. s. 408(b); or

3. Under an annuity issued by an insurer and held by a custodian or trustee in accordance with 26 U.S.C. s. 408(a).

This paragraph applies to every insolvency regardless of its date of inception, and an assessment base may not include premiums for such excluded products.

Section 2. Subsection (9) of section 631.717, Florida Statutes, is amended to read:

631.717 Powers and duties of the association.—

(9) The association's liability for the contractual obligations of the insolvent insurer must ~~shall~~ be as great as, but no greater than, the contractual obligations of the insurer in the absence of such insolvency, unless such obligations are reduced as permitted by subsection (4), but the aggregate liability of the association with respect to one life shall not exceed the following:

(a) For life insurance, \$100,000 in net cash surrender and net cash withdrawal values, ~~for life insurance,~~

(b) For deferred annuity contracts, \$250,000 in net cash surrender and net cash withdrawal values, ~~for deferred annuity contracts, or~~

(c) For all benefits, \$300,000, ~~for all benefits including cash values, except as provided in paragraph (d) with respect to any one life.~~

(d) Effective January 1, 2020, for basic hospital expense health insurance policies, basic medical-surgical health insurance policies, or major medical expense health insurance policies, but not including long-term care policies, \$500,000.

In no event ~~is shall~~ the association be liable for any penalties or interest.

Section 3. This act shall take effect July 1, 2017.

Approved by the Governor June 23, 2017.

Filed in Office Secretary of State June 23, 2017.