FLORIDA WORKERS COMPENSATION INSURANCE GUARANTY ASSOCIATION

CITATION & EFFECTIVE DATE

Fla. Stat. Ann. Laws 1997 Sec. 631.901 et seq., ch. 97-262, 5-30-97

MODEL OR SIMILAR ACT

Yes

COVERED CLAIMS

COVERED LINES OF BUSINESS

Workers’ Compensation including claims under employer liability coverage of a workers' comp policy.

UNEARNED PREMIUM

is covered with a limit of $50,000 per policy. Return of premium under any retrospective rating plan is not covered.

COVERED CLAIM

“Covered claim” means an unpaid claim, including a claim for return of unearned premiums, which arises out of, is within the coverage of, and is not in excess of the applicable limits of, an insurance policy to which this part applies, which policy was issued by an insurer and which claim is made on behalf of a claimant or insured who was a resident of this state at the time of the injury.

The Florida Self-Insurance Fund Guaranty Association and the workers’ compensation insurance account within the Florida Insurance Guaranty Association cease to exist and are succeeded by the Florida Workers’ Compensation Insurance Guaranty Association.

The successor corporation shall be responsible and liable for all the liabilities and obligations of each party to the merger.

ASSESSMENTS\*

SEPARATE ACCOUNTS

None; WC business only covered

MAXIMUM ANNUAL %

2% per annum.

Additional 1.5% authorized on insurers’ direct written premium if above amounts not sufficient.

RECOUPMENT PROVISION

Surcharges on new and renewal policies.

BASE YEAR

If the association elects to use the pass-through method, the office may, in the order levying the assessment on insurers, specify that the policy surcharge is due and payable quarterly as collected throughout the assessment year.

If the association elects to require insurers to remit the assessment before surcharging the policy, the following shall apply:

On or before the date specified in the order of the office, insurers shall make an initial advance payment to the association of the percentage specified in the order multiplied by the insurer’s direct written premiums received in this state for the preceding calendar year for the kinds of insurance included within such account before the beginning of the assessment year. The board may authorize an insurer to pay an assessment in a single payment or on a quarterly basis, based on cash-flow needs.

Insurers must submit a reconciliation report to the association within 120 days after the end of the 12-month assessment year and annually thereafter for a period of 2 years. The report must indicate the amount of the initial payment or installment payments made to the association and the amount of policy surcharges collected for the assessment year. If the insurer’s reconciled obligation is more than the amount paid to the association, the insurer shall pay the excess policy surcharges collected to the association. If the insurer’s reconciled obligation is less than the initial amount paid to the association, the association shall return the overpayment to the insurer.

*\*see statute for specific assessment procedures.*

LIMITS ON CLAIMS

DEDUCTIBLE OR MINIMUM PER CLAIM

None

MAXIMUM PER CLAIM

None for workers’ compensation claims

$50,000 Unearned Premium

$300,000 or policy limits for employer liability.

NET WORTH PROVISION

None

However, covered claim does not include any claim that would otherwise be a covered claim under this part that has been rejected by any other state guaranty fund on the grounds that an insured’s net worth is greater than that allowed under that state’s guaranty fund law.

OTHER

NONCOVERED CLAIMS

Any amount due any reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries or otherwise. Member insurers have no right of subrogation against the insured of any insolvent insurer.

Association is not liable for penalties or interest.

TERMINATION PROVISION

None

MISCELLANEOUS

“Insolvent Insurer” means an insurer that was authorized to transact insurance in this state, either at the time the policy was issued or when the insured event occurred, and against which an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction if such order has become final by the exhaustion of appellate review.

Association is a nonprofit corporation.

Expenses of the corporation shall be accorded the same priority as the liquidator’s expenses.

There is no liability on the part of, and a cause of action may not arise against, the corporation, its agents or employees, or members of its board of directors, the Chief Financial Officer, or the department or office or their agents or employees, for any action taken by them in the performance of their powers and duties under this section, unless such action is found to be a violation of antitrust laws, was in bad faith, or was undertaken with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

All proceedings in which the insolvent insurer or self-insurance fund is a party or is obligated to defend a party in any court or before any quasi-judicial body or administrative board in this state must be stayed for 6 months, or such additional period from the date the insolvency is adjudicated.

*The board may authorize an insurer to pay an assessment in a single payment or on a quarterly basis, based on cash-flow needs.*