**FLORIDA**

**INSURANCE GUARANTY ASSOCIATION ACT**

**631.50. Title**

This part shall be known and may be cited as the "Florida Insurance Guaranty Association Act."

Laws 1970, c. 70-20; § 1; Laws 1982 c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4.

**631.501 Repealed by Laws 1973, C. 73-333, § 166**

**631.51. Purposes**

The purposes of this part are to:

1. Provide a mechanism for the payment of covered claims under certain insurance policies to avoid excessive delay in payment and to avoid financial loss to claimants or policyholders because of the insolvency of an insurer;
2. Assist in the detection and prevention of insurer insolvencies;
3. Create a nonprofit corporation to administer and supervise the operation of such association; and
4. Assess the cost of such protection among insurers.

Laws 1970, c. 70-20 § 2; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187, 188, c. 91-429, § 4.

**631.511 Repealed by Laws 1973, C. 73-333, § 166**

**631.52. Scope**

This part shall apply to all kinds of direct insurance, except:

1. Life, annuity, health, or disability insurance;
2. Mortgage guaranty, financial guaranty, or other forms of insurance offering protection against investment risks;
3. Fidelity or surety bonds, or any other bonding obligations;
4. Credit insurance, vendors' single interest insurance, or collateral protection insurance or any similar insurance protecting the interests of a creditor arising out of a creditor-debtor transaction;
5. Warranty, including motor vehicle service, home warranty, or service warranty;
6. Ambulance service, health care service, or preneed funeral merchandise or service;
7. Optometric service plan, pharmaceutical service plan, or dental service plan;
8. Legal expense;
9. Health maintenance, prepaid health clinic, or continuing care;
10. Ocean marine or wet marine insurance;
11. Self-insurance and any kind of self-insurance fund, liability pool or risk management fund:
12. Title insurance;
13. Surplus lines;
14. Workers’ compensation, including claims under employer liability coverage;
15. Any transaction or combination of transactions between a person, including affiliates of such person, and an insurer, including affiliates of such insurer, which involves the transfer of investment or credit risk unaccompanied by the transfer of insurance risk; or
16. Any insurance provided by or guaranteed by government.

Laws 1970, c. 70-20, § 3; Laws 1977, c. 77-227, § 1; Laws 1980, c. 80-26, § 1; Laws 1982, c. 82-243, § 809(1st); Laws 1985, c. 85-321, § 3; Laws 1987, c. 87-350, § 4; §§ Laws 1991, c. 91-108, 187, 188; c 91-429, § 4; Laws 1997, c. 97-262, § 16 eff. 10-1-97; [Laws 2007, c. 2007-90, § 21, eff. June 11, 2007](http://web2.westlaw.com/find/default.wl?tf=-1&rs=WLW8.09&fn=_top&sv=Split&tc=-1&docname=UUID(I838B2E1019-D411DCB95CB-5108D87F521)&ordoc=666302&findtype=l&db=1077005&utid=%7bBA8D8040-B026-4974-A7BB-C774FCF5ED54%7d&vr=2.0&rp=%2ffind%2fdefault.wl&mt=WestlawGC); [Laws 2010, c. 2010-49, § 1, eff. July 1, 2010](http://web2.westlaw.com/find/default.wl?tc=-1&docname=UUID%28I7221EDD05E-D711DF849BF-023C5493D1E%29&rp=%2ffind%2fdefault.wl&sv=Split&utid=%7bBA8D8040-B026-4974-A7BB-C774FCF5ED54%7d&rs=WLW10.10&db=1077005&tf=-1&findtype=l&fn=_top&mt=WestlawGC&vr=2.0&pbc=7831405B&ordoc=666302).

**631.521. Repealed by Laws 1973, c. 73-333, § 166**

**631.53. Construction**

This part shall be liberally construed to effect the purposes set forth in s. 631.51, which shall constitute an aid and guide to interpretation.

Laws 1970, c. 70-20, § 4; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187,188; c. 91-429, § 4.

**631.531. Repealed by Laws 1973, c. 73-333, § 166**

**631.54. Definitions**

As used in this part:

1. "Account" means one of the accounts created by s. 631.55.
2. “Assessment year” means the 12-month period, which may begin on the first day of any calendar quarter, whether January 1, April 1, July 1, or October 1, as specified in an order issued by the office directing insurers to pay an assessment to the association.
3. "Association" means the Florida Insurance Guaranty Association, Incorporated.
4. "Covered claim" means an unpaid claim, including one of unearned premiums, which arises out of, and is within the coverage, and not in excess of, the applicable limits of an insurance policy to which this part applies, issued by an insurer, if such insurer becomes an insolvent insurer and the claimant or insured is a resident of this state at the time of the insured event or the property from which the claim arises is permanently located in this state. For entities other than individuals, the residence of a claimant, insured, or policyholder is the state in which the entity's principal place of business is located at the time of the insured event. The term does not include:
   1. Any amount due any reinsurer, insurer, insurance pool, or underwriting association, sought directly or indirectly through a third party, as subrogation, contribution, indemnification, or otherwise;
   2. Any claim that would otherwise be a covered claim under this part that has been rejected or denied by any other state guaranty fund based upon that state’s statutory exclusions, including, but not limited to, those based on coverage, policy type, or an insured’s net worth. Member insurers have no right of subrogation, contribution, indemnification, or otherwise, sought directly or indirectly through a third party, against the insured of any insolvent member; or
   3. Any amount payable for a sinkhole loss other than testing deemed appropriate by the association or payable for the actual repair of the loss, except that the association may not pay for attorney's fees or public adjuster's fees in connection with a sinkhole loss or pay the policyholder. The association may pay for actual repairs to the property, but is not liable for amounts in excess of policy limits.
5. “Direct written premiums” means direct gross premiums written in this state on insurance policies to which this part applies, less return premiums thereon on such direct business. The term does not include premiums on contracts between insurers or reinsurers.
6. "Expenses in handling claims" means allocated and unallocated expenses, including, but not limited to, general administrative expenses and those expenses which relate to the investigation, adjustment, defense, or settlement of specific claims under, or arising out of, a specific policy.
7. "Homeowner's insurance" means personal lines residential property insurance coverage that consists of the type of coverage provided under homeowner's, dwelling, and similar policies for repair or replacement of the insured structure and contents, which policies are written directly to the individual homeowner. Residential coverage for personal lines as set forth in this section includes policies that provide coverage for particular perils such as windstorm and hurricane coverage but excludes all coverage for mobile homes, renter's insurance, or tenant's coverage. The term "homeowner's insurance" excludes commercial residential policies covering condominium associations or homeowners' associations, which associations have a responsibility to provide insurance coverage on residential units within the association, and also excludes coverage for the common elements of a homeowners' association.
8. "Insolvent insurer" means a member insurer 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.
9. "Member insurer" means any person who writes any kind of insurance to which this part applies under s. 631.52, including the exchange of reciprocal or interinsurance contracts, and is licensed to transact insurance in this state.
10. "Direct written premiums" means direct gross premiums written in this state on insurance policies to which this part applies, less return premiums thereon on such direct business. The term does not include premiums on contracts between insurers or reinsurers.
11. "Person" means individuals, children, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups or combinations.

Laws 1970, c. 70-20, § 5; Laws 1977, c. 77-227, §§ 2, 4; Laws 1979, c. 79-55, § 1; Laws 1982, c. 82-243, § 809 (1st); Laws 1983, c. 83-38, § 30; Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; Laws 1997, c. 97-262, § 17, eff. 10-1-97; Laws 2002, c. 2002-25, § 15, eff. July 1, 2002; Laws 2003, c. 2003-261, § 1352, eff. June 26, 2003; Laws 2004, c. 2004-89, § 1, eff. May 21, 2004; Laws 2004, c. 2004-374, § 37, eff. July 1, 2004; Laws 2006, c. 2006-12, § 32, eff. May 16, 2006; [Laws 2010, c. 2010-49, § 2, eff. July 1, 2010](http://web2.westlaw.com/find/default.wl?tc=-1&docname=UUID%28I7221EDD05E-D711DF849BF-023C5493D1E%29&rp=%2ffind%2fdefault.wl&sv=Split&utid=%7bBA8D8040-B026-4974-A7BB-C774FCF5ED54%7d&rs=WLW10.10&db=1077005&tf=-1&findtype=l&fn=_top&mt=WestlawGC&vr=2.0&pbc=7831405B&ordoc=666302); [Laws 2011, c. 2011-39, § 30, eff. May 17, 2011](http://web2.westlaw.com/find/default.wl?tc=-1&docname=UUID%28IBA1265C081-8B11E0A5BEF-A76926D45E8%29&rp=%2ffind%2fdefault.wl&sv=Split&rs=WLW11.07&db=1077005&tf=-1&findtype=l&fn=_top&mt=Westlaw&vr=2.0&pbc=3FA06BA3&ordoc=666319); [Laws 2011, c. 2011-226, § 8, eff. July 1, 2011](http://web2.westlaw.com/find/default.wl?tc=-1&docname=UUID%28I3B2709E0A2-5C11E0AD998-51F76ACCE56%29&rp=%2ffind%2fdefault.wl&sv=Split&rs=WLW11.07&db=1077005&tf=-1&findtype=l&fn=_top&mt=Westlaw&vr=2.0&pbc=3FA06BA3&ordoc=666319); Laws 2015, c. 2015-65, § 1, eff. July 1, 2015; ; [Laws 2021, c. 2021-51, § 48, eff. June 29, 2021](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(IFAE0CCA0BD-4D11EB91D4D-50CDDAE6F6B)&originatingDoc=N1BBF61D0CA4A11EB9288903807739A5B&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)).

**631.541. Repealed by Laws 1973, c. 73-333, § 166**

**631.55. Creation of the association**

* + - 1. There is created a nonprofit corporation to be known as the "Florida Insurance Guaranty Association, Incorporated." All insurers defined as member insurers in s. 631.54 shall be members of the association as a condition of their authority to transact insurance in this state, and, further, as a condition of such authority, an insurer must agree to reimburse the association for all claim payments the association makes on the insurer's behalf if such insurer is subsequently rehabilitated. The association shall perform its functions under a plan of operation established and approved under s. 631.58 and shall exercise its powers through a board of directors established under s. 631.56. The corporation shall have all those powers granted or permitted nonprofit corporations, as provided in chapter 617.
      2. For the purposes of administration and assessment, the association shall be divided into two separate accounts:

(a) The auto liability and auto physical damage account.

* 1. The account for all other insurance to which this part applies.

Laws 1970, c. 70-20, § 6; Laws 1979, c. 79-40, § 117; Laws 1982, c. 82-243, § 809(1st); Laws 1989, c. 89-360, § 14; Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; Laws 1992, c. 92-345, § 4; Laws 1997, c. 97-262, § 18, eff. 10-1-97, Laws 2003, c. 2003-261, § 1353, eff. June 26, 2003; Laws 2006, c. 2006-12, § 33, eff. May 16, 2006; [Laws 2010, c. 2010-49, § 3, eff. July 1, 2010](http://web2.westlaw.com/find/default.wl?tc=-1&docname=UUID%28I7221EDD05E-D711DF849BF-023C5493D1E%29&rp=%2ffind%2fdefault.wl&sv=Split&utid=%7bBA8D8040-B026-4974-A7BB-C774FCF5ED54%7d&rs=WLW10.10&db=1077005&tf=-1&findtype=l&fn=_top&mt=WestlawGC&vr=2.0&pbc=7831405B&ordoc=666302); Laws 2015, c. 2015-65, § 5, eff. July 1, 2015.

**631.551. Repealed by Laws 1973, c. 73-333, § 166**

**631.56. Board of directors**

* + - 1. The board of directors of the association shall consist of not less than five or more than nine persons serving terms as established in the plan of operation. Three members of the board must be representatives from domestic insurers appointed by the Chief Financial Officer. The department shall approve and appoint to the board persons recommended by the member insurers or shall approve and appoint other persons with experience in property and casualty insurance or motor vehicle insurance as determined by the Chief Financial Officer. These appointments are deemed to be within the scope of the exemption provided in [s. 112.313(7)(b)](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000006&cite=FLSTS112.313&originatingDoc=N84C97950FF7B11EDA289D2DE7C6E28B9&refType=SP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)#co_pp_bbe600004b9a4).Each member shall serve for a 4-year term and may be reappointed. Vacancies on the board shall be filled for the remaining period of the term in the same manner as initial appointments.

1. In appointing members to the board, the department shall consider among other things whether all areas of insurance covered by this part are fairly represented.
2. Members of the board may be reimbursed from the assets of the association for expenses incurred by them as members of the board of directors.
3. Any board member representing an insurer in receivership shall be terminated as a board member, effective as of the date of the entry of the order of receivership.
4. The Chief Financial Officer may remove a board member from office for misconduct, malfeasance, misfeasance, or neglect of duty. Any vacancy so created shall be filled as provided in subsection (1).
5. Board members are subject to the code of ethics under part III of chapter 112, including, but not limited to, the code of ethics and public disclosure and reporting of financial interests, pursuant to [s. 112.3145](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000006&cite=FLSTS112.3145&originatingDoc=N84C97950FF7B11EDA289D2DE7C6E28B9&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)). For purposes of applying part III of chapter 112 to activities of members of the board of directors, those persons are considered public officers and the association is considered their agency. Notwithstanding [s. 112.3143(2)](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000006&cite=FLSTS112.3143&originatingDoc=N84C97950FF7B11EDA289D2DE7C6E28B9&refType=SP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)#co_pp_58730000872b1), a board member may not vote on any measure that he or she knows would inure to his or her special private gain or loss; that he or she knows would inure to the special private gain or loss of any principal by which he or she is retained, other than an agency as defined in [s. 112.312](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000006&cite=FLSTS112.312&originatingDoc=N84C97950FF7B11EDA289D2DE7C6E28B9&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)); or that he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer. Before the vote is taken, such member shall publicly state to the board the nature of his or her interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.
6. Notwithstanding [s. 112.3148](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000006&cite=FLSTS112.3148&originatingDoc=N84C97950FF7B11EDA289D2DE7C6E28B9&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), [s. 112.3149](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000006&cite=FLSTS112.3149&originatingDoc=N84C97950FF7B11EDA289D2DE7C6E28B9&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), or any other law, a board member may not knowingly accept, directly or indirectly, any gift or expenditure from a person or entity, or an employee or representative of such person or entity, which has a contractual relationship with the association or which is under consideration for a contract.
7. A board member who fails to comply with subsection (6) or subsection (7) is subject to the penalties provided under [ss. 112.317](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000006&cite=FLSTS112.317&originatingDoc=N84C97950FF7B11EDA289D2DE7C6E28B9&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)) and [112.3173](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000006&cite=FLSTS112.3173&originatingDoc=N84C97950FF7B11EDA289D2DE7C6E28B9&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)).

Laws 1970, c. 70-20, § 7; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; Laws 2003, c. 2003-261, § 1354, eff. June 26, 2003; [Laws 2011, c. 2011-226, § 9, eff. July 1, 2011](http://web2.westlaw.com/find/default.wl?tc=-1&docname=UUID%28I3B2709E0A2-5C11E0AD998-51F76ACCE56%29&rp=%2ffind%2fdefault.wl&sv=Split&rs=WLW11.07&db=1077005&tf=-1&findtype=l&fn=_top&mt=Westlaw&vr=2.0&pbc=3FA06BA3&ordoc=666336); Laws 2023, c. 2023-144, § 40, eff. May 25, 2023.

**631.561. Repealed by Laws 1973, c. 73-333, § 166**

**631.57. Powers and duties of the association**

(1) The association shall:

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

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

b. Before the policy expiration date if less than 30 days after the determination; or

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

2. The obligation under subparagraph 1. includes the amount of each covered claim which is less than $300,000, except that policies providing coverage for homeowner's insurance must provide for an additional $200,000 for the portion of a covered claim which relates only to the damage to the structure and contents.

3a. Notwithstanding subparagraph 2., the obligation under subparagraph 1. for policies covering condominium associations, or homeowners’ associations, which associations have a responsibility to provide insurance coverage on residential units within the association, includes that amount of each covered property insurance claim which is less than $200,000 multiplied by the number of condominium units or other residential units; however, as to homeowners’ associations, this sub-subparagraph applies only to claims for damage or loss to residential units and structures attached to residential units.

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

4. The association may not be obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises.

(b) Be deemed the insurer to the extent of its obligation on the covered claims, and, to such extent, shall have all rights, duties, defenses, and obligations of the insolvent insurer as if the insurer had not become insolvent. In no event shall the association be liable for any penalties or interest.

(2) The association may:

(a) Employ or retain such persons as are necessary to handle claims and perform other duties of the association;

(b) Borrow funds necessary to effect the purposes of this part in accord with the plan of operation;

(c) Sue or be sued, provided that service of process shall be made upon the person registered with the department as agent for the receipt of service of process; and

(d) Negotiate and become a party to such contracts as are necessary to carry out the purpose of this part. Additionally, the association may enter into such contracts with a municipality, a county, or a legal entity created pursuant to s. 163.01 (7) (g) as are necessary in order for the municipality, county, or legal entity to issue bonds under s. 631.695. In connection with the issuance of any such bonds and the entering into of any such necessary contracts, the association may agree to such terms and conditions as the association deems necessary and proper.

(3) (a) To the extent necessary to secure funds for the respective accounts for the payment of covered claims to pay the reasonable costs to administer such accounts, and to secure funds for the account specified in s. 631.55 (2) (b) or to retire indebtedness, including, without limitation, the principal, redemption premium, if any, and interest on, and related costs of issuance of, bonds issued under s. 631.695 and the funding of reserves and other payments required under the bond resolution or trust indenture pursuant to which such bonds have been issued, the office, upon certification of the board of directors, shall levy assessments, in accordance with subparagraph (f)1. or subparagraph (f)2. Assessments shall be remitted to and administered by the board of directors in the manner specified by the approved plan and paragraph (f). Every assessment shall be a uniform percentage. The assessments levied against any insurer may not exceed in any one calendar year more than 2 percent of that insurer's direct written premiums in this state for the kinds of insurance included within such account.

(b) If sufficient funds from such assessments, together with funds previously raised, are not available in any one year in the respective account to make all the payments or reimbursements then owing to insurers, the funds available shall be prorated and the unpaid portion paid as soon as funds become available.

(c) The Legislature finds and declares that all assessments paid by an insurer or insurer group as a result of a levy by the office, including assessments levied pursuant to paragraph (a) and emergency assessments levied pursuant to paragraph (e), constitute advances of funds from the insurer to the association. An insurer may fully recoup such advances by applying the uniform assessment percentage levied by the office to all policies of the same kind or line as were considered by the office in determining the assessment liability of the insurer or insurer group as set forth in paragraph (f). An insurer remitting an assessment to the association as required by subparagraph (f)1. or subparagraph (f)2. may elect to not recoup advances.

1. Assessments levied under subparagraph (f)1. are paid before policy surcharges are collected and result in a receivable for policy surcharges 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. If an insurer elects not to recoup advances, the amount recorded as an asset shall be reduced to zero.

2. Assessments levied under subparagraph (f)2. 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 association. If an insurer elects not to recoup advances, the amount recorded as an asset shall be reduced to zero.

(d) State funds may not be allocated or paid to the association or any of its accounts.

(e)1 In addition to assessments authorized in paragraph (a), and to the extent necessary to secure the funds for the account specified in s. 631.55(2)(b) for the direct payment of covered claims of insurers rendered insolvent by the effects of a hurricane and to pay the reasonable costs to administer such claims, or to retire indebtedness, including, without limitation, the principal, redemption premium, if any, and interest on, and related costs of issuance of, bonds issued under s. 631.695 and the funding of any reserves and other payments required under the bond resolution or trust indenture pursuant to which such bonds have been issued, the office, upon certification of the board of directors, shall levy emergency assessments upon insurers holding a certificate of authority. The emergency assessments levied against any insurer may not exceed in any one calendar year more than 4 percent of that insurer's written premiums, in this state for the kinds of insurance within the account specified in s. 631.55(2)(b).

2. Emergency assessments authorized under this paragraph shall be levied by the office upon insurers in accordance with paragraph (f) upon certification as to the need for such assessments by the board of directors. If the board participates in the issuance of bonds in accordance with s. 631.695, emergency assessments shall be levied in each year that bonds issued under s. 631.695 and secured by such emergency assessments are outstanding, in amounts up to such 4 percent limit as required in order to provide for the full and timely payment of the principal of, redemption premium, if any, and interest on, and related costs of issuance of, such bonds. The emergency assessments are assigned and pledged to the municipality, county, or legal entity issuing bonds under s. 631.695 for the benefit of the holders of such bonds in order to provide for the payment of the principal of, redemption premium, if any, and interest on such bonds, the cost of issuance of such bonds, and the funding of any reserves and other payments required under the bond resolution or trust indenture pursuant to which such bonds have been issued, without further action by the association, the office, or any other party. If bonds are issued under s. 631.695 and the association determines to secure such bonds by a pledge of revenues received from the emergency assessments, such bonds, upon such pledge of revenues, shall be secured by and payable from the proceeds of such emergency assessments, and the proceeds of emergency assessments levied under this paragraph shall be remitted directly to and administered by the trustee or custodian appointed for such bonds.

3. Emergency assessments used to defease bonds issued under this part may be payable in a single payment or, at the option of the association, may be payable in quarterly installments with the first installment being due and payable at the end of the month after an emergency assessment is levied and subsequent installments being due by the end of each succeeding month.

4. If emergency assessments are imposed, the report required by s. 631.695(7) must include an analysis of the revenues generated from the emergency assessments imposed under this paragraph.

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

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

(f)1. The association, office, and insurers remitting assessments pursuant to paragraph (a) or paragraph (e) must comply with the following:

a. In the order levying an assessment, the office shall specify the actual percentage amount to be advanced to the association and thereafter collected uniformly from all the policyholders of insurers subject to the assessment and the date on which the assessment year begins, which may not begin before 90 days after the association board certifies such an assessment.

b. Insurers shall make an initial payment to the association before the beginning of the assessment year on or before the date specified in the order of the office. Each insurer shall have at least 30 days’ written notice as to the date on which the initial assessment payment is due and payable. The association may request that the order issued by the office authorize insurers to remit the advance payments in quarterly installments.

c. Insurers that have written insurance in the calendar year before the year in which the assessment is certified by the board shall make an initial payment based on the direct written premium in this state for the classes protected by the account from the previous calendar year as set forth in the insurer’s annual statement, multiplied by the uniform percentage of premium specified in the order issued by the office. Insurers that have not written insurance in the previous calendar year in any of the lines under the account which are being assessed, but which are writing insurance as of, or after, the date the board certifies the assessment to the office, shall pay an amount based on a good faith estimate of the amount of direct written premium anticipated to be written in the subject lines of business for the assessment year, multiplied by the uniform percentage of premium specified in the order issued by the office.

d. Insurers shall file one or more reconciliation reports with the association which indicate the amount of payment to the association, whether such amount was based on direct written premium contained in a previous calendar year annual statement or a good faith projection, the amount actually collected during the assessment year, and such other information contained on a form and schedule adopted by the association and provided to the insurers in advance. If the insurer collected from policyholders more surcharges than the amount initially paid, the insurer shall pay the excess amount to the association. If the insurer collected surcharges from policyholders in an amount that is less than the amount initially paid to the association, the association shall credit the insurer that amount against future assessments. Such payment reconciliation report, and any payment of excess amounts collected from policyholders, shall be completed and remitted to the association within 90 days after the end of the assessment year. The association shall send a final reconciliation report on all insurers to the office within 120 days after each assessment year.

e. Insurers remitting reconciliation reports under this paragraph to the association are subject to s. 626.9541(1)(e).

2. For assessments required under paragraph (a) or paragraph (e), the association may use a quarterly installment method instead of the method described in sub-subparagraphs 1.b. and c. or in combination thereof based on the association’s projected cash flow. If the association projects that it has cash on hand for the payment of anticipated claims in the applicable account for at least 6 months, the board may make an estimate of the assessment needed and may recommend to the office the assessment percentage that may be collected as a quarterly assessment. The office may, in the order levying the assessment on insurers, specify that the assessment is due and payable quarterly as the funds are collected from insureds throughout the assessment year, in which case the assessment shall be a uniform percentage of premium collected during the assessment year and shall be collected from all policyholders with policies in the classes protected by the account.

a. All insurers shall pay the assessment to the association without regard to whether the insurers reported premium in the year preceding the assessment.

b. Insurers are not required to advance funds if the association and the office elect to use the quarterly installment option.

c. An insurer that elects not to recoup the assessment shall make quarterly payments to the association equal to the amount of premium written in the previous quarter for the classes protected by the account, multiplied by the uniform percentage of premium specified in the order issued by the office.

d. All funds paid to the association shall be retained by the association for the payment of current or future claims.

e. Insurers shall file one or more reconciliation reports with the association which indicate the amount actually collected during the assessment year, and such other information contained on a form and schedule adopted by the association and provided to the insurers in advance.

This subparagraph does not alter the obligation of an insurer to remit assessments levied pursuant to this subsection to the association.

(g) Insurers shall treat the failure of an insured to pay a surcharge as a failure to pay the premium.

(h) Assessments levied under this subsection are levied upon insurers. This subsection does not create a cause of action by a policyholder with respect to the levying of, or a policyholder’s duty to pay, such assessments and related surcharges.

(i) Assessments levied under this subsection are not premium and are not subject to the premium tax, to any fees, or to any commissions. An insurer is liable for any surcharges that the insurer collects and is not liable for uncollectible surcharges.

(4) The office may exempt or temporarily defer any insurer from any regular or emergency assessment if the office finds that the insurer is impaired or insolvent or if an assessment would result in such insurer's financial statement reflecting an amount of capital or surplus less than the sum of the minimum amount required by any jurisdiction in which the insurer is authorized to transact insurance.

(5) Any necessary and proper expenses incurred by an insurer in the investigation, adjustment, compromise, settlement, denial, or handling of claims assigned to it shall, upon proper verification under the rules of the association, entitle the insurer to reimbursement. Any insurer whose employee serves on the staff of the association may set off from its assessment any necessary and proper expenses incurred by the insurer resulting from said service of its employee. An insurer which ceases to engage in the business of writing property or casualty insurance policies in this state shall have no right to a refund of any assessment previously remitted.

(6) The association may extend the time limits specified in paragraph (1)(a) by up to an additional 60 days if the board determines it is necessary to facilitate the bulk assumption of obligations.

Laws 1970, c. 70-20, § 8; c. 70-439, § 1; Laws 1977, c. 77-227, § 3; Laws 1979, c. 79-40, § 118; Laws 1982, c. 82-243, §809(1st); Laws 1985, c. 85-339, § 9; Laws 1987, c. 87-350, § 5; Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; Laws 1992, c. 92-345, § 5; Laws 1993, c. 93-401, § 6; Laws 1997, c. 97-102, § 411, eff. 7-1-97; c. 97-262, § 19, eff. 10-1-97; Laws 1999, c. 99-3, § 47, eff. June 29, 1999; Laws 2002, c. 2002-25, § 16, eff. July 1, 2002; Laws 2003, c. 2003-261, § 1355, eff. June 26, 2003; Laws 2004, c. 2004-5, § 128; Laws 2006, c. 2006—12, § 34, eff. May 16, 2006 [Laws 2007, c. 2007-1, § 35, eff. Jan. 25, 2007](http://web2.westlaw.com/find/default.wl?tf=-1&rs=WLW8.09&fn=_top&sv=Split&tc=-1&docname=UUID(I2D2A9870B2-4711DB9C67D-8FF6A315DE0)&ordoc=666340&findtype=l&db=1077005&utid=%7bBA8D8040-B026-4974-A7BB-C774FCF5ED54%7d&vr=2.0&rp=%2ffind%2fdefault.wl&mt=WestlawGC); [Laws 2007, c. 2007-90, § 22, eff. June 11, 2007](http://web2.westlaw.com/find/default.wl?tf=-1&rs=WLW8.09&fn=_top&sv=Split&tc=-1&docname=UUID(I838B2E1019-D411DCB95CB-5108D87F521)&ordoc=666340&findtype=l&db=1077005&utid=%7bBA8D8040-B026-4974-A7BB-C774FCF5ED54%7d&vr=2.0&rp=%2ffind%2fdefault.wl&mt=WestlawGC); [Laws 2010, c. 2010-49, § 4, eff. July 1, 2010](http://web2.westlaw.com/find/default.wl?tc=-1&docname=UUID%28I7221EDD05E-D711DF849BF-023C5493D1E%29&rp=%2ffind%2fdefault.wl&sv=Split&utid=%7bBA8D8040-B026-4974-A7BB-C774FCF5ED54%7d&rs=WLW10.10&db=1077005&tf=-1&findtype=l&fn=_top&mt=WestlawGC&vr=2.0&pbc=7831405B&ordoc=666302); Laws 2015, c. 2015-65, § 2, eff. July 1, 2015; [Laws 2020, c. 2020-54, § 3, eff. July 1, 2020](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I4CB12E906A-B011EA9251B-9775F20F8D6)&originatingDoc=N66276D50F5AD11ECA49ABADD3BF59980&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)); [Laws 2020, c. 2020-155, § 1, eff. July 1, 2020](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I3A9C1C6065-0611EA8DBFA-994CCE854F1)&originatingDoc=N66276D50F5AD11ECA49ABADD3BF59980&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)); [Laws 2021, c. 2021-104, § 20, eff. June 16, 2021](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I0C5FB880B4-8211EB82B7F-A8CBB78D992)&originatingDoc=N66276D50F5AD11ECA49ABADD3BF59980&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)); [Laws 2022, c. 2022-139, § 2, eff. July 1, 2022](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I0426D9409E-CA11EC84A4B-80FD0333872)&originatingDoc=N66276D50F5AD11ECA49ABADD3BF59980&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)).

**631.571. Repealed by Laws 1973, c. 73-333, § 166**

**631.575. Repealed by Laws 1987, c. 87-350, § 9, eff. July 11, 1987**

**631.58 Plan of operation.**

* + - 1. (a) The association shall submit to the department a proposed plan of operation and any amendments thereto necessary or suitable to assure the fair, reasonable, and equitable administration of the association. The plan of operation and any amendments thereto shall become effective upon approval in writing by the department.
  1. If the association fails to submit a suitable proposed plan of operation by December 30, 1970, or if at any time thereafter the association fails to submit suitable amendments to the plan, the department shall adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this part. Such rules shall continue in force until modified by the department or superseded by a plan submitted by the association and approved by the department.

1. All member insurers shall comply with the plan of operation.
2. The plan of operation shall:
   1. Establish the procedures whereby all the powers and duties of the association under s. 631.57 will be performed;
   2. Establish procedures for handling assets of the association;
   3. Establish the amount and method of reimbursing members of the board of directors under s. 631.56;
   4. Establish procedures by which claims may be filed with the association and acceptable forms of proof of covered claims. Notice of claims to the receiver or liquidator of the insolvent insurer shall be deemed notice to the association or its agent, and a list of such claims shall be periodically submitted to the association or similar organization in another state by the receiver or liquidator;
   5. Establish regular places and times for meetings of the board of directors;
   6. Establish procedures for records to be kept of all financial transactions of the association, its agents and the board of directors;
   7. Provide that any member insurer aggrieved by any final action or decision of the association may appeal to the department within 30 days after the action or decision;
   8. Establish the procedures whereby recommendations for the board of directors will be submitted to the department; and
   9. Contain additional provisions necessary or proper for the execution of the powers and duties of the association.
3. The plan of operation may provide that any or all powers and duties of the association, except those under s. 631.57 (2) (b) and (c), are delegated to a corporation, association, or other organization which performs or will perform functions similar to those of this association or its equivalent in two or more states. Such a corporation, association, or organization shall be reimbursed as a servicing facility would be reimbursed and shall be paid for its performance of any other functions of the association. A delegation under this subsection shall take effect only with the approval of both the board of directors and the department, and may be made only to a corporation, association, or organization which extends protection not substantially less favorable and effective than that provided by this part.

Laws 1970, c. 70-20, § 9; Laws 1971, c. 71-355, § 163; Laws 1978, c. 78-95, § 21; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4.

**631.581. Repealed by Laws 1973, c. 73-333, § 166**

**631.582. Public records exemption.**

* + - 1. The following records of the Florida Insurance Guaranty Association are confidential and exempt from [s. 119.07(1)](https://web2.westlaw.com/find/default.wl?tf=-1&rs=WLW9.11&referencepositiontype=T&referenceposition=SP%3bf1c50000821b0&fn=_top&sv=Split&docname=FLSTS119.07&tc=-1&pbc=927DBDE0&ordoc=998912696&findtype=L&db=1000006&vr=2.0&rp=%2ffind%2fdefault.wl&mt=Westlaw) and [s. 24(a), Art. I of the State Constitution](https://web2.westlaw.com/find/default.wl?tf=-1&rs=WLW9.11&fn=_top&sv=Split&docname=FLCNART1S24&tc=-1&pbc=927DBDE0&ordoc=998912696&findtype=L&db=1000245&vr=2.0&rp=%2ffind%2fdefault.wl&mt=Westlaw):
         1. Claims files, until termination of all litigation, settlement, and final closing of all claims arising out of the same incident, although portions of the claims files may remain exempt, as otherwise provided by law.
         2. Medical records that are part of a claims file and other information relating to the medical condition or medical status of a claimant.
         3. Records pertaining to matters reasonably encompassed in privileged attorney-client communications.

1. Records or portions of records made confidential and exempt by this section may be released, upon written request, to any state agency in the performance of that agency's official duties and responsibilities. The receiving agency shall maintain the confidential and exempt status of such record or portion of such record.

[Laws 2009, c. 2009-186, § 1, eff. July 1, 2009](https://web2.westlaw.com/find/default.wl?tf=-1&rs=WLW9.11&fn=_top&sv=Split&docname=UUID%28IAFE4A52060-2411DE883E8-EB7EB3066A0%29&tc=-1&pbc=927DBDE0&ordoc=998912696&findtype=l&db=1077005&vr=2.0&rp=%2ffind%2fdefault.wl&mt=Westlaw" \t "_top), Laws 2014, c. 2014-77, § 1, eff. Oct. 1, 2014.

**631.59. Duties and powers of department and office; association contracts and purchases**

* + - 1. The department shall notify the association of the existence of an insolvent insurer not later than 3 days after it receives notice of the determination of the insolvency.
      2. The department may require that the association notify the insureds of the insolvent insurer and any other interested parties of the determination of insolvency and of their rights under this part. Such notification shall be by mail at their last known addresses, when available, but if sufficient information for notification by mail is not available, notice by e-mail or telephone shall be sufficient.
      3. The office shall, upon request of the board of directors, provide the association with a statement of the direct written premiums of each member insurer.
      4. The office may:
         1. Suspend or revoke the certificate of authority to transact insurance in this state of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the office may levy a fine on any member insurer which fails to pay an assessment when due. Such fine may not exceed 5 percent of the unpaid assessment per month, except that no fine shall be less than $100 per month.
         2. Revoke the designation of any servicing facility if it finds claims are being handled unsatisfactorily.

(5) (a) After July 1, 2024, all contracts entered into, and all purchases made by, the

association pursuant to this section which are valued at or more than $100,000

must first be approved by the department. The department has 10 days to

approve or deny the contract or purchase upon electronic receipt of the approval

request. The contract or purchase is automatically approved if the department is

nonresponsive.

(b) All contracts and purchases valued at or more than $100,000 require competition through a formal bid solicitation conducted by the association. The association must undergo a formal bid solicitation process. The formal bid solicitation process must include all of the following:

1. The time and date for the receipt of bids, the proposals, and whether the association contemplates renewal of the contract, including the price for each year for which the contract may be renewed.

2. All the contractual terms and conditions applicable to the procurement.

(c) Evaluation of bids by the association must include consideration of the total cost for each year of the contract, including renewal years, as submitted by the vendor. The association must award the contract to the most responsible and responsive vendor. Any formal bid solicitation conducted by the association must be made available, upon request, to the department via electronic delivery.

(d) Paragraphs (b) and (c) do not apply to claims defense counsel or claims vendors if contracts with all vendors which may exceed $100,000 are provided to the department for prior approval in accordance with paragraph (a).

Laws 1970, c. 70-20, § 10; Laws 1978, c. 78-95, § 21. Amended by [Laws 2003, c. 2003-261, § 1356, eff. June 26, 2003](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I6627FF30AC-9911D79546F-98AC1F3571B)&originatingDoc=N3E8FEF700BF811EFB511BD87B64D4104&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)); [Laws 2012, c. 2012-212, § 20, eff. July 1, 2012](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I7C51427098-6311E1BEAAC-D6A9EC8BC74)&originatingDoc=N3E8FEF700BF811EFB511BD87B64D4104&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)); [Laws 2020, c. 2020-54, § 5, eff. July 1, 2020](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I4CB12E906A-B011EA9251B-9775F20F8D6)&originatingDoc=N3E8FEF700BF811EFB511BD87B64D4104&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)); [Laws 2024, c. 2024-140, § 22, eff. May 2, 2024](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(IAC1E4320E2-8B11EE837EA-257BA1AFBDE)&originatingDoc=N3E8FEF700BF811EFB511BD87B64D4104&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)).

**631.591. Repealed by Laws 1973, c. 73-333, § 166**

**631.60 Effect of paid claims**

* + - 1. Any person recovering under this part shall be deemed to have assigned her or his rights under the policy to the association to the extent of the person’s recovery from the association, regardless of whether such recovery is received directly from the association or through payments made from the proceeds of bonds issued under former s. 166.111(2). Every insured or claimant seeking the protection of this part shall cooperate with the association to the same extent as such person would have been required to cooperate with the insolvent insurer. The association shall have no cause of action against the insured of the insolvent insurer for any sums it has paid out except such causes of action as the insolvent insurer would have had if such sums had been paid by the insolvent insurer. In the case of an insolvent insurer operating on a plan with assessment liability, payments of claims of the association shall not operate to reduce the liability of insureds to the receiver, liquidator, or statutory successor for unpaid assessments.
      2. The receiver, liquidator, or statutory successor of an insolvent insurer shall be bound by settlements of covered claims by the association or a similar organization in another state. The court having jurisdiction shall grant such claims priority equal to that to which the claimant would have been entitled in the absence of this part against the assets of the insolvent insurer. The expenses of the association or similar organization in handling claims shall be accorded the same priority as the liquidator's expenses.
      3. The association shall periodically file with the receiver or liquidator of the insolvent insurer statements of the covered claims paid by the association and estimates of anticipated claims on the association which shall preserve the rights of the association against the assets of the insolvent insurer.
      4. Any release of the association and its insured must clearly state whether or not any claim filed with the receiver in excess of the liability of the association under s. 631.57 is waived.

Laws 1970, c. 70-20, § 11; Laws 1971, c. 71-970, § 11; Laws 1982, c. 82-243, § 809(1st); Laws 1983, c. 83-38, § 31; Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; Laws 1992, c. 92-345, § 6; Laws 1997, c. 97-102, § 412, eff. 7-1-97; Laws 2004, c. 2004-5, § 129.

**631.601. Renumbered as 631.60 in Fla.St.1973**

**631.61. Nonduplication of recovery**

* + - 1. Any person having a claim against an insurer under any provision in an insurance policy other than a policy of an insolvent insurer which is also a covered claim, shall not be required to exhaust first her or his rights under such a policy. Any amount payable on a covered claim under this part shall be reduced by the amount of any recovery under such insurance policy.
      2. Any person having a claim which may be recovered under more than one insurance guaranty association or its equivalent shall seek recovery first from the association of the place of residence of the insured, except that if it is a first-party claim for damage to property with a permanent location, the person shall seek recovery first from the association of the location of the property, and if it is a workers' compensation plan, the person shall seek recovery first from the association of the residence of the claimant. Any recovery under this part shall be reduced by the amount of recovery from any other insurance guaranty association or its equivalent.

Laws 1970, c. 70-20, § 12; Laws 1979, c. 79-40, § 119; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; Laws 1997, c. 97-102, § 413, eff. 7-1-97.

**631.611. Repealed by Laws 1973, c. 73-333, § 166**

**631.62. Prevention of insolvencies**

To aid in the detection and prevention of insurer insolvencies:

* + - 1. It shall be the duty of the board of directors, upon majority vote, to notify the office of any information indicating any member insurer may be insolvent or in a financial condition hazardous to the policyholders or the public.
      2. The board of directors may, upon majority vote, request that the office order an examination of any member insurer which the board in good faith believes may be in a financial condition hazardous to the policyholders or the public. Within 30 days of the receipt of such request, the office shall begin such examination. The examination may be conducted as a National Association of Insurance Commissioners examination or may be conducted by such persons as the office designates. The cost of such examination shall be paid by the association and the examination report shall be treated as are other examination reports pursuant to s. 624.319. In no event shall such examination report be released to the board of directors prior to its release to the public. The office shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the office; such request is confidential and exempt from the provisions of s. 119.07(1) until the examination report is released to the public.
      3. The board of directors may, upon majority vote, make reports and recommendations to the department or office upon any matter germane to the solvency, liquidation, rehabilitation, or conservation of any member insurer. Such reports and recommendations are confidential and exempt from the provisions of s. 119.07(1) until the termination of a delinquency proceeding.
      4. The board of directors may, upon majority vote, make recommendations to the office for the detection and prevention of insurer insolvencies.

Laws 1970, c. 70-20, § 13; Laws 1982, c. 82-243, § 809(1st); Laws 83, c. 83-38, § 32; Laws 1987, c. 87-226, § 38; Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; Laws 1993, c. 93-118, § 3; Laws 1996, c. 96-406, § 386, eff. 7-3-96; Laws 2003, c. 2003-261, § 1356, eff. June 26, 2003.

**631.621. Repealed by Laws 1973, c. 73-333, § 166**

**631.63. Examination of the association**

The association shall be subject to examination and regulation by the department. The board of directors shall submit, not later than March 30 of each year, a financial report for the preceding calendar year in a form approved by the department.

Laws 1970, c. 70-20, § 14; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187,188; c. 91-429, § 4.

**631.631. Repealed by Laws 1973, c. 73-333, § 166**

**631.64. Recognition of assessments**

Charges or recoupments shall be separately displayed on premium statements to enable policyholders to determine the amount charged for association assessments but may not be included in rates filed and approved by the office. Laws 1970, c. 70-20, § 15; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; Laws 2015, c. 2015-65, § 3, eff. July 1, 2015.

**631.641. Repealed by Laws 1973, c. 73-333, § 166**

**631.65. Advertisement or solicitation**

An advertisement or a solicitation that uses the existence of the association for the purpose of sales, solicitation, or inducement to purchase any form of insurance covered under this part must explain the coverage limits of the association set forth in s. 631.57(1) which apply to the type of insurance described in the advertisement or solicitation. Laws 1970, c. 70-20, § 16; Laws 1982, c. 82-243, §809(1st); Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4; [2009, c. 2009-87, § 14, eff. May 27, 2009](https://web2.westlaw.com/find/default.wl?tf=-1&rs=WLW9.11&fn=_top&sv=Split&docname=UUID%28IA99F3BD051-4211DEA9DBA-E47A8C01A08%29&tc=-1&pbc=F28BA3F6&ordoc=666399&findtype=l&db=1077005&vr=2.0&rp=%2ffind%2fdefault.wl&mt=Westlaw); Laws 2015, c. 2015-135, § 9, eff. July 1, 2015.

**631.651. Repealed by Laws 1973, c. 73-333, § 166**

**631.66. Immunity**

There shall be no liability on the part of, and no cause of action of any nature shall arise against, any member insurer, the association or its agents or employees, the board of directors, the Chief Financial Officer, or the department or office or their representatives for any action taken by them in the performance of their powers and duties under this part. Such immunity shall extend to the participation in any organization of one or more other state associations of similar purposes and to any such organization and its agents or employees.

Laws 1970, c. 70-20, § 17; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 96, 187, 188; c. 91-429, § 4; Laws 2003, c. 2003-261, § 1358, eff. June 26, 2003.

**631.661. Repealed by Laws 1973, c. 73-333, § 166**

**631.67. Stay of proceedings; reopening of default judgments**

All proceedings in which the insolvent insurer 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 shall be stayed for 6 months, or such additional period from the date the insolvency is adjudicated, by a court of competent jurisdiction to permit proper defense by the association of all pending causes of action as to any covered claims; provided that such stay may be extended for a period of time greater than 6 months upon proper application to a court of competent jurisdiction. The association, either on its own behalf or on behalf of such insured, may apply to have any judgment, order, decision, verdict, or finding based on the default of the insolvent insurer or its failure to defend an insured set aside by the same court or administrator that made such judgment, order, decision, verdict, or finding and shall be permitted to defend against such claim on the merits. If request is made by the association, the stay of proceedings may be shortened or waived.

Laws 1970, c. 70-20, § 18; Laws 1971, c. 71-970, § 18; Laws 1977, c.77-227, § 5; Laws 1980, c. 80-26, § 2; Laws 1982, c. 82-243, § 809(1st); Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4.

**631.671. Renumbered as 631.67 in Fla.St.1973**

**631.68. Limitation; certain actions**

A covered claim as defined herein with respect to which settlement is not effected and suit is not instituted against the insured of an insolvent insurer or the association within 1 year after the deadline for filing claims, or any extension thereof, with the receiver of the insolvent insurer shall thenceforth be barred as a claim against the association and the insured.

Laws 1971, c. 71-970, § 19; Laws 1977, c. 77-227, § 6; Laws 1982, c. 82-243, § 809(1st); Laws 1983, c. 83-38, § 33; Laws 1991, c. 91-108, §§ 187, 188; c. 91-429, § 4.

**631.69. Repealed by Laws 1973, c. 73-333, § 166**

**631.695. Revenue bond issuance through counties or municipalities**

* + - 1. The Legislature finds:
         1. The potential for widespread and massive damage to persons and property caused by hurricanes making landfall in this state can generate insurance claims of such a number as to render numerous insurers operating within this state insolvent and therefore unable to satisfy covered claims.
         2. The inability of insureds within this state to receive payment of covered claims or to timely receive such payment creates financial and other hardships for such insureds and places undue burdens on the state, the affected units of local government, and the community at large.
         3. In addition, the failure of insurers to pay covered claims or to timely pay such claims due to the insolvency of such insurers can undermine the public's confidence in insurers operating within this state, thereby adversely affecting the stability of the insurance industry in this state.
         4. The state has previously taken action to address these problems by adopting the Florida Insurance Guaranty Association Act, which, among other things, provides a mechanism for the payment of covered claims under certain insurance policies to avoid excessive delay in payment and to avoid financial loss to claimants or policyholders because of the insolvency of an insurer.
         5. In the wake of the unprecedented destruction caused by various hurricanes that have made landfall in this state, the resultant covered claims, and the number of insurers rendered insolvent thereby, make it evident that alternative programs must be developed to allow the Florida Insurance Guaranty Association to more expeditiously and effectively provide for the payment of covered claims.
         6. It is therefore determined to be in the best interests of, and necessary for, the protection of the public health, safety, and general welfare of the residents of this state and for the protection and preservation of the economic stability of insurers operating in this state, and it is declared to be an essential public purpose, to permit certain municipalities and counties to take such actions as will provide relief to claimants and policyholders having covered claims against insolvent insurers operating in this state by expediting the handling and payment of covered claims.
         7. To achieve the foregoing purposes, it is proper to authorize municipalities and counties of this state to issue bonds to assist the Florida Insurance Guaranty Association in expediting the handling and payment of covered claims of insolvent insurers.
         8. In order to avoid the needless and indiscriminate proliferation, duplication, and fragmentation of such assistance programs, it is in the best interests of the residents of this state to authorize municipalities and counties to provide for the payment of covered claims beyond their territorial limits in the implementation of such programs.
         9. It is a paramount public purpose for municipalities and counties to be able to issue bonds for the purposes described in this section. Such issuance shall provide assistance to residents of those municipalities and counties as well as to other residents of this state.

1. The governing body of any municipality or county may issue bonds to fund an assistance program in conjunction with, and with the consent of, the Florida Insurance Guaranty Association for the purpose of paying claimants' or policyholders' covered claims, as defined in s. 631.54, arising through the insolvency of an insurer, which insolvency is determined by the Florida Insurance Guaranty Association to have been a result of a hurricane, regardless of whether the claimants or policyholders are residents of such municipality or county or the property to which the claim relates is located within or outside the territorial jurisdiction of the municipality or county. The power of a municipality or county to issue bonds, as described in this section, is in addition to any powers granted by law and may not be abrogated or restricted by any provisions in such municipality's or county's charter. A municipality or county issuing bonds for this purpose shall enter into such contracts with the Florida Insurance Guaranty Association or any entity acting on behalf of the Florida Insurance Guaranty Association as are necessary to implement the assistance program. Any bonds issued by a municipality or county or a combination thereof under this subsection shall be payable from and secured by moneys received by or on behalf of the municipality or county from assessments levied under s. 631.57(3)(a) and assigned and pledged to or on behalf of the municipality or county for the benefit of the holders of the bonds in connection with the assistance program. The funds, credit, property, and taxing power of the state or any municipality or county shall not be pledged for the payment of such bonds.
2. Bonds may be validated by the municipality or county pursuant to chapter 75. The proceeds of the bonds may be used to pay covered claims of insolvent insurers; to refinance or replace previously existing borrowings or financial arrangements; to pay interest on bonds; to fund reserves for the bonds; to pay expenses incident to the issuance or sale of any bond issued under this section, including costs of validating, printing, and delivering the bonds, costs of printing the official statement, costs of publishing notices of sale of the bonds, costs of obtaining credit enhancement or liquidity support, and related administrative expenses; or for such other purposes related to the financial obligations of the fund as the association may determine. The term of the bonds may not exceed 30 years.
3. The state covenants with holders of bonds of the assistance program that the state will not take any action that will have a material adverse effect on the holders and will not repeal or abrogate the power of the board of directors of the association to direct the Office of Insurance Regulation to levy the assessments and to collect the proceeds of the revenues pledged to the payment of the bonds as long as any of the bonds remain outstanding, unless adequate provision has been made for the payment of the bonds in the documents authorizing the issuance of the bonds.
4. The accomplishment of the authorized purposes of such municipality or county under this section is in all respects for the benefit of the people of the state, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions. The municipality or county, in performing essential governmental functions in accomplishing its purposes, is not required to pay any taxes or assessments of any kind whatsoever upon any property acquired or used by the county or municipality for such purposes or upon any revenues at any time received by the county or municipality. The bonds, notes, and other obligations of the municipality or county and the transfer of and income from such bonds, notes, and other obligations, including any profits made on the sale of such bonds, notes, and other obligations, are exempt from taxation of any kind by the state or by any political subdivision or other agency or instrumentality of the state. The exemption granted in this subsection is not applicable to any tax imposed by chapter 220 on interest, income, or profits on debt obligations owned by corporations.
5. Two or more municipalities or counties may create a legal entity pursuant to s. 163.01(7)(g) to exercise the powers described in this section as well as those powers granted in s. 163.01(7)(g). References in this section to a municipality or county include such legal entity.
6. The association shall issue an annual report on the status of the use of bond proceeds as related to insolvencies caused by hurricanes. The report must contain the number and amount of claims paid. The association shall also include an analysis of the revenue generated from the assessment levied under s. 631.57(3)(a) to pay such bonds. The association shall submit a copy of the report to the President of the Senate, the Speaker of the House of Representatives, and the Chief Financial Officer within 90 days after the end of each calendar year in which bonds were outstanding.

Added by Laws 2006, c. 2006-12, § 35[, eff. May 16, 2006](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I147E70F0E6-9411DAAC53B-F4D9F8C72E1)&originatingDoc=ND80999B025AD11DC86C9DA296AADD960&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)). Amended by [Laws 2007, c. 2007-90, § 23, eff. June 11, 2007](https://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I838B2E1019-D411DCB95CB-5108D87F521)&originatingDoc=ND80999B025AD11DC86C9DA296AADD960&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink))

**NOTE**:

No provision of s. 631.57 or s. 631.695, Florida Statutes, shall be repealed until such time as the principal, redemption premium, if any, and interest on all bonds issued under s. 631.695, Florida Statutes, payable and secured from assessments levied under s. 631.57 (3) (a), Florida Statutes, have been paid in full or adequate provision for such payment has been made in accordance with the bond resolution or trust indenture pursuant to which the bonds were issued. Per Laws 2006

**631.70. Repealed by Laws 2023, c. 2023-15, § 24, eff. March 24, 2023**

**631.705. Repealed. Laws 1990, c. 90-32, § 94; 1995, c. 95-145, § 26, eff. 7-10-95.**