FLORIDA INSURANCE GUARANTY ASSOCIATION

CITATION & EFFECTIVE DATE

Fla. Stat. Ann. Sec. 631.50 et seq. (Laws 1970, c. 70-20,Sec. 1 et seq.); 10/1/70.

MODEL OR SIMILAR ACT

Yes

COVERED CLAIMS

COVERED LINES OF BUSINESS

All kinds of direct insurance, except life, annuity, health or disability insurance; mortgage guaranty, financial guaranty, or other forms of insurance offering protection against investment risks; fidelity, surety, or other bonding obligations; credit, vendors' single interest insurance, collateral protection insurance, or any similar insurance protecting the interests of a creditor arising out of a creditor-debtor transaction, warranty insurance including motor vehicle service, home warranty or service warranty, ambulance service, health care service, or preneed funeral merchandise or optometric service plan, pharmaceutical service plan or dental service plan, legal expense, health maintenance, prepaid health clinic, or continuing care, ocean marine or wet marine insurance, self insurance, title, surplus lines, any transaction between a person and an insurer, which involves the transfer of investment or credit risk unaccompanied by the transfer of insurance risk, any insurance provided by or guaranteed by government and worker's compensation, including claims under employer liability coverage. Worker's compensation covered by separate fund.

UNEARNED PREMIUM

is covered up to $300,000 with a $100 deductible.

COVERED CLAIM

is an unpaid claim under a covered policy of an insolvent insurer, and the claimant or insured is a resident of the state at the time of the insured event or the property from which the claim arises is permanently located in the 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. Association obligated to the extent of covered claims existing prior to the adjudication of insolvency and arising within 30 days thereafter. A covered claim with respect to which settlement is not effected and suit is not instituted against the insured or the association within one year after the deadline for filing claims or any extension thereof, with the receiver shall be barred as a claim against the association and the insured.

ASSESSMENTS

SEPARATE ACCOUNTS

* + 1. Automobile Liability and Auto Physical Damage
    2. All Others

MAXIMUM ANNUAL %

2% per account per calendar year. In addition, if needed, a 2% emergency assessment may be made. Fund has a catastrophic borrowing provision. Assessment may be collected on a quarterly installment basis after surcharge collected if the association has adequate cash on hand to pay claims for a six-month period.

RECOUPMENT PROVISION

Policyholder surcharge

BASE YEAR

“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 by the insurance department.

LIMITS ON CLAIMS

DEDUCTIBLE OR MINIMUM PER CLAIM

$100

MAXIMUM PER CLAIM

$300,000 per claim, except that policies providing coverage for homeowner’s insurance shall provide for an additional $200,000 for the portion of a covered claim which relates only to the damage of the structure and contents. $200,000 per residential unit for policies covering condominium associations and homeowners associations.

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

Amounts due any reinsurer, insurer, insurance pool, or underwriting association, sought directly or indirectly through a third party, as subrogation, contribution, indemnification, or otherwise. Member insurers shall have no right of subrogation, contribution, indemnification, or otherwise, sought directly or indirectly through a third party, against the insured of any insolvent member.

Association is not liable for penalties or interest.

CLAIMS COVERED BY OTHER INSURANCE AND OTHER GUARANTY ASSOCIATIONS

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 right under any such policy. Any amount payable on a covered claim shall be reduced by the amount of any recovery under such insurance policy. Any person having a claim which may be covered by more than one guaranty association shall seek recovery first from the association of the place 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 worker's compensation claim then he shall seek recovery first from the association of the residence of the claimant. Any recovery made from this association shall be reduced by the amount of the recovery from any other association.

TERMINATION PROVISION

None

MISCELLANEOUS

Insolvent insurer is defined as a member insurer against which a final 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 association shall be accorded the same priority as the liquidator's expenses.

No cause of action shall arise against any member insurer, the association or its agents or employees, the board of directors, or the Chief Financial Officer or the department or office or their representatives for any action taken by them pursuant to this chapter.

All proceedings against an insolvent insurer or any party to be defended by an insolvent insurer shall be stayed for up to six months from the date insolvency is determined or such additional time as may be determined by a court.

Notice of claims to the receiver or liquidator shall be deemed notice to the association.