

Amendment No. 9

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing PCS: Economic Affairs Committee  
2 Representative Horner offered the following:

3  
4 **Amendment (with title amendment)**

5 Between lines 2565 and 2566, insert:

6 Section 35. Section 631.271, Florida Statutes, is amended  
7 to read:

8 631.271 Priority of claims.—

9 (1) The priority of distribution of claims from the  
10 insurer's estate shall be in accordance with the order in which  
11 each class of claims is set forth in this subsection. Every  
12 claim in each class shall be paid in full or adequate funds  
13 shall be retained for such payment before the members of the  
14 next class may receive any payment. No subclasses may be  
15 established within any class. The order of distribution of  
16 claims shall be:

17 (a) Class 1.—

18 1. All of the receiver's costs and expenses of  
19 administration.

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20 2. All of the expenses of a guaranty association or  
21 foreign guaranty association in handling claims.

22 (b) Class 2.—All claims under policies for losses  
23 incurred, including third-party claims, all claims against the  
24 insurer for liability for bodily injury or for injury to or  
25 destruction of tangible property which claims are not under  
26 policies, and all claims of a guaranty association or foreign  
27 guaranty association. All claims under life insurance and  
28 annuity policies, whether for death proceeds, annuity proceeds,  
29 or investment values, shall be treated as loss claims. That  
30 portion of any loss, indemnification for which is provided by  
31 other benefits or advantages recovered by the claimant, may not  
32 be included in this class, other than benefits or advantages  
33 recovered or recoverable in discharge of familial obligations of  
34 support or by way of succession at death or as proceeds of life  
35 insurance, or as gratuities. No payment by an employer to her or  
36 his employee may be treated as a gratuity.

37 (c) Class 3.—Claims under nonassessable policies for  
38 unearned premiums or premium refunds.

39 (d) Class 4.—Claims of the Federal Government.

40 (e) Class 5.—Debts due to employees for services  
41 performed, to the extent that the debts do not exceed \$2,000 for  
42 each employee and represent payment for services performed  
43 within 6 months before the filing of the petition for  
44 liquidation. Officers and directors are not entitled to the  
45 benefit of this priority. This priority is in lieu of any other  
46 similar priority that is authorized by law as to wages or  
47 compensation of employees.

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Published On: 2/21/2012 8:18:31 PM

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48 (f) Class 6.—Claims of general creditors.

49 (g) Class 7.—Claims of any state or local government.

50 Claims, including those of any state or local government for a  
51 penalty or forfeiture, shall be allowed in this class, but only  
52 to the extent of the pecuniary loss sustained from the act,  
53 transaction, or proceeding out of which the penalty or  
54 forfeiture arose, with reasonable and actual costs occasioned  
55 thereby. The remainder of such claims shall be postponed to the  
56 class of claims under paragraph (j).

57 (h) Class 8.—Claims filed after the time specified in s.  
58 631.181(3), except when ordered otherwise by the court to  
59 prevent manifest injustice, or any claims other than claims  
60 under paragraph (i) or under paragraph (j).

61 (i) Class 9.—Surplus or contribution notes, or similar  
62 obligations, and premium refunds on assessable policies.  
63 Payments to members of domestic mutual insurance companies shall  
64 be limited in accordance with law.

65 (j) Class 10.—Interest on allowed claims of Classes 1  
66 through 9, according to the terms of a plan to pay interest on  
67 allowed claims proposed by the liquidator and approved by the  
68 receivership court.

69 (k) Class 11.— The claims of shareholders or other owners.

70 (2) In a liquidation proceeding involving one or more  
71 reciprocal states, the order of distribution of the domiciliary  
72 state shall control as to all claims of residents of this and  
73 reciprocal states. All claims of residents of reciprocal states  
74 shall be given equal priority of payment from general assets  
75 regardless of where such assets are located.

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**T I T L E   A M E N D M E N T**

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Remove line 177 and insert:

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amending s. 631.271, F.S.; providing for priority of interest on

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allowed claims; providing an effective date.