

Bill No. CS for SB 1108

Amendment No. ____

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Silver moved the following amendment to House
Amendment 2:

Senate Amendment (with title amendment)

On page 1, between lines 16 and 17,

insert:

Section 5. Legislative findings; required rate reductions.--

(1) The Legislature finds that the capability of the Florida Hurricane Catastrophe Fund established under section 215.555, Florida Statutes, to provide reinsurance coverage to insurers is substantially enhanced by its receipt of confirmation from the Internal Revenue Service that it may issue tax-exempt bonds. This event results in cost savings to insurers in the writing of residential property insurance. It is fair and just and the interest of the public welfare requires that these savings be passed on to residential property insurance policyholders in the form of premium reductions.

(2)(a) The provisions of section 627.062, Florida

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1 Statutes, to the contrary notwithstanding, within 60 days
2 after July 1, 1998, each insurer writing residential coverage
3 in this state as described in section 627.4025, Florida
4 Statutes, with respect to such coverage, shall reduce its rate
5 by a justified percentage which shall be within the range of a
6 6 to 15 percent reduction. When an insurer files to reduce its
7 rates as required by this subsection, the insurer shall file a
8 certification with the department that the rate adjustment has
9 been made, together with copies of the amended rating manual
10 pages disclosing the adjustment. In lieu of filing to reduce
11 rates by the percentage required under this subsection, an
12 insurer may elect to refile its rates, provided the insurer
13 demonstrates that the level of percentage savings to be passed
14 on to policyholders in view of the savings resulting from such
15 favorable tax ruling is justified and produces a rate
16 differential other than such range of percentage reduction.

17 (b) A rate filing made pursuant to this section, shall
18 not be subject to subsection (6) of section 627.062, Florida
19 Statutes.

20 (3) This section shall take effect July 1, 1998.

21
22 (Redesignate subsequent sections.)

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24
25 ===== T I T L E A M E N D M E N T =====

26 And the title is amended as follows:

27 On page 20, line 5, after the colon,

28
29 insert:

30 requiring insurers to reduce rates for
31 residential coverage due to a favorable ruling

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1 received by the Florida Hurricane Catastrophe
2 Fund established under s. 215.555, F.S., from
3 the Internal Revenue Service that it may issue
4 tax-exempt bonds; providing procedures;
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