

hbd-32

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

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Representative(s) Lippman offered the following:

Amendment (with title amendment)

On page 1, line 21,

insert:

Section 1. 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 Statutes, to the contrary notwithstanding, within 60 days

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

17 (b) A rate filing made pursuant to this section shall
 18 not be subject to rate arbitration under s. 627.062(6).

19 (3) This section shall take effect upon becoming a
 20 law.

23 ===== T I T L E A M E N D M E N T =====

24 And the title is amended as follows:

25 On page 1, line 2,

27 insert after the semicolon:

28 requiring insurers to reduce rates for
 29 residential coverage due to a favorable ruling
 30 received by the Florida Hurricane Catastrophe
 31 Fund established under s. 215.555, F.S., from

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the Internal Revenue Service that it may issue
tax-exempt bonds; providing procedures;
providing for nonapplication of rate
arbitration for certain rate filings; providing
an effective date;