

Bill No. CS for SB 994

Amendment No.

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Holzendorf moved the following amendment:		
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13	Senate Amendment (with title amendment)		
14	On page 6, between lines 18 and 19,		
15			
16	insert:		
17	Section 6. Paragraph (e) of subsection (4) of section		
18	215.555, Florida Statutes, is amended to read:		
19	215.555 Florida Hurricane Catastrophe Fund.--		
20	(4) REIMBURSEMENT CONTRACTS.--		
21	(e)1. Except as provided in subparagraphs 2. and 3.,		
22	the contract shall provide that if an insurer demonstrates to		
23	the board that it is likely to qualify for reimbursement under		
24	the contract, and demonstrates to the board that the immediate		
25	receipt of moneys from the board is likely to prevent the		
26	insurer from becoming insolvent, the board shall advance the		
27	insurer, at market interest rates, the amounts necessary to		
28	maintain the solvency of the insurer, up to 50 percent of the		
29	board's estimate of the reimbursement due the insurer. The		
30	insurer's reimbursement shall be reduced by an amount equal to		
31	the amount of the loan and interest thereon.		

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1 2. With respect only to an entity created under s.
2 627.351, the contract shall also provide that the board may,
3 upon application by such entity, advance to such entity, at
4 market interest rates, up to 90 percent of the lesser of:

5 a. The board's estimate of the amount of reimbursement
6 due to such entity; or

7 b. The entity's share of the actual reimbursement
8 premium paid for that contract year, multiplied by the
9 currently available liquid assets of the fund. In order for
10 the entity to qualify for an advance under this subparagraph,
11 the entity must demonstrate to the board that the advance is
12 essential to allow the entity to pay claims for a covered
13 event and the board must determine that the fund's assets are
14 sufficient and are sufficiently liquid to allow the board to
15 make an advance to the entity and still fulfill the board's
16 reimbursement obligations to other insurers. The entity's
17 final reimbursement for any contract year in which an advance
18 has been made under this subparagraph must be reduced by an
19 amount equal to the amount of the advance and any interest on
20 such advance. In order to determine what amounts, if any, are
21 due the entity, the board may require the entity to report its
22 exposure and its losses at any time to determine retention
23 levels and reimbursements payable.

24 3. The contract shall also provide specifically and
25 solely with respect to any limited apportionment company under
26 s. 627.351(2)(b)3. that the board may, upon application by
27 such company, advance to such company the amount of the
28 estimated reimbursement payable to such company as calculated
29 pursuant to paragraph (d), up to the lesser of:

30 ~~a. Ninety percent of the board's estimate of the~~
31 ~~reimbursement due to such company, or~~

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1 ~~b. Ninety percent of the company's share of the total~~
2 ~~fund premiums applied to the board's currently available~~
3 ~~liquid assets,~~
4
5 ~~at market rates, if the company demonstrates to the board that~~
6 ~~the immediate receipt of such moneys is essential to permit it~~
7 ~~to pay claims for a covered event and if the board determines~~
8 ~~that the fund's assets are sufficient and are sufficiently~~
9 ~~liquid to permit the board to make an advance to such company~~
10 ~~and at the same time fulfill its reimbursement obligations to~~
11 ~~the insurers that are participants in the fund. Such~~
12 ~~company's final reimbursement for any contract year in which~~
13 ~~an advance pursuant to this subparagraph has been made shall~~
14 ~~be reduced by an amount equal to the amount of the advance and~~
15 ~~interest thereon. In order to determine what amounts, if any,~~
16 ~~are due to such company, the board may require such company to~~
17 ~~report its exposure and its losses at such times as may be~~
18 ~~required to determine retention levels and loss reimbursements~~
19 ~~payable.~~

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21 (Redesignate subsequent sections.)

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

25 And the title is amended as follows:

26 On page 1, line 20, after the semicolon,

27
28 insert:

29 amending s. 215.555, F.S.; revising the method
30 of reimbursement to insurers under the Florida
31 Hurricane Catastrophe Fund;