

Bill No. CS for SB 2522

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 16, between lines 20 and 21,		
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16	insert:		
17	Section 2. Subsection (2) of section 624.4071, Florida		
18	Statutes, is amended to read:		
19	624.4071 Special purpose homeowner insurance		
20	company.--		
21	(2) A special purpose homeowner insurance company must		
22	have a parent company, and both companies must meet the		
23	requirements of this subsection in order for the subsidiary to		
24	qualify for and maintain a certificate of authority under this		
25	section.		
26	(a) The parent company must be an admitted insurer in		
27	at least one state in the United States and must have over \$50		
28	million in capital and surplus.		
29	(b) The parent company must have and maintain at least		
30	51 percent of the equity and at least 51 percent of the		
31	control of the special purpose homeowner insurance company.		

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1 (c) An insurer not authorized to transact business in
2 this state, but that otherwise meets the requirements of this
3 section, may apply as a special purpose homeowner insurance
4 company.

5 (d) The special purpose homeowner insurance company
6 must:

7 1. Have and maintain at least \$10 million in surplus
8 and otherwise satisfy the requirements of s. 624.4095. A
9 special purpose homeowner insurance company that has
10 maintained a Certificate of Authority for at least one year
11 may reduce its surplus to \$5 million if the special purpose
12 homeowner insurance company's ratio of actual or projected
13 annual written premiums adjusted in accordance with s.
14 624.4095(4) to current or projected surplus as to
15 policyholders as adjusted in accordance with s. 624.4095(5)
16 does not exceed 7 to 1 for gross written premiums or does not
17 exceed 3 to 1 for net written premiums.

18 2. Be a member of the Florida Insurance Guaranty
19 Association and the Florida Hurricane Catastrophe Fund, and be
20 subject to any of their required assessments and premium
21 charges. However, a special purpose homeowner insurance
22 company may not be a member of the Florida Windstorm
23 Underwriting Association or the Florida Residential Property
24 and Casualty Joint Underwriting Association, and neither the
25 company nor its policyholders are subject to any assessments
26 by these associations except for emergency assessments
27 collected from policyholders pursuant to s.
28 627.351(2)(b)2.d.(III) and (6)(b)3.d. For the sole purpose of
29 levying and collecting emergency assessments and determining
30 the statewide written premium for property insurance, special
31 purpose homeowner insurance companies shall be considered

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1 member insurers of the Florida Windstorm Underwriting
 2 Association and the Florida Residential Property and Casualty
 3 Joint Underwriting Association. For the sole purpose of
 4 reimbursement under s. 215.555(4)(e)3., a special purpose
 5 homeowner insurance company shall be considered a limited
 6 apportionment company as defined under s. 627.351(2)(b)3.

7 3. Offer coverage for all perils, including windstorm,
 8 in providing residential coverage as defined in s. 627.4025. A
 9 special purpose homeowner insurance company's rates must be
 10 filed with the department. After a period of 1 year from the
 11 date a company receives a certificate of authority, the
 12 company's rates are subject to department approval under s.
 13 627.062.

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

17 And the title is amended as follows:

18 On page 2, line 5, after the semicolon

19

20 insert:

21 amending s. 624.4071, F.S.; providing
 22 qualifications for special purpose homeowner
 23 insurance companies;

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