

By the Committee on Banking and Insurance; and Senator McKay

311-1760-00

1 A bill to be entitled
2 An act relating to the Florida Statutes;
3 repealing or deleting various statutory
4 provisions that have become obsolete, have had
5 their effect, have served their purpose, or
6 have been impliedly repealed or superseded;
7 amending s. 624.408, F.S.; deleting an obsolete
8 schedule provision relating to the surplus
9 required to be maintained by certain property
10 and casualty insurers; repealing s.
11 624.515(2)(b), F.S., relating to applicability
12 of the surcharge on policies of fire, allied
13 lines, or multiperil insurance insuring
14 commercial property; repealing s. 626.9929,
15 F.S., relating to a grace period under the
16 Viatical Settlement Act; amending s. 627.0628,
17 F.S.; deleting obsolete provisions relating to
18 adoption and revision of hurricane loss
19 projection standards and guidelines; repealing
20 s. 627.072(4)(c), F.S., relating to a directive
21 to the Insurance Commissioner on the use of a
22 methodology for establishing rates for workers'
23 compensation and employer's liability
24 insurance; amending s. 627.215, F.S.; deleting
25 an obsolete reporting requirement on the excess
26 profits law; amending s. 627.3511, F.S.;
27 deleting findings relating to the need to
28 reduce the number of Residential Property and
29 Casualty Joint Underwriting Association
30 policies; repealing s. 627.706(5), F.S.,
31 relating to applicability of sinkhole insurance

1 requirements; amending s. 629.520, F.S.;

2 deleting obsolete provisions relating to the

3 authority of limited reciprocal insurers;

4 amending s. 633.41, F.S.; deleting an obsolete

5 provision relating to firefighter certificates

6 of tenure; repealing pt. XXII, ch. 627, F.S.,

7 relating to Workers' Compensation Insurance

8 Purchasing Alliance; providing an effective

9 date.

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11 Be It Enacted by the Legislature of the State of Florida:

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13 Section 1. Paragraph (b) of subsection (1) of section

14 624.408, Florida Statutes, is amended to read:

15 624.408 Surplus as to policyholders required; new and

16 existing insurers.--

17 (1)

18 (b) For any property and casualty insurer holding a

19 certificate of authority on December 1, 1993, the following

20 amounts apply instead of the \$4 million required by

21 subparagraph (a)5.:

22 ~~1. On December 31, 1998, and until December 30, 1999,~~

23 ~~\$2.25 million.~~

24 1.2. On December 31, 1999, and until December 30,

25 2000, \$2.5 million.

26 2.3. On December 31, 2000, and until December 30,

27 2001, \$2.75 million.

28 3.4. On December 31, 2001, and until December 30,

29 2002, \$3 million.

30 4.5. On December 31, 2002, and until December 30,

31 2003, \$3.25 million.

1 ~~5.6.~~ On December 31, 2003, and until December 30,
2 2004, \$3.6 million.

3 ~~6.7.~~ On December 31, 2004, and thereafter, \$4 million.

4 Section 2. Paragraph (b) of subsection (2) of section
5 624.515, Florida Statutes, is repealed.

6 Section 3. Section 626.9929, Florida Statutes, is
7 repealed.

8 Section 4. Paragraph (d) of subsection (3) of section
9 627.0628, Florida Statutes, is amended to read:

10 627.0628 Florida Commission on Hurricane Loss
11 Projection Methodology.--

12 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.--

13 ~~(d) The commission shall adopt initial actuarial~~
14 ~~methods, principles, standards, models, or output ranges no~~
15 ~~later than December 31, 1995.~~The commission shall adopt
16 revisions to previously adopted such actuarial methods,
17 principles, standards, models, or output ranges at least
18 annually thereafter. ~~As soon as possible, but no later than~~
19 ~~July 1, 1996, the commission shall adopt revised actuarial~~
20 ~~methods, principles, standards, models, or output ranges which~~
21 ~~include specification of acceptable computer models or output~~
22 ~~ranges derived from computer models.~~

23 Section 5. Paragraph (c) of subsection (4) of section
24 627.072, Florida Statutes, is repealed.

25 Section 6. Subsection (14) of section 627.215, Florida
26 Statutes, is amended to read:

27 627.215 Excessive profits for workers' compensation,
28 employer's liability, commercial property, and commercial
29 casualty insurance prohibited.--

30 (14) The application of this law to commercial
31 property and commercial casualty insurance, which includes

1 commercial umbrella liability insurance, ceases on January 1,
2 1997. ~~The Department of Insurance shall, no later than~~
3 ~~October 1, 1995, provide a report on this law to the President~~
4 ~~of the Senate and the Speaker of the House of Representatives,~~
5 ~~which report includes a history of the excess profits law and~~
6 ~~a year-by-year listing of excess profits returned to~~
7 ~~policyholders as refunds or credits.~~

8 Section 7. Subsection (1) of section 627.3511, Florida
9 Statutes, is amended to read:

10 627.3511 Depopulation of Residential Property and
11 Casualty Joint Underwriting Association.--

12 (1) ~~LEGISLATIVE FINDINGS AND INTENT.--~~The Legislature
13 ~~finds and declares that the Residential Property and Casualty~~
14 ~~Joint Underwriting Association has written an amount of~~
15 ~~policies beyond legislative expectations and has become, by~~
16 ~~virtue of its size, a significant impediment to the~~
17 ~~restoration of a stable and competitive residential property~~
18 ~~insurance market in this state; that the public policy of this~~
19 ~~state requires the maintenance of a residual market for~~
20 ~~residential property insurance; and that extraordinary~~
21 ~~measures, beyond implementation of eligibility criteria and~~
22 ~~noncompetitive rates, are required to reduce the number of~~
23 ~~policies written by the Residential Property and Casualty~~
24 ~~Joint Underwriting Association to a reasonable level. It is~~
25 ~~the intent of the Legislature to provide a variety of~~
26 ~~financial incentives to encourage the replacement of the~~
27 ~~highest possible number of Residential Property and Casualty~~
28 ~~Joint Underwriting Association policies with policies written~~
29 ~~by admitted insurers at approved rates.~~

30 Section 8. Subsection (5) of section 627.706, Florida
31 Statutes, is repealed.

1 Section 9. Section 629.520, Florida Statutes, is
2 amended to read:

3 629.520 ~~Abolition of existing~~ Authority of the
4 ~~department to issue a certificate of authority as a limited~~
5 ~~reciprocal insurer.--On October 1, 1991, the existing~~
6 ~~authority of the department to issue a certificate of~~
7 ~~authority as a limited reciprocal insurer pursuant to this~~
8 ~~chapter is abolished. Existing limited reciprocal insurers~~
9 ~~which continue to hold a certificate of authority after this~~
10 ~~date shall have until October 1, 1992, to convert their~~
11 ~~certificate of authority by meeting the requirements for a~~
12 ~~certificate of authority as another type of insurer authorized~~
13 ~~under this code. All existing certificates of authority as a~~
14 ~~limited reciprocal insurer not so converted shall~~
15 ~~automatically terminate on October 1, 1992.~~ The authority of
16 any limited reciprocal insurer to accept new business or
17 renewals shall not continue beyond October 1, 1992; however,
18 such limited reciprocal insurer shall continue to service its
19 obligations previously incurred or with the approval of the
20 department, arrange for the transfer of these obligations to
21 an authorized insurer. All power of the department with
22 respect to limited reciprocal insurers shall continue
23 undiminished. This section does not affect any other power of
24 the department or any other function of the department.

25 Section 10. Section 633.41, Florida Statutes, is
26 amended to read:

27 633.41 Saving clause.--Firefighters employed on July
28 5, 1969, are not required to meet the provisions of ss. 633.34
29 and 633.35 as a condition of tenure or continued employment;
30 nor shall their failure to fulfill such requirements make them
31 ineligible for any promotional examination for which they are

1 otherwise eligible or affect in any way any pension rights to
2 which they may be entitled on July 5, 1969. ~~Firefighters~~
3 ~~employed on July 5, 1969, who have not yet been issued a~~
4 ~~certificate of tenure shall make application to the Florida~~
5 ~~State Fire College for such certificate no later than June 30,~~
6 ~~1990, after which date no certificates of tenure will be~~
7 ~~issued.~~

8 Section 11. Sections 627.990, 627.991, and 627.992,
9 Florida Statutes, are repealed.

10 Section 12. This act shall take effect upon becoming a
11 law.

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13 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
14 COMMITTEE SUBSTITUTE FOR
15 Senate Bill 1744

- 16 1. Preserves as current law the legislative finding for the
17 Florida Residential Property and Casualty Joint
18 Underwriting Association that the public policy of this
19 state requires the maintenance of a residual market for
20 residential property insurance.
- 21 2. Repeals the statutory provisions relating to the
22 Workers' Compensation Insurance Purchasing Alliance.
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