

Amendment No. 1 (for drafter's use only)

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

11 Representative(s) Waters offered the following:

Amendment (with title amendment)

On page 2, between lines 10 & 11 of the bill

insert:

Section 1. Paragraphs (a) and (d) of subsection (4) of section 215.555, Florida Statutes, are amended to read:

215.555 Florida Hurricane Catastrophe Fund.--

(4) REIMBURSEMENT CONTRACTS.--

(a) The board shall enter into a contract with each insurer writing covered policies in this state to provide to the insurer the reimbursement described in paragraph (b) and (d), in exchange for the reimbursement premium paid into the fund under subsection (5). As a condition of doing business in this state, each such insurer shall enter into such a contract.

(d)1. For purposes of determining potential liability and to aid in the sound administration of the fund, the contract shall require each insurer to report such insurer's losses from each covered event on an interim basis, as

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1 directed by the board. The contract shall require the insurer
2 to report to the board no later than December 31 of each year,
3 and quarterly thereafter, its reimbursable losses from covered
4 events for the year. The contract shall require the board to
5 determine and pay, as soon as practicable after receiving
6 these reports of reimbursable losses, the initial amount of
7 reimbursement due and adjustments to this amount based on
8 later loss information. The adjustments to reimbursement
9 amounts shall require the board to pay, or the insurer to
10 return, amounts reflecting the most recent calculation of
11 losses.

12 2. In determining reimbursements pursuant to this
13 subsection, the contract shall provide that if the board
14 determines that the projected year-end balance of the fund,
15 together with the amount that the board determines that it is
16 possible to raise through revenue bonds issued under
17 subsection (6) and through other borrowing and financing
18 arrangements under paragraph (7)(b), are insufficient to pay
19 reimbursement to all insurers at the level promised in the
20 contract,the board shall:

21 a. First reimburse insurers writing covered policies,
22 which insurers are in full compliance with this section and
23 have petitioned the Department of Insurance and qualified as
24 limited apportionment companies under s. 627.351(2)(b)3. The
25 amount of such reimbursement shall be the lesser of \$10
26 million or an amount equal to 10 times the insurer's
27 reimbursement premium for the current year. The amount of
28 reimbursement paid under this sub-subparagraph may not exceed
29 the full amount of reimbursement promised in the reimbursement
30 contract. This sub-subparagraph does not apply with respect to
31 any contract year in which the year-end projected cash balance

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1 of the fund, exclusive of any bonding capacity of the fund,
2 exceeds \$2 billion. Only one member of any insurer group may
3 receive reimbursement under this sub-subparagraph.

4 b. Next pay to each insurer such insurer's projected
5 payout, which is the amount of reimbursement it is owed, up to
6 an amount equal to the insurer's share of the actual premium
7 paid for that contract year, multiplied by the actual
8 claims-paying capacity available for that contract year;
9 provided, entities created pursuant to s. 627.351 shall be
10 further reimbursed in accordance with sub-subparagraph c.

11 c. Thereafter, establish, based on reimbursable
12 losses, the prorated reimbursement level at the highest level
13 for which any remaining fund balance or bond proceeds are
14 sufficient to reimburse entities created pursuant to s.
15 627.351 for losses exceeding the amounts payable pursuant to
16 sub-subparagraph b. for the current contract year.

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

20 And the title is amended as follows:

21 On page 1, line 2

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23 after the semicolon, insert:

24 amending s. 215.555, F.S., revising the method
25 of determining reimbursement to insurers by the
26 Florida Hurricane Catastrophe Fund;

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