

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

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Alexander offered the following:

Amendment (with directory language and title amendments)

On page 20, between lines 8 and 9

insert:

(f) The State Board of Administration shall appoint a nine-member advisory council that consists of an actuary, a meteorologist, a representative of home builders, a representative of insurers, a representative of insurance agents, a representative of real estate brokers, and three consumers to provide the board with information and advice in connection with its duties as the board of trustees of the association. Each member of the board shall be responsible for appointing one of the consumer members, and the board as a whole shall appoint the six other members. Members of the advisory council shall serve at the pleasure of the board and are eligible for per diem and travel expenses under s. 112.061. Expenses of the advisory council shall be treated as expenses of the association.

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1 (g) For budgetary and for purposes of the
2 Administrative Procedure Act, the association is not a state
3 agency and its employees are not state employees. In order
4 for the state to make a financial contribution to the
5 association, the association shall be considered a political
6 subdivision of the state for purposes of s. 199.183(1) and,
7 beginning July 1, 2003, shall be exempt from the insurance
8 premium tax and the corporate income tax. In lieu of
9 remitting such taxes, the association shall retain any moneys
10 that would have been paid as insurance premium taxes or
11 corporate income taxes for payment of future claims by
12 policyholders.

13 (h)1. The intent of the Legislature, in enacting the
14 2002 amendments to this subsection, is that the Florida
15 Windstorm Underwriting Facility function as a state program to
16 provide residential insurance against natural disasters in the
17 highest-risk areas of the state, and that such program operate
18 under the direction and control of the State Board of
19 Administration in its capacity as a board of trustees. It is
20 the further intent of the Legislature that the association
21 operate exclusively for the purpose of protecting and
22 advancing the state's interests in maintaining insurance
23 capacity and orderly development in areas which have the
24 highest potential for catastrophic hurricane losses.

25 2. The State Board of Administration shall, as soon as
26 practicable after the effective date of the 2002 amendments to
27 this subsection, request an expedited opinion from the United
28 States Internal Revenue Service as to the tax-exempt status of
29 revenues collected under this subsection and the tax-free
30 status of bonds issued under this subsection.

31 (i) Each fiscal year, the Legislature shall

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1 appropriate from the amounts added to the surplus of the
2 association in the prior fiscal year an amount no less than 5
3 percent of such addition to surplus and no more than 10
4 percent of such addition to the surplus for the purpose of
5 providing funding for local governments, state agencies,
6 public and private educational institutions, and nonprofit
7 organizations to support programs intended to improve
8 hurricane preparedness, reduce potential losses in the event
9 of a hurricane, provide research into means to reduce such
10 losses, educate or inform the public as to means to reduce
11 hurricane losses, assist the public in determining the
12 appropriateness of particular upgrades to structures or in the
13 financing of such upgrades, or protect local infrastructure
14 from potential damage from a hurricane. Moneys shall first be
15 available for appropriation under this paragraph in fiscal
16 year 2003-2004.

17 (j) The association and the duties of the board of
18 trustees under this subsection may be terminated only by law.
19 Upon termination of the association, all assets of the
20 association shall revert to the Florida Hurricane Catastrophe
21 Fund.

22 (k) It is the intent of the Legislature that the
23 association continue to implement the phase-in of the rate
24 plan of the Florida Windstorm Underwriting Association that
25 was in effect on January 1, 2002. The Legislature recognizes
26 that the continued implementation of the phase-in as
27 originally scheduled will create hardship for some
28 policyholders, and therefore the association shall continue
29 implementation of the rate plan subject to the following
30 limitations:

31 1. With respect to any personal lines residential

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1 policy covering a structure the insured value of which is
2 \$150,000 or more, the maximum rate change in any one year is
3 15 percent; and

4 2. With respect to any personal lines residential
5 policy covering a structure the insured value of which is less
6 than \$150,000, the maximum rate change in any one year is 10
7 percent.

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10 == D I R E C T O R Y L A N G U A G E A M E N D M E N T ==

11 And the directory language is amended as follows:

12 On page 1, line 22 after "amended"

13
14 insert: , and paragraphs (f), (g), (h), (i), (j), and (k) are
15 added to subsection (2) of said section,

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

19 And the title is amended as follows:

20 On page 1, line 8 after the semicolon

21
22 insert:

23 providing alternative sources of coverage;
24 providing for an advisory council; providing
25 that for certain purposes the association is
26 not a state agency, board, or commission;
27 providing for a state financial contribution to
28 the association through tax exemptions;
29 providing purpose and intent; requiring the
30 board to seek an expedited ruling from the
31 Internal Revenue Service; providing for an

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annual appropriation of a portion of the surplus of the association for the purpose of hurricane loss mitigation; providing that the association may be terminated only by law; providing for reversion of the funds of the association upon termination; providing for continued phase-in of the rate plan of the association; providing limitations on the phase-in;