



CHAMBER ACTION

The Committee on Finance & Tax recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to the Florida Hurricane Catastrophe Fund; amending s. 215.555, F.S.; revising definitions; including certain accounts, formerly certain associations, within the Citizens Property Insurance Corporation; including the Citizens Property Insurance Corporation within the operation of certain definitions; authorizing the State Board of Administration to charge interest on delinquent remittances to the Florida Hurricane Catastrophe Fund; expanding the insurers eligible for exemptions from certain reimbursement contract and premium provisions authorized by the board under certain circumstances; revising a reimbursement contract requirement; revising emergency assessment authority of the board relating to service of certain debt obligations; revising requirements, procedures, and limitations; revising powers and duties of the board; providing for construction of the act in pari materia with laws enacted during the 2003 Regular Session or the



HB 0021B

2003
CS

29 | 2003 Special Session A of the Legislature; providing an
30 | effective date.

31

32 | Be It Enacted by the Legislature of the State of Florida:

33

34 | Section 1. Paragraphs (c) and (k) of subsection (2),
35 | subsection (3), paragraphs (c) and (d) of subsection (4),
36 | subsection (6), and paragraphs (a) and (c) of subsection (7) of
37 | section 215.555, Florida Statutes, are amended, and paragraphs
38 | (n) and (o) are added to subsection (2) of said section, to
39 | read:

40 | 215.555 Florida Hurricane Catastrophe Fund.--

41 | (2) DEFINITIONS.--As used in this section:

42 | (c) "Covered policy" means any insurance policy covering
43 | residential property in this state, including, but not limited
44 | to, any homeowner's, mobile home owner's, farm owner's,
45 | condominium association, condominium unit owner's, tenant's, or
46 | apartment building policy, or any other policy covering a
47 | residential structure or its contents issued by any authorized
48 | insurer, including the Citizen's Property Insurance Corporation
49 | and any joint underwriting association or similar entity created
50 | pursuant to law. The term "covered policy" includes any
51 | collateral protection insurance policy covering personal
52 | residences which protects both the borrower's and the lender's
53 | financial interests, in an amount at least equal to the coverage
54 | for the dwelling in place under the lapsed homeowner's policy,
55 | if such policy can be accurately reported as required in
56 | subsection (5). Additionally, covered policies include policies



HB 0021B

2003
CS

57 covering the peril of wind removed from the Citizen's Property
58 Insurance Corporation ~~the Florida Residential Property and~~
59 ~~Casualty Joint Underwriting Association, created pursuant to s.~~
60 ~~627.351(6), or from the Florida Windstorm Underwriting~~
61 ~~Association, created pursuant to s. 627.351(2),~~ by an authorized
62 insurer under the terms and conditions of an executed assumption
63 agreement between the authorized insurer and the Citizen's
64 Property Insurance Corporation ~~either such association~~. Each
65 assumption agreement between the Citizen's Property Insurance
66 Corporation ~~either association~~ and such authorized insurer must
67 be approved by the Office of Insurance Regulation within the
68 Florida Department of Financial Services ~~Insurance~~ prior to the
69 effective date of the assumption, and the Office ~~Department~~ of
70 Insurance Regulation must provide written notification to the
71 board within 15 working days after such approval. "Covered
72 policy" does not include any policy that excludes wind coverage
73 or hurricane coverage or any reinsurance agreement and does not
74 include any policy otherwise meeting this definition which is
75 issued by a surplus lines insurer or a reinsurer. All commercial
76 residential excess policies and all deductible buy-back policies
77 that, based on sound actuarial principles, require individual
78 ratemaking shall be excluded by rule if the actuarial soundness
79 of the fund is not jeopardized. For this purpose, the term
80 "excess policy" means a policy that provides insurance
81 protection for large commercial property risks and that provides
82 a layer of coverage above a primary layer insured by another
83 insurer.



HB 0021B

2003
CS

84 (k) "Pledged revenues" means all or any portion of
85 revenues to be derived from reimbursement premiums under
86 subsection (5) or from emergency assessments under paragraph
87 ~~subparagraph (6)(b)(a)3-~~, as determined by the board.

88 (n) "Citizens Property Insurance Corporation" or
89 "Citizens" means the entity created pursuant to s. 627.351(6),
90 and includes both the High Risk Account, formerly the Florida
91 Windstorm Underwriting Association, and the Personal Lines and
92 Commercial Lines Accounts, formerly the Florida Residential
93 Property and Casualty Joint Underwriting Association.

94 (o) "Corporation" means the Florida Hurricane Catastrophe
95 Fund Finance Corporation created in paragraph (6)(d).

96 (3) FLORIDA HURRICANE CATASTROPHE FUND CREATED.--There is
97 created the Florida Hurricane Catastrophe Fund to be
98 administered by the State Board of Administration. Moneys in the
99 fund may not be expended, loaned, or appropriated except to pay
100 obligations of the fund arising out of reimbursement contracts
101 entered into under subsection (4), payment of debt service on
102 revenue bonds issued under subsection (6), costs of the
103 mitigation program under subsection (7), costs of procuring
104 reinsurance, and costs of administration of the fund. The board
105 shall invest the moneys in the fund pursuant to ss. 215.44-
106 215.52. Except as otherwise provided in this section, earnings
107 from all investments shall be retained in the fund. The board
108 may employ or contract with such staff and professionals as the
109 board deems necessary for the administration of the fund. The
110 board may adopt such rules as are reasonable and necessary to
111 implement this section and shall specify interest due on any



HB 0021B

2003
CS

112 delinquent remittances, which interest may not exceed the fund's
113 rate of return plus 5 percent. Such rules must conform to the
114 Legislature's specific intent in establishing the fund as
115 expressed in subsection (1), must enhance the fund's potential
116 ability to respond to claims for covered events, must contain
117 general provisions so that the rules can be applied with
118 reasonable flexibility so as to accommodate insurers in
119 situations of an unusual nature or where undue hardship may
120 result, except that such flexibility may not in any way impair,
121 override, supersede, or constrain the public purpose of the
122 fund, and must be consistent with sound insurance practices. The
123 board may, by rule, provide for the exemption from subsections
124 (4) and (5) of insurers writing covered policies with less than
125 \$3 million ~~\$500,000~~ in aggregate exposure for covered policies,
126 which exposure results in a de minimis reimbursement premium, if
127 the exemption does not affect the actuarial soundness of the
128 fund.

129 (4) REIMBURSEMENT CONTRACTS.--

130 (c)1. The contract shall also provide that the obligation
131 of the board with respect to all contracts covering a particular
132 contract year shall not exceed the actual claims-paying capacity
133 of the fund up to a limit of \$11 billion for that contract year
134 adjusted based upon the reported exposure from the prior
135 contract year to reflect the percentage growth in exposure to
136 the fund for covered policies since 2002, ~~unless the board~~
137 ~~determines that there is sufficient estimated claims-paying~~
138 ~~capacity to provide \$11 billion of capacity for the current~~
139 ~~contract year and an additional \$11 billion of capacity for~~



HB 0021B

2003
CS

140 ~~subsequent contract years. Upon such determination being made,~~
141 ~~the estimated claims paying capacity for the current contract~~
142 ~~year shall be determined by adding to the \$11 billion limit one-~~
143 ~~half of the fund's estimated claims paying capacity in excess of~~
144 ~~\$22 billion.~~

145 2. The contract shall require the board to annually notify
146 insurers of the fund's estimated borrowing capacity for the next
147 contract year, the projected year-end balance of the fund, and
148 the insurer's estimated share of total reimbursement premium to
149 be paid to the fund. For all regulatory and reinsurance
150 purposes, an insurer may calculate its projected payout from the
151 fund as its share of the total fund premium for the current
152 contract year multiplied by the sum of the projected year-end
153 fund balance and the estimated borrowing capacity for that
154 contract year as reported under this paragraph. In May and
155 October of each year, the board shall publish in the Florida
156 Administrative Weekly a statement of the fund's estimated
157 borrowing capacity and the projected year-end balance of the
158 fund for the current contract year.

159 (d)1. For purposes of determining potential liability and
160 to aid in the sound administration of the fund, the contract
161 shall require each insurer to report such insurer's losses from
162 each covered event on an interim basis, as directed by the
163 board. The contract shall require the insurer to report to the
164 board no later than December 31 of each year, and quarterly
165 thereafter, its reimbursable losses from covered events for the
166 year. The contract shall require the board to determine and pay,
167 as soon as practicable after receiving these reports of



HB 0021B

2003
CS

168 reimbursable losses, the initial amount of reimbursement due and
 169 adjustments to this amount based on later loss information. The
 170 adjustments to reimbursement amounts shall require the board to
 171 pay, or the insurer to return, amounts reflecting the most
 172 recent calculation of losses.

173 2. In determining reimbursements pursuant to this
 174 subsection, the contract shall provide that the board shall:

175 a. First reimburse insurers writing covered policies,
 176 which insurers are in full compliance with this section and have
 177 petitioned the Office of Department of Insurance Regulation and
 178 qualified as limited apportionment companies under s.

179 627.351(2)(b)3. The amount of such reimbursement shall be the
 180 lesser of \$10 million or an amount equal to 10 times the
 181 insurer's reimbursement premium for the current year. The amount
 182 of reimbursement paid under this sub-subparagraph may not exceed
 183 the full amount of reimbursement promised in the reimbursement
 184 contract. This sub-subparagraph does not apply with respect to
 185 any contract year in which the year-end projected cash balance
 186 of the fund, exclusive of any bonding capacity of the fund,
 187 exceeds \$2 billion. Only one member of any insurer group may
 188 receive reimbursement under this sub-subparagraph.

189 b. Next pay to each insurer such insurer's projected
 190 payout, which is the amount of reimbursement it is owed, up to
 191 an amount equal to the insurer's share of the actual premium
 192 paid for that contract year, multiplied by the actual claims-
 193 paying capacity available for that contract year; provided,
 194 entities created pursuant to s. 627.351 shall be further
 195 reimbursed in accordance with sub-subparagraph c.



HB 0021B

2003
CS

196 c. Thereafter, establish, based on reimbursable losses,
197 the prorated reimbursement level at the highest level for which
198 any remaining fund balance or bond proceeds are sufficient to
199 reimburse entities created pursuant to s. 627.351 for losses
200 exceeding the amounts payable pursuant to sub-subparagraph b.
201 for the current contract year.

202 (6) REVENUE BONDS.--

203 (a) General provisions.--

204 1. Upon the occurrence of a hurricane and a determination
205 that the moneys in the fund are or will be insufficient to pay
206 reimbursement at the levels promised in the reimbursement
207 contracts, the board may take the necessary steps under
208 paragraph (c) ~~(b)~~ or paragraph (d) ~~(e)~~ for the issuance of
209 revenue bonds for the benefit of the fund. The proceeds of such
210 revenue bonds may be used to make reimbursement payments under
211 reimbursement contracts; to refinance or replace previously
212 existing borrowings or financial arrangements; to pay interest
213 on bonds; to fund reserves for the bonds; to pay expenses
214 incident to the issuance or sale of any bond issued under this
215 section, including costs of validating, printing, and delivering
216 the bonds, costs of printing the official statement, costs of
217 publishing notices of sale of the bonds, and related
218 administrative expenses; or for such other purposes related to
219 the financial obligations of the fund as the board may
220 determine. The term of the bonds may not exceed 30 years. The
221 board may pledge or authorize the corporation to pledge all or a
222 portion of all revenues under subsection (5) and under paragraph
223 (b) ~~subparagraph 3-~~ to secure such revenue bonds and the board



HB 0021B

2003
CS

224 may execute such agreements between the board and the issuer of
225 any revenue bonds and providers of other financing arrangements
226 under paragraph (7)(b) as the board deems necessary to evidence,
227 secure, preserve, and protect such pledge. If reimbursement
228 premiums received under subsection (5) or earnings on such
229 premiums are used to pay debt service on revenue bonds, such
230 premiums and earnings shall be used only after the use of the
231 moneys derived from assessments under paragraph (b) ~~subparagraph~~
232 ~~3~~. The funds, credit, property, or taxing power of the state or
233 political subdivisions of the state shall not be pledged for the
234 payment of such bonds. The board may also enter into agreements
235 under paragraph (c) ~~(b)~~ or paragraph (d) ~~(e)~~ for the purpose of
236 issuing revenue bonds in the absence of a hurricane upon a
237 determination that such action would maximize the ability of the
238 fund to meet future obligations.

239 2. The Legislature finds and declares that the issuance of
240 bonds under this subsection is for the public purpose of paying
241 the proceeds of the bonds to insurers, thereby enabling insurers
242 to pay the claims of policyholders to assure that policyholders
243 are able to pay the cost of construction, reconstruction,
244 repair, restoration, and other costs associated with damage to
245 property of policyholders of covered policies after the
246 occurrence of a hurricane. Revenue bonds may not be issued under
247 this subsection until validated under chapter 75. The validation
248 of at least the first obligations incurred pursuant to this
249 subsection shall be appealed to the Supreme Court, to be handled
250 on an expedited basis.



HB 0021B

2003
CS

251 (b)3- Emergency assessments.--If the board determines that
 252 the amount of revenue produced under subsection (5) is
 253 insufficient to fund the obligations, costs, and expenses of the
 254 fund and the corporation, including repayment of revenue bonds,
 255 the board shall direct the Office ~~Department~~ of Insurance
 256 Regulation to levy an emergency assessment on each insurer
 257 writing property and casualty business in this state.

258 1. Pursuant to the emergency assessment, each such
 259 assessable insurer shall pay to the corporation by July 1 of
 260 each year an amount set by the board not exceeding 3 ~~2~~ percent
 261 of its gross direct written premium for the prior year from all
 262 property and casualty business in this state except for workers'
 263 compensation, except that, if the Governor has declared a state
 264 of emergency under s. 252.36 due to the occurrence of a covered
 265 event, the amount of the assessment for the contract year may be
 266 increased to an amount not exceeding 5 ~~4~~ percent of such
 267 premium.

268 2. Any assessment authority not used for the contract year
 269 may be used for a subsequent contract year. If, for a subsequent
 270 contract year, the board determines that the amount of revenue
 271 produced under subsection (5) is insufficient to fund the
 272 obligations, costs, and expenses of the fund and the
 273 corporation, including repayment of revenue bonds for that
 274 contract year, the board shall direct the Office ~~Department~~ of
 275 Insurance Regulation to levy an emergency assessment up to an
 276 amount not exceeding the amount of unused assessment authority
 277 from a previous contract year or years, plus an additional 3 ~~2~~
 278 percent if the Governor has declared a state of emergency under



HB 0021B

2003
CS

279 s. 252.36 due to the occurrence of a covered event. Any
280 assessment authority not used for the contract year may be used
281 for a subsequent contract year. As used in this subsection, the
282 term "property and casualty business" includes all lines of
283 business identified on Form 2, Exhibit of Premiums and Losses,
284 in the annual statement required of authorized insurers by s.
285 624.424 and any rules adopted under such section, except for
286 those lines identified as accident and health insurance. The
287 annual assessments under this subparagraph shall continue as
288 long as the revenue bonds issued with respect to which the
289 assessment was imposed are outstanding, unless adequate
290 provision has been made for the payment of such bonds pursuant
291 to the documents authorizing issuance of the bonds. An
292 assessable insurer shall not at any time be subject to aggregate
293 annual assessments under this subparagraph of more than 3 2
294 percent of premium, except that in the case of a declared
295 emergency, an assessable insurer shall not at any time be
296 subject to aggregate annual assessments under this subparagraph
297 of more than 8 6 percent of premium; provided, no more than 5 4
298 percent may be assessed for obligations arising due to losses in
299 any one contract year.

300 3. Any rate filing or portion of a rate filing reflecting
301 a rate change attributable entirely to the assessment levied
302 under this paragraph ~~subparagraph~~ shall be deemed approved when
303 made, subject to the authority of the Office ~~Department~~ of
304 Insurance Regulation to require actuarial justification as to
305 the adequacy of any rate at any time. If the rate filing
306 reflects only a rate change attributable to the assessment under



HB 0021B

2003
CS

307 | this paragraph, the filing may consist of a certification so
308 | stating.

309 | 4. The assessments otherwise payable to the corporation
310 | pursuant to this ~~paragraph~~ ~~subparagraph~~ shall be paid instead to
311 | the fund unless and until the Office ~~Department~~ of Insurance
312 | Regulation has received from the corporation and the fund a
313 | notice, which shall be conclusive and upon which they ~~the~~
314 | ~~Department of Insurance~~ may rely without further inquiry, that
315 | the corporation has issued bonds and the fund has no agreements
316 | in effect with local governments pursuant to paragraph (c) ~~(b)~~.
317 | On or after the date of such notice and until such date as the
318 | corporation has no bonds outstanding, the fund shall have no
319 | right, title, or interest in or to the assessments, except as
320 | provided in the fund's agreements with the corporation.

321 | 5. Emergency assessments are not premium and are not
322 | subject to premium or surplus lines tax, fees, or commissions,
323 | however, the failure by an assessable insured to pay an
324 | emergency assessment shall be treated as a failure to pay
325 | premium.

326 | (c)(b) Revenue bond issuance through counties or
327 | municipalities.--

328 | 1. If the board elects to enter into agreements with local
329 | governments for the issuance of revenue bonds for the benefit of
330 | the fund, the board shall enter into such contracts with one or
331 | more local governments, including agreements providing for the
332 | pledge of revenues, as are necessary to effect such issuance.
333 | The governing body of a county or municipality is authorized to
334 | issue bonds as defined in s. 125.013 or s. 166.101 from time to



HB 0021B

2003
CS

335 time to fund an assistance program, in conjunction with the
336 Florida Hurricane Catastrophe Fund, for the purposes set forth
337 in this section or for the purpose of paying the costs of
338 construction, reconstruction, repair, restoration, and other
339 costs associated with damage to properties of policyholders of
340 covered policies due to the occurrence of a hurricane by
341 assuring that policyholders located in this state are able to
342 recover claims under property insurance policies after a covered
343 event.

344 2. In order to avoid needless and indiscriminate
345 proliferation, duplication, and fragmentation of such assistance
346 programs, any local government may provide for the payment of
347 fund reimbursements, regardless of whether or not the losses for
348 which reimbursement is made occurred within or outside of the
349 territorial jurisdiction of the local government.

350 3. The state hereby covenants with holders of bonds issued
351 under this paragraph that the state will not repeal or abrogate
352 the power of the board to direct the Office ~~Department~~ of
353 Insurance Regulation to levy the assessments and to collect the
354 proceeds of the revenues pledged to the payment of such bonds as
355 long as any such bonds remain outstanding unless adequate
356 provision has been made for the payment of such bonds pursuant
357 to the documents authorizing the issuance of such bonds.

358 4. There shall be no liability on the part of, and no
359 cause of action shall arise against any members or employees of
360 the governing body of a local government for any actions taken
361 by them in the performance of their duties under this paragraph.



HB 0021B

2003
CS

362 (d)~~(e)~~ Florida Hurricane Catastrophe Fund Finance
363 Corporation.--

364 1. In addition to the findings and declarations in
365 subsection (1), the Legislature also finds and declares that:

366 a. The public benefits corporation created under this
367 paragraph will provide a mechanism necessary for the cost-
368 effective and efficient issuance of bonds. This mechanism will
369 eliminate unnecessary costs in the bond issuance process,
370 thereby increasing the amounts available to pay reimbursement
371 for losses to property sustained as a result of hurricane
372 damage.

373 b. The purpose of such bonds is to fund reimbursements
374 through the Florida Hurricane Catastrophe Fund to pay for the
375 costs of construction, reconstruction, repair, restoration, and
376 other costs associated with damage to properties of
377 policyholders of covered policies due to the occurrence of a
378 hurricane.

379 c. The efficacy of the financing mechanism will be
380 enhanced by the corporation's ownership of the assessments, by
381 the insulation of the assessments from possible bankruptcy
382 proceedings, and by covenants of the state with the
383 corporation's bondholders.

384 2.a. There is created a public benefits corporation, which
385 is an instrumentality of the state, to be known as the Florida
386 Hurricane Catastrophe Fund Finance Corporation.

387 b. The corporation shall operate under a five-member board
388 of directors consisting of the Governor or a designee, the
389 Comptroller or a designee, the Treasurer or a designee, the



HB 0021B

2003
CS

390 director of the Division of Bond Finance of the State Board of
391 Administration, and the chief operating officer of the Florida
392 Hurricane Catastrophe Fund.

393 c. The corporation has all of the powers of corporations
394 under chapter 607 and under chapter 617, subject only to the
395 provisions of this subsection.

396 d. The corporation may issue bonds and engage in such
397 other financial transactions as are necessary to provide
398 sufficient funds to achieve the purposes of this section.

399 e. The corporation may invest in any of the investments
400 authorized under s. 215.47.

401 f. There shall be no liability on the part of, and no
402 cause of action shall arise against, any board members or
403 employees of the corporation for any actions taken by them in
404 the performance of their duties under this paragraph.

405 3.a. In actions under chapter 75 to validate any bonds
406 issued by the corporation, the notice required by s. 75.06 shall
407 be published only in Leon County and in two newspapers of
408 general circulation in the state, and the complaint and order of
409 the court shall be served only on the State Attorney of the
410 Second Judicial Circuit.

411 b. The state hereby covenants with holders of bonds of the
412 corporation that the state will not repeal or abrogate the power
413 of the board to direct the Office Department of Insurance
414 Regulation to levy the assessments and to collect the proceeds
415 of the revenues pledged to the payment of such bonds as long as
416 any such bonds remain outstanding unless adequate provision has



HB 0021B

2003
CS

417 | been made for the payment of such bonds pursuant to the
418 | documents authorizing the issuance of such bonds.

419 | 4. The bonds of the corporation are not a debt of the
420 | state or of any political subdivision, and neither the state nor
421 | any political subdivision is liable on such bonds. The
422 | corporation does not have the power to pledge the credit, the
423 | revenues, or the taxing power of the state or of any political
424 | subdivision. The credit, revenues, or taxing power of the state
425 | or of any political subdivision shall not be deemed to be
426 | pledged to the payment of any bonds of the corporation.

427 | 5.a. The property, revenues, and other assets of the
428 | corporation; the transactions and operations of the corporation
429 | and the income from such transactions and operations; and all
430 | bonds issued under this paragraph and interest on such bonds are
431 | exempt from taxation by the state and any political subdivision,
432 | including the intangibles tax under chapter 199 and the income
433 | tax under chapter 220. This exemption does not apply to any tax
434 | imposed by chapter 220 on interest, income, or profits on debt
435 | obligations owned by corporations other than the Florida
436 | Hurricane Catastrophe Fund Finance Corporation.

437 | b. All bonds of the corporation shall be and constitute
438 | legal investments without limitation for all public bodies of
439 | this state; for all banks, trust companies, savings banks,
440 | savings associations, savings and loan associations, and
441 | investment companies; for all administrators, executors,
442 | trustees, and other fiduciaries; for all insurance companies and
443 | associations and other persons carrying on an insurance
444 | business; and for all other persons who are now or may hereafter



HB 0021B

2003
CS

445 be authorized to invest in bonds or other obligations of the
446 state and shall be and constitute eligible securities to be
447 deposited as collateral for the security of any state, county,
448 municipal, or other public funds. This sub-subparagraph shall be
449 considered as additional and supplemental authority and shall
450 not be limited without specific reference to this sub-
451 subparagraph.

452 6. The corporation and its corporate existence shall
453 continue until terminated by law; however, no such law shall
454 take effect as long as the corporation has bonds outstanding
455 unless adequate provision has been made for the payment of such
456 bonds pursuant to the documents authorizing the issuance of such
457 bonds. Upon termination of the existence of the corporation, all
458 of its rights and properties in excess of its obligations shall
459 pass to and be vested in the state.

460 (e)~~(d)~~ Protection of bondholders.--

461 1. As long as the corporation has any bonds outstanding,
462 neither the fund nor the corporation shall have the authority to
463 file a voluntary petition under chapter 9 of the federal
464 Bankruptcy Code or such corresponding chapter or sections as may
465 be in effect, from time to time, and neither any public officer
466 nor any organization, entity, or other person shall authorize
467 the fund or the corporation to be or become a debtor under
468 chapter 9 of the federal Bankruptcy Code or such corresponding
469 chapter or sections as may be in effect, from time to time,
470 during any such period.

471 2. The state hereby covenants with holders of bonds of the
472 corporation that the state will not limit or alter the denial of



HB 0021B

2003
CS

473 authority under this paragraph or the rights under this section
474 vested in the fund or the corporation to fulfill the terms of
475 any agreements made with such bondholders or in any way impair
476 the rights and remedies of such bondholders as long as any such
477 bonds remain outstanding unless adequate provision has been made
478 for the payment of such bonds pursuant to the documents
479 authorizing the issuance of such bonds.

480 3. Notwithstanding any other provision of law, any pledge
481 of or other security interest in revenue, money, accounts,
482 contract rights, general intangibles, or other personal property
483 made or created by the fund or the corporation shall be valid,
484 binding, and perfected from the time such pledge is made or
485 other security interest attaches without any physical delivery
486 of the collateral or further act and the lien of any such pledge
487 or other security interest shall be valid, binding, and
488 perfected against all parties having claims of any kind in tort,
489 contract, or otherwise against the fund or the corporation
490 irrespective of whether or not such parties have notice of such
491 claims. No instrument by which such a pledge or security
492 interest is created nor any financing statement need be recorded
493 or filed.

494 (7) ADDITIONAL POWERS AND DUTIES.--

495 (a) The board may procure reinsurance from reinsurers
496 acceptable to the Office of Insurance Regulation ~~approved under~~
497 ~~s. 624.610~~ for the purpose of maximizing the capacity of the
498 fund.

499 (c) Each fiscal year, the Legislature shall appropriate
500 from the investment income of the Florida Hurricane Catastrophe



HB 0021B

2003
CS

501 Fund an amount no less than \$10 million and no more than 35
502 percent of the investment income based upon the most recent
503 fiscal year-end audited financial statements ~~from the prior~~
504 ~~fiscal year~~ for the purpose of providing funding for local
505 governments, state agencies, public and private educational
506 institutions, and nonprofit organizations to support programs
507 intended to improve hurricane preparedness, reduce potential
508 losses in the event of a hurricane, provide research into means
509 to reduce such losses, educate or inform the public as to means
510 to reduce hurricane losses, assist the public in determining the
511 appropriateness of particular upgrades to structures or in the
512 financing of such upgrades, or protect local infrastructure from
513 potential damage from a hurricane. Moneys shall first be
514 available for appropriation under this paragraph in fiscal year
515 1997-1998. Moneys in excess of the \$10 million specified in this
516 paragraph shall not be available for appropriation under this
517 paragraph if the State Board of Administration finds that an
518 appropriation of investment income from the fund would
519 jeopardize the actuarial soundness of the fund.

520 Section 2. If any law amended by this act was also amended
521 by a law enacted at the 2003 Regular Session of the Legislature
522 or at the 2003 Special Session A of the Legislature, such laws
523 shall be construed as if they had been enacted at the same
524 session of the Legislature, and full effect shall be given to
525 each if possible.

526 Section 3. This act shall take effect upon becoming a law.