

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

.  
.
.

1 Representative Berfield offered the following:

2  
3 **Amendment**

4 On page 15, line 12, through page 16, line 28,  
5 remove: all of said lines,

6  
7 and insert:

8 Section 2. Effective June 1, 2004, paragraph (e) of  
9 subsection (2), paragraph (c) of subsection (4), and subsection  
10 (6) of section 215.555, Florida Statutes, as amended by this  
11 act, are amended to read:

12 215.555 Florida Hurricane Catastrophe Fund.--

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

14 (e) "Retention" means the amount of losses below which an  
15 insurer is not entitled to reimbursement from the fund. An  
16 insurer's retention shall be calculated as follows:

369115

Amendment No. (for drafter's use only)

17           1. The board shall calculate and report to each insurer  
18 the retention multiples for that year. For the contract year  
19 beginning June 1, 2004 ~~1995~~, the retention multiple shall be  
20 equal to \$4.5 ~~\$3~~ billion divided by the total estimated  
21 reimbursement premium for the contract year; for subsequent  
22 years, the retention multiple shall be equal to \$4.5 ~~\$3~~ billion,  
23 adjusted based upon the reported exposure from the prior  
24 contract year to reflect the percentage growth in exposure to  
25 the fund for covered policies since 2003 ~~1998~~, divided by the  
26 total estimated reimbursement premium for the contract year.  
27 Total reimbursement premium for purposes of the calculation  
28 under this subparagraph shall be estimated using the assumption  
29 that all insurers have selected the 90-percent coverage level.

30           2. The retention multiple as determined under subparagraph  
31 1. shall be adjusted to reflect the coverage level elected by  
32 the insurer. For insurers electing the 90-percent coverage  
33 level, the adjusted retention multiple is 100 percent of the  
34 amount determined under subparagraph 1. For insurers electing  
35 the 75-percent coverage level, the retention multiple is 120  
36 percent of the amount determined under subparagraph 1. For  
37 insurers electing the 45-percent coverage level, the adjusted  
38 retention multiple is 200 percent of the amount determined under  
39 subparagraph 1.

40           3. An insurer shall determine its provisional retention by  
41 multiplying its provisional reimbursement premium by the  
42 applicable adjusted retention multiple and shall determine its  
43 actual retention by multiplying its actual reimbursement premium  
44 by the applicable adjusted retention multiple.

369115

Amendment No. (for drafter's use only)

45 (4) REIMBURSEMENT CONTRACTS.--

46 (c)1. The contract shall also provide that the obligation  
47 of the board with respect to all contracts covering a particular  
48 contract year shall not exceed the actual claims-paying capacity  
49 of the fund up to a limit of \$15 ~~\$11~~ billion for that contract  
50 year adjusted based upon the reported exposure from the prior  
51 contract year to reflect the percentage growth in exposure to  
52 the fund for covered policies since 2003, provided the dollar  
53 growth in the limit may