

Bill No. CS for CS for CS for CS for SB 2488, 1st Eng.

Amendment No. ____ Barcode 420216

CHAMBER ACTION

Senate

House

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Senator Atwater moved the following amendment:

Senate Amendment

On page 15, line 12, through
page 16, line 28, delete those lines

and insert:

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

215.555 Florida Hurricane Catastrophe Fund.--

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

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

1. The board shall calculate and report to each
insurer the retention multiples for that year. For the
contract year beginning June 1, 2004 ~~1995~~, the retention
multiple shall be equal to ~~\$4\$3~~ billion divided by the total
estimated reimbursement premium for the contract year; for

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1 subsequent years, the retention multiple shall be equal to ~~\$4~~
2 ~~\$3~~ billion, adjusted based upon the reported exposure from the
3 prior contract year to reflect the percentage growth in
4 exposure to the fund for covered policies since 2003 ~~1998~~,
5 divided by the total estimated reimbursement premium for the
6 contract year. Total reimbursement premium for purposes of the
7 calculation under this subparagraph shall be estimated using
8 the assumption that all insurers have selected the 90-percent
9 coverage level.

10 2. The retention multiple as determined under
11 subparagraph 1. shall be adjusted to reflect the coverage
12 level elected by the insurer. For insurers electing the
13 90-percent coverage level, the adjusted retention multiple is
14 100 percent of the amount determined under subparagraph 1.
15 For insurers electing the 75-percent coverage level, the
16 retention multiple is 120 percent of the amount determined
17 under subparagraph 1. For insurers electing the 45-percent
18 coverage level, the adjusted retention multiple is 200 percent
19 of the amount determined under subparagraph 1.

20 3. An insurer shall determine its provisional
21 retention by multiplying its provisional reimbursement premium
22 by the applicable adjusted retention multiple and shall
23 determine its actual retention by multiplying its actual
24 reimbursement premium by the applicable adjusted retention
25 multiple.

26 (4) REIMBURSEMENT CONTRACTS.--

27 (c)1. The contract shall also provide that the
28 obligation of the board with respect to all contracts covering
29 a particular contract year shall not exceed the actual
30 claims-paying capacity of the fund up to a limit of ~~\$15\$11~~
31 billion for that contract year adjusted based upon the

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1 reported exposure from the prior contract year to reflect the
2 percentage growth in exposure to the fund for covered policies
3 since 2003, provided that the dollar growth in the limit may
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