

Bill No. PCS for SB 1980 (070118)

Barcode 050626

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance (Baker) recommended the following amendment:

Senate Amendment (with title amendment)

On page 82, between lines 27 and 28,

insert:

(bb) The Legislature finds that the total area eligible for the high-risk account of the corporation has a material impact on the availability of wind coverage from the voluntary admitted market, deficits of the corporation, assessments to be levied on property insurers and policyholders statewide, the ability and willingness of authorized insurers to write wind coverage in the high-risk areas, the probable maximum windstorm losses of the corporation, general commerce in coastal areas, and the overall financial condition of the state. Therefore, in furtherance of these findings and intent:

1. The High Risk Eligibility Panel is created.
2. The members of the panel shall be appointed as follows:

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1 a. The board shall appoint two board members.

2 b. The Governor shall appoint one member.

3 c. The Chief Financial Officer shall appoint one
4 member.

5 d. The Commissioner of Insurance Regulation shall
6 appoint a representative of the office to serve as a member.

7 e. The President of the Senate shall appoint one
8 member.

9 f. The Speaker of the House of Representatives shall
10 appoint one member.

11
12 Members of the panel must be residents of this state with
13 insurance expertise. Members shall elect a chair and shall
14 serve 3-year terms each. The panel shall operate independently
15 of any state agency and shall be administered by the
16 corporation. The panel shall make an annual report to the
17 President of the Senate and the Speaker of the House of
18 Representatives on or before February 1 recommending the areas
19 that should be eligible for the high-risk account of the
20 corporation. Members shall not receive compensation and are
21 not entitled to receive reimbursement for per diem and travel
22 expenses as provided in s. 112.061, except for any panel
23 member who is a state employee.

24 3. The Legislature's intent provided in subparagraphs
25 (a)1. and 2. shall provide guidance for the panel to use in
26 the panel's recommendations to the Legislature required in
27 subparagraph 2. The panel shall consider the following factors
28 in fulfilling its responsibilities under this paragraph:

29 a. The number of commercial risks in a given area
30 which are unable to find wind coverage from the voluntary
31 admitted market.

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1 b. Reports from members of the mortgage industry
2 indicating difficulty in finding forced placed policies for
3 commercial wind coverage.

4 c. The number of approved excess and surplus lines
5 carriers certifying an unwillingness to provide commercial
6 wind coverage similar to that approved for use by the office
7 for the voluntary admitted market.

8 d. Other relevant factors.

9
10 The office and the corporation shall provide the panel with
11 any information the panel considers necessary to determine
12 areas eligible for the high-risk account of the corporation.
13 For the purpose of making accurate determination for areas
14 eligible for the high-risk account of the corporation, the
15 panel may interview, and request and receive information from,
16 residents of this state in areas affected by this paragraph,
17 including, but not limited to, insurance agents, insurance
18 companies, actuaries, and other insurance professionals. Upon
19 the request of the panel, the office may conduct public
20 hearings in areas that may be affected by the panel's
21 recommendations.

22 4. Notwithstanding other provisions of this paragraph,
23 the panel shall conduct an analysis to determine the areas to
24 be eligible for the high-risk account of the corporation for
25 any county that contains an eligible area extending more than
26 2 miles from the coast, any coastal county that does not have
27 areas designated as eligible for the high-risk account, and
28 counties with barrier islands, whether or not such islands or
29 portions of such islands are currently eligible for the
30 high-risk account. The panel shall submit a report, including
31 its analysis, to the office and to the corporation by November

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1 30, 2006. The report shall specify changes to the areas
 2 eligible for the high-risk account for such affected counties
 3 based on its analysis.

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

7 And the title is amended as follows:

8 On page 4, line 27, following the semicolon

9

10 insert:

11 creating a High Risk Eligibility Panel to
 12 advise the Legislature with respect to areas
 13 eligible for the high-risk account of the
 14 corporation; providing guidance that the panel
 15 must consider in making its recommendations;
 16 requiring an analysis of counties meeting
 17 specified criteria;

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