

Bill No. PCS for SB 1980 (070118)

Barcode 530242

CHAMBER ACTION

Senate

House

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Comm: WD
04/10/2006 11:44 AM

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

Senate Amendment (with title amendment)

On page 8, line 19, through
page 9, line 1, delete those lines

and insert: subsection (2), paragraphs (b), (c), and (d) of
subsection (4), paragraph (b) of subsection (5), and paragraph
(b) of subsection (6) of section 215.555, Florida Statutes,
are amended to read:

215.555 Florida Hurricane Catastrophe Fund.--

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

(d) "Losses" means direct incurred losses under
covered policies, which shall include losses for additional
living expenses not to exceed 40 percent of the insured value
of a residential structure or its contents and shall exclude
loss adjustment expenses. "Losses" does not include losses for
fair rental value, loss of rent or rental income ~~use~~, or
business interruption losses.

(4) REIMBURSEMENT CONTRACTS.--

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1 (b)1. The contract shall contain a promise by the
 2 board to reimburse the insurer for 45 percent, 75 percent, or
 3 90 percent of its losses from each covered event in excess of
 4 the insurer's retention, plus 5 percent of the reimbursed
 5 losses to cover loss adjustment expenses.

6 2. The insurer must elect one of the percentage
 7 coverage levels specified in this paragraph and may, upon
 8 renewal of a reimbursement contract, elect a lower percentage
 9 coverage level if no revenue bonds issued under subsection (6)
 10 after a covered event are outstanding, or elect a higher
 11 percentage coverage level, regardless of whether or not
 12 revenue bonds are outstanding. All members of an insurer group
 13 must elect the same percentage coverage level. Any joint
 14 underwriting association, risk apportionment plan, or other
 15 entity created under s. 627.351 must elect the 90-percent
 16 coverage level.

17 3. The contract shall provide that reimbursement
 18 amounts shall not be reduced by reinsurance paid or payable to
 19 the insurer from other sources.

20 4. Notwithstanding any other provision of this
 21 section, the board shall make available to those insurers
 22 qualifying as limited apportionment companies under s.
 23 627.351(2)(b)3. a contract that cedes to the fund, after
 24 retention, an amount up to \$10 million reported by such
 25 company as of June 1, 2006. The rate to be charged for this
 26 coverage shall be 50 percent rate-on-line. The minimum
 27 retention level that a carrier must retain is 30 percent of
 28 surplus as of June 1, 2006. This coverage shall be in addition
 29 to all other coverage that may be provided under this section.
 30 This provision shall expire May 31, 2008.

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

2 And the title is amended as follows:

3 On page 1, line 3, after the second semicolon,

4

5 insert:

6 allowing limited apportionment companies to

7 obtain reinsurance through the Florida

8 Hurricane Catastrophe Fund for a specified

9 period of time;

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