

Bill No. CS for CS for SB 1980

Barcode 751184

	CHAMBER ACTION	
<u>Senate</u>		<u>House</u>

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3	Floor: WD/2R	.	
4	05/05/2006 12:14 PM	.	
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11 Senator Diaz de la Portilla moved the following **amendment to**
 12 **amendment** (021596):

14 **Senate Amendment (with title amendment)**

15 On page 92, line 28, through
 16 page 93, line 22, delete those lines

18 and insert:

19 Section 14. Subsection (1) of section 627.3512,
 20 Florida Statutes, is amended, and subsection (5) is added to
 21 that section, to read:

22 627.3512 Recoupment of residual market deficit
 23 assessments.--

24 (1) An insurer or insurer group may recoup any
 25 assessments that have been paid during or after 1995 by the
 26 insurer or insurer group to defray deficits of an insurance
 27 risk apportionment plan or assigned risk plan under ss.
 28 627.311 and 627.351, net of any earnings returned to the
 29 insurer or insurer group by the association or plan for any
 30 year after 1993. A limited apportionment company as defined in
 31 s. 627.351(6)(c) may recoup any regular assessment that has

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1 been levied by, or paid to, Citizens Property Insurance
 2 Corporation. The recoupment shall be made by applying a
 3 separate assessment factor on policies of the same line or
 4 type as were considered by the residual markets in determining
 5 the assessment liability of the insurer or insurer group. An
 6 insurer or insurer group shall calculate a separate assessment
 7 factor for personal lines and commercial lines. The separate
 8 assessment factor shall provide for full recoupment of the
 9 assessments over a period of 1 year, unless the insurer or
 10 insurer group, at its option, elects to recoup the assessments
 11 over a longer period. The assessment factor expires upon
 12 collection of the full amount allowed to be recouped. Amounts
 13 recouped under this section are not subject to premium taxes,
 14 fees, or commissions.

15 (5)(a) With respect to a transaction involving a
 16 contractual arrangement under which an insurer has assumed
 17 policies subject to residual market deficit assessments from
 18 another insurer or under which an insurer has offered coverage
 19 coincident with another insurer's nonrenewal of a policy
 20 subject to residual market deficit assessments, the respective
 21 insurers may agree to the following:

22 1. The insurer that paid a residual market deficit
 23 assessment may recover a portion of the assessment from the
 24 insurer that assumed policies or provided coverage coincident
 25 with the insurer's nonrenewals; and

26 2. The portion of the assessment to be recovered shall
 27 be proportional to the percentage of the insurer's book of
 28 business that was assumed or that reflects offers of coverage
 29 accepted coincident with the nonrenewals.

30 (b) The insurer that assumed policies or provided
 31 coverage to nonrenewed policyholders shall make a separate

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1 recoupment filing under this section to recover any amounts
 2 paid to the other insurer under the agreement referred to in
 3 paragraph (a). Amounts paid to the other insurer may not be
 4 reflected in any other recoupment filing. Policies subject to
 5 the separate recoupment filing shall not be subject to any
 6 other recoupment attributable to the same assessment.

7 (c) In order to assure that policyholders of the
 8 insurer that transferred or nonrenewed the policies receive
 9 the benefit of the agreement under paragraph (a), the insurer
 10 that transferred or nonrenewed the policies may recoup only
 11 amounts not recovered from the other insurer under the
 12 agreement.

13 (d) The assessment factor must not be more than 3
 14 percentage points above the ratio of the amount paid to the
 15 other insurer under paragraph (a) to the Florida direct
 16 written premium for policies for the lines or types of
 17 business as to which the payment was calculated.

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

21 And the title is amended as follows:

22 On page 135, line 12, after the semicolon,
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 24 insert:
 25 providing for the recoupment of residual market
 26 deficit assessments in transactions involving
 27 certain contractual arrangements;

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