

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative Legg offered the following:

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3 **Amendment (with title amendment)**

4 Between lines 323 and 324, insert:

5 Section 7. (1) By February 1, 2007, the Office of  
6 Insurance Regulation shall calculate a presumed factor to  
7 reflect the impact of the changes made in this act to rates  
8 filed by residential property insurers providing sinkhole loss  
9 coverage. The office shall issue a notice informing all insurers  
10 writing residential property insurance coverage of the presumed  
11 factor.

12 (2) In determining the presumed factor, the office shall  
13 use generally accepted actuarial techniques and standards in  
14 determining the expected impact on losses, expenses, and  
15 investment income of the insurer.

16 (3) The office may contract with an appropriate vendor to  
17 determine the presumed factor.

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18       (4) Each residential property insurer shall, at its next  
19 annual rate filing after May 1, 2007, reflect an overall rate  
20 reduction at least as great as the presumed factor determined  
21 under subsection (1).

22       (5) The sum of \$250,000 in nonrecurring funds is  
23 appropriated from the Insurance Regulatory Trust Fund in the  
24 Department of Financial Services to the Office of Insurance  
25 Regulation for the 2006-2007 fiscal year for the purposes of  
26 funding the provisions of this section.

27       Section 8. The sums of \$115,322 in recurring funds and  
28 \$10,486 in nonrecurring funds are appropriated from the  
29 Insurance Regulatory Trust Fund in the Department of Financial  
30 Services for the 2006-2007 fiscal year for the purposes of  
31 funding the provisions of this act, and two full-time equivalent  
32 positions with 59,435 in associated salary rate are authorized.

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

36       Remove line 33 and insert:

37       requiring the Office of Insurance Regulation to calculate  
38       a certain presumed factor on residential property  
39       insurance rates; providing requirements and procedures for  
40       determining such calculation; requiring the office to  
41       provide notice of such rate factor to insurers; requiring  
42       insurers to include such rate factor in certain rate  
43       filings; providing appropriations and authorizing  
44       additional positions and salary rates; providing effective  
45       dates.