

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

1 Representative Legg offered the following:

2
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 rate filing after May 1, 2007, reflect a rate change that takes
20 into account the presumed factor determined under subsection
21 (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.