

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative(s) Ross offered the following:

2  
3 **Amendment (with title amendment)**

4 Remove line(s) 563-692 and insert:

5 in the account. Such surplus shall be available to defray  
6 deficits in that account as to future years and shall be used  
7 for that purpose prior to assessing ~~assessable insurers and~~  
8 assessable insureds as to any calendar year.

9 9. Must provide objective criteria and procedures to be  
10 uniformly applied for all applicants in determining whether an  
11 individual risk is so hazardous as to be uninsurable. In making  
12 this determination and in establishing the criteria and  
13 procedures, the following shall be considered:

14 a. Whether the likelihood of a loss for the individual  
15 risk is substantially higher than for other risks of the same  
16 class; and

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17           b. Whether the uncertainty associated with the individual  
18 risk is such that an appropriate premium cannot be determined.

19  
20 The acceptance or rejection of a risk by the corporation shall  
21 be construed as the private placement of insurance, and the  
22 provisions of chapter 120 shall not apply.

23           10. Must provide that the corporation shall make its best  
24 efforts to procure catastrophe reinsurance at reasonable rates,  
25 to cover its projected 100-year probable maximum loss as  
26 determined by the board of governors.

27           ~~11. Must provide that in the event of regular deficit~~  
28 ~~assessments under sub-subparagraph (b)3.a. or sub-subparagraph~~  
29 ~~(b)3.b., in the personal lines account, the commercial lines~~  
30 ~~residential account, or the high risk account, the corporation~~  
31 ~~shall levy upon corporation policyholders in its next rate~~  
32 ~~filing, or by a separate rate filing solely for this purpose, a~~  
33 ~~Citizens policyholder surcharge arising from a regular~~  
34 ~~assessment in such account in a percentage equal to the total~~  
35 ~~amount of such regular assessments divided by the aggregate~~  
36 ~~statewide direct written premium for subject lines of business~~  
37 ~~for the prior calendar year. For purposes of calculating the~~  
38 ~~Citizens policyholder surcharge to be levied under this~~  
39 ~~subparagraph, the total amount of the regular assessment to~~  
40 ~~which this surcharge is related shall be determined as set forth~~  
41 ~~in subparagraph (b)3., without deducting the estimated Citizens~~  
42 ~~policyholder surcharge. Citizens policyholder surcharges under~~  
43 ~~this subparagraph are not considered premium and are not subject~~  
44 ~~to commissions, fees, or premium taxes; however, failure to pay~~

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45 ~~a market equalization surcharge shall be treated as failure to~~  
46 ~~pay premium.~~

47 ~~11.12.~~ The policies issued by the corporation must provide  
48 that, if the corporation or the market assistance plan obtains  
49 an offer from an authorized insurer to cover the risk at its  
50 approved rates, the risk is no longer eligible for renewal  
51 through the corporation, except as otherwise provided in this  
52 subsection.

53 ~~12.13.~~ Corporation policies and applications must include  
54 a notice that the corporation policy could, under this section,  
55 be replaced with a policy issued by an authorized insurer that  
56 does not provide coverage identical to the coverage provided by  
57 the corporation. The notice shall also specify that acceptance  
58 of corporation coverage creates a conclusive presumption that  
59 the applicant or policyholder is aware of this potential.

60 ~~13.14.~~ May establish, subject to approval by the office,  
61 different eligibility requirements and operational procedures  
62 for any line or type of coverage for any specified county or  
63 area if the board determines that such changes to the  
64 eligibility requirements and operational procedures are  
65 justified due to the voluntary market being sufficiently stable  
66 and competitive in such area or for such line or type of  
67 coverage and that consumers who, in good faith, are unable to  
68 obtain insurance through the voluntary market through ordinary  
69 methods would continue to have access to coverage from the  
70 corporation. When coverage is sought in connection with a real  
71 property transfer, such requirements and procedures shall not  
72 provide for an effective date of coverage later than the date of  
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73 the closing of the transfer as established by the transferor,  
74 the transferee, and, if applicable, the lender.

75 ~~15. Must provide that, with respect to the high risk~~  
76 ~~account, any assessable insurer with a surplus as to~~  
77 ~~policyholders of \$25 million or less writing 25 percent or more~~  
78 ~~of its total countrywide property insurance premiums in this~~  
79 ~~state may petition the office, within the first 90 days of each~~  
80 ~~calendar year, to qualify as a limited apportionment company. A~~  
81 ~~regular assessment levied by the corporation on a limited~~  
82 ~~apportionment company for a deficit incurred by the corporation~~  
83 ~~for the high risk account in 2006 or thereafter may be paid to~~  
84 ~~the corporation on a monthly basis as the assessments are~~  
85 ~~collected by the limited apportionment company from its insureds~~  
86 ~~pursuant to s. 627.3512, but the regular assessment must be paid~~  
87 ~~in full within 12 months after being levied by the corporation.~~  
88 ~~A limited apportionment company shall collect from its~~  
89 ~~policyholders any emergency assessment imposed under sub-~~  
90 ~~subparagraph (b)3.d. The plan shall provide that, if the office~~  
91 ~~determines that any regular assessment will result in an~~  
92 ~~impairment of the surplus of a limited apportionment company,~~  
93 ~~the office may direct that all or part of such assessment be~~  
94 ~~deferred as provided in subparagraph (g)4. However, there shall~~  
95 ~~be no limitation or deferment of an emergency assessment to be~~  
96 ~~collected from policyholders under sub-subparagraph (b)3.d.~~

97 ~~14.16.~~ Must provide that the corporation appoint as its  
98 licensed agents only those agents who also hold an appointment  
99 as defined in s. 626.015(3) with an insurer who at the time of  
100 the agent's initial appointment by the corporation is authorized  
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101 to write and is actually writing personal lines residential  
102 property coverage, commercial residential property coverage, or  
103 commercial nonresidential property coverage within the state.

104 ~~15.17.~~ Must provide, by July 1, 2007, a premium payment  
105 plan option to its policyholders which allows for quarterly and  
106 semiannual payment of premiums.

107 ~~16.18.~~ Must provide, effective June 1, 2007, that the  
108 corporation contract with each insurer providing the non-wind  
109 coverage for risks insured by the corporation in the high-risk  
110 account, requiring that the insurer provide claims adjusting  
111 services for the wind coverage provided by the corporation for  
112 such risks. An insurer is required to enter into this contract  
113 as a condition of providing non-wind coverage for a risk that is  
114 insured by the corporation in the high-risk account unless the  
115 board finds, after a hearing, that the insurer is not capable of  
116 providing adjusting services at an acceptable level of quality  
117 to corporation policyholders. The terms and conditions of such  
118 contracts must be substantially the same as the contracts that  
119 the corporation executed with insurers under the "adjust-your-  
120 own" program in 2006, except as may be mutually agreed to by the  
121 parties and except for such changes that the board determines  
122 are necessary to ensure that claims are adjusted appropriately.  
123 The corporation shall provide a process for neutral arbitration  
124 of any dispute between the corporation and the insurer regarding  
125 the terms of the contract. The corporation shall review and  
126 monitor the performance of insurers under these contracts.

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HOUSE AMENDMENT

Bill No. CS/CS/HB 1267

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127        ~~17.19.~~ Must limit coverage on mobile homes or manufactured  
128 homes built prior to 1994 to actual cash value of the dwelling  
129 rather than replacement costs of the dwelling.

130        ~~18.20.~~ May provide such limits of coverage as the board  
131 determines, consistent with the requirements of this subsection.

132        ~~19.21.~~ May require commercial property to meet specified  
133 hurricane mitigation construction features as a condition of  
134 eligibility for coverage.

135

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

137        Remove line 21 and insert:

138 coverage under the corporation; revising requirements for the  
139 plan of operation of a corporation; reinstating certain rate

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