

Bill No. HB 7031

Barcode 692846

CHAMBER ACTION

Senate

House

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Senators Fasano, Margolis, and Deutch moved the following amendment:

Senate Amendment (with title amendment)

On line 51,

insert:

Section 1. Paragraph (c) of subsection (2) of section 215.555, Florida Statutes, as amended by section 2 of chapter 2007-1, Laws of Florida, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.--

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

(c) "Covered policy" means any insurance policy covering residential property in this state, including, but not limited to, any homeowner's, mobile home owner's, farm owner's, condominium association, condominium unit owner's, tenant's, or apartment building policy, or any other policy covering a residential structure or its contents issued by any authorized insurer, including a commercial self-insurance fund holding a certificate of authority issued by the Office of Insurance Regulation under s. 624.462, the Citizens Property

Bill No. HB 7031

Barcode 692846

1 Insurance Corporation, and any joint underwriting association
2 or similar entity created under ~~pursuant to~~ law. The term
3 "covered policy" includes any collateral protection insurance
4 policy covering personal residences which protects both the
5 borrower's and the lender's financial interests, in an amount
6 at least equal to the coverage for the dwelling in place under
7 the lapsed homeowner's policy, if such policy can be
8 accurately reported as required in subsection (5).
9 Additionally, covered policies include policies covering the
10 peril of wind removed from the Florida Residential Property
11 and Casualty Joint Underwriting Association or from the
12 Citizens Property Insurance Corporation, created under
13 ~~pursuant to~~ s. 627.351(6), or from the Florida Windstorm
14 Underwriting Association, created under ~~pursuant to~~ s.
15 627.351(2), by an authorized insurer under the terms and
16 conditions of an executed assumption agreement between the
17 authorized insurer and such association or Citizens Property
18 Insurance Corporation. Each assumption agreement between the
19 association and such authorized insurer or Citizens Property
20 Insurance Corporation must be approved by the Office of
21 Insurance Regulation before ~~prior to~~ the effective date of the
22 assumption, and the Office of Insurance Regulation must
23 provide written notification to the board within 15 working
24 days after such approval. "Covered policy" does not include
25 any policy that excludes wind coverage or hurricane coverage
26 or any reinsurance agreement and does not include any policy
27 otherwise meeting this definition which is issued by a surplus
28 lines insurer or a reinsurer. All commercial residential
29 excess policies and all deductible buy-back policies that,
30 based on sound actuarial principles, require individual
31 ratemaking shall be excluded by rule if the actuarial

Bill No. HB 7031

Barcode 692846

1 soundness of the fund is not jeopardized. For this purpose,
 2 the term "excess policy" means a policy that provides
 3 insurance protection for large commercial property risks and
 4 that provides a layer of coverage above a primary layer
 5 insured by another insurer.

6 Section 2. Subsections (2) and (5) of section 624.462,
 7 Florida Statutes, as amended, by section 12 of chapter 2007-1,
 8 Laws of Florida, are amended to read:

9 624.462 Commercial self-insurance funds.--

10 (2) As used in ss. 624.460-624.488, "commercial
 11 self-insurance fund" or "fund" means a group of members,
 12 operating individually and collectively through a trust or
 13 corporation, that must be:

14 (a) Established by:

15 1. A not-for-profit trade association, industry
 16 association, or professional association of employers or
 17 professionals which has a constitution or bylaws, which is
 18 incorporated under the laws of this state, and which has been
 19 organized for purposes other than that of obtaining or
 20 providing insurance and operated in good faith for a
 21 continuous period of 1 year;

22 2. A self-insurance trust fund organized pursuant to
 23 s. 627.357 and maintained in good faith for a continuous
 24 period of 1 year for purposes other than that of obtaining or
 25 providing insurance pursuant to this section. Each member of a
 26 commercial self-insurance trust fund established pursuant to
 27 this subsection must maintain membership in the self-insurance
 28 trust fund organized pursuant to s. 627.357;

29 3. A group of 10 or more health care providers, as
 30 defined in s. 627.351(4)(h), for purposes of providing medical
 31 malpractice coverage; or

Bill No. HB 7031

Barcode 692846

1 4. A not-for-profit group comprised of one or more
2 community associations responsible for operating at least 50
3 residential parcels or units created and operating under
4 chapter 718, chapter 719, chapter 720, chapter 721, or chapter
5 723 which restricts its membership to community associations
6 only and which has been organized and maintained in good faith
7 for the purpose of pooling and spreading the liabilities of
8 its group members relating to property or casualty risk or
9 surety insurance which, in accordance with applicable
10 provisions of part I of chapter 626, appoints resident general
11 lines agents only, and which does not prevent, impede, or
12 restrict any applicant or fund participant from maintaining or
13 selecting an agent of choice. The fund may not refuse to
14 appoint the agent of record for any fund applicant or fund
15 member and may not favor one or more such appointed agents
16 over other appointed agents.

17 (b)1. In the case of funds established pursuant to
18 subparagraph (a)2. or subparagraph (a)4., operated pursuant to
19 a trust agreement by a board of trustees which shall have
20 complete fiscal control over the fund and which shall be
21 responsible for all operations of the fund. The majority of
22 the trustees shall be owners, partners, officers, directors,
23 or employees of one or more members of the fund. The trustees
24 shall have the authority to approve applications of members
25 for participation in the fund and to contract with an
26 authorized administrator or servicing company to administer
27 the day-to-day affairs of the fund.

28 2. In the case of funds established pursuant to
29 subparagraph (a)1. or subparagraph (a)3., operated pursuant to
30 a trust agreement by a board of trustees or as a corporation
31 by a board of directors which board shall:

Bill No. HB 7031

Barcode 692846

- 1 a. Be responsible to members of the fund or
- 2 beneficiaries of the trust or policyholders of the
- 3 corporation;
- 4 b. Appoint independent certified public accountants,
- 5 legal counsel, actuaries, and investment advisers as needed;
- 6 c. Approve payment of dividends to members;
- 7 d. Approve changes in corporate structure; and
- 8 e. Have the authority to contract with an
- 9 administrator authorized under s. 626.88 to administer the
- 10 day-to-day affairs of the fund including, but not limited to,
- 11 marketing, underwriting, billing, collection, claims
- 12 administration, safety and loss prevention, reinsurance,
- 13 policy issuance, accounting, regulatory reporting, and general
- 14 administration. The fees or compensation for services under
- 15 such contract shall be comparable to the costs for similar
- 16 services incurred by insurers writing the same lines of
- 17 insurance, or where available such expenses as filed by
- 18 boards, bureaus, and associations designated by insurers to
- 19 file such data. A majority of the trustees or directors shall
- 20 be owners, partners, officers, directors, or employees of one
- 21 or more members of the fund.

22 (5) A commercial self-insurance fund created under

23 subparagraph (2)(a)4. shall be an insurer for the purpose of

24 any assessments levied by the Florida Hurricane Catastrophe

25 Fund as provided under s. 215.555 or by the Citizens Property

26 Insurance Corporation as provided under s. 627.351(6)(b)3. The

27 office shall establish the method for determining the imputed

28 premium that is subject to any such assessment. ~~must~~

29 ~~participate in the Florida Self-Insurance Fund Guaranty~~

30 ~~Association.~~

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Bill No. HB 7031

Barcode 692846

1 (Redesignate subsequent sections.)

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

5 And the title is amended as follows:

6 On line 2, delete that line

7

8 and insert:

9 An act relating to real property; amending s.
10 215.555, F.S.; redefining the term "covered
11 policy" for purposes of the Florida Hurricane
12 Catastrophe Fund to include commercial
13 self-insurance funds; amending s. 624.462,
14 F.S.; providing that any applicant or fund
15 participant may select an agent of choice
16 without restriction by the fund; providing that
17 a commercial self-insurance fund shall be an
18 insurer for the purpose of assessments levied
19 by the Florida Hurricane Catastrophe Fund or
20 Citizens Property Insurance Group; requiring
21 the office to establish the method for
22 determining the inputted premium that is
23 subject to assessment; amending s.

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