

Bill No. SB 4-A

Barcode 975264

CHAMBER ACTION

Senate

House

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Senator Saunders moved the following amendment:

Senate Amendment

On page 114, line 4, through
page 116, line 17, delete those lines

and insert: expenses of the corporation shall be divided into
four ~~three~~ separate accounts as follows:

(I) A personal lines account for personal residential
policies issued by the corporation or issued by the
Residential Property and Casualty Joint Underwriting
Association and renewed by the corporation that provide
comprehensive, multiperil coverage on risks that are not
located in areas eligible for coverage in the Florida
Windstorm Underwriting Association as those areas were defined
on January 1, 2002, and for such policies that do not provide
coverage for the peril of wind on risks that are located in
such areas;

(II) A commercial lines account for commercial
residential and commercial nonresidential policies issued by
the corporation or issued by the Residential Property and

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1 Casualty Joint Underwriting Association and renewed by the
 2 corporation that provide coverage for basic property perils on
 3 risks that are not located in areas eligible for coverage in
 4 the Florida Windstorm Underwriting Association as those areas
 5 were defined on January 1, 2002, and for such policies that do
 6 not provide coverage for the peril of wind on risks that are
 7 located in such areas; ~~and~~

8 (III) A high-risk account for personal residential
 9 policies and commercial residential and commercial
 10 nonresidential property policies issued by the corporation or
 11 transferred to the corporation that provide coverage for the
 12 peril of wind on risks that are located in areas eligible for
 13 coverage in the Florida Windstorm Underwriting Association as
 14 those areas were defined on January 1, 2002. Beginning April
 15 1, 2007, the corporation may offer multiperil coverage,
 16 wind-only coverage, or both types of coverage in the high-risk
 17 account. In issuing multiperil coverage, the corporation may
 18 use its approved policy forms and rates for personal lines
 19 accounts through December 31, 2007. It is the intent of the
 20 Legislature that the offer of multiperil coverage in the
 21 high-risk account be made and implemented in a manner that
 22 does not adversely affect the creditworthiness of or security
 23 for currently outstanding financing obligations or credit
 24 facilities of the high-risk account, the personal lines
 25 account, or the commercial lines account. The high-risk
 26 account must also include quota share primary insurance under
 27 subparagraph (c)2. The area eligible for coverage under the
 28 high-risk account also includes the area within Port
 29 Canaveral, which is bordered on the south by the City of Cape
 30 Canaveral, bordered on the west by the Banana River, and
 31 bordered on the north by Federal Government property; ~~and. The~~

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1 ~~office may remove territory from the area eligible for~~
2 ~~wind-only and quota share coverage if, after a public hearing,~~
3 ~~the office finds that authorized insurers in the voluntary~~
4 ~~market are willing and able to write sufficient amounts of~~
5 ~~personal and commercial residential coverage for all perils in~~
6 ~~the territory, including coverage for the peril of wind, such~~
7 ~~that risks covered by wind-only policies in the removed~~
8 ~~territory could be issued a policy by the corporation in~~
9 ~~either the personal lines or commercial lines account without~~
10 ~~a significant increase in the corporation's probable maximum~~
11 ~~loss in such account. Removal of territory from the area~~
12 ~~eligible for wind-only or quota share coverage does not alter~~
13 ~~the assignment of wind coverage written in such areas to the~~
14 ~~high-risk account.~~

15 (IV) A property and casualty account for all other
16 lines of property and casualty insurance policies issued by
17 the corporation statewide, including automobile, not written
18 in any other account. The corporation is authorized to adopt
19 policy forms for property and casualty insurance.

20 b. The four ~~three~~ separate accounts must be maintained
21 as long as financing obligations entered into by the Florida
22 Windstorm Underwriting Association or Residential Property and
23 Casualty Joint Underwriting Association are outstanding, in
24 accordance with the terms of the corresponding financing
25 documents. When the financing obligations are no longer
26 outstanding, in accordance with the terms of the corresponding
27 financing documents, the corporation may use a single account
28 for all revenues, assets, liabilities, losses, and expenses of
29 the corporation. Consistent with the requirement of this
30 subparagraph and prudent investment policies that minimize the
31 cost of carrying debt, the board shall exercise its best

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1 efforts to retire existing debt or to obtain approval of
2 necessary parties to amend the terms of existing debt, so as
3 to structure the most efficient plan to consolidate the four
4 ~~three~~

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