

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Schwartz offered the following:

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

4 Between lines 117 and 118, insert:

5 Section 3. Paragraph (b) of subsection (4) of section
6 215.555, Florida Statutes, is amended to read:

7 215.555 Florida Hurricane Catastrophe Fund.--

8 (4) REIMBURSEMENT CONTRACTS.--

9 (b)1. The contract shall contain a promise by the board to
10 reimburse the insurer for 45 percent, 75 percent, or 90 percent
11 of its losses from each covered event in excess of the insurer's
12 retention, plus 5 percent of the reimbursed losses to cover loss
13 adjustment expenses.

14 2. The insurer must elect one of the percentage coverage
15 levels specified in this paragraph and may, upon renewal of a
16 reimbursement contract, elect a lower percentage coverage level

794475

4/30/2008 7:36 AM

Amendment No.

17 if no revenue bonds issued under subsection (6) after a covered
18 event are outstanding, or elect a higher percentage coverage
19 level, regardless of whether or not revenue bonds are
20 outstanding. All members of an insurer group must elect the same
21 percentage coverage level. Any joint underwriting association,
22 risk apportionment plan, or other entity created under s.
23 627.351 must elect the 90-percent coverage level.

24 3. The contract shall provide that reimbursement amounts
25 shall not be reduced by reinsurance paid or payable to the
26 insurer from other sources.

27 4. Notwithstanding any other provision contained in this
28 section, the board shall make available to insurers that
29 purchased coverage provided by this subparagraph in 2007 ~~2006~~,
30 insurers qualifying as limited apportionment companies under s.
31 627.351(6)(c), and insurers that have been ~~were~~ approved to
32 participate in ~~2006~~ or that are approved in 2007 for the
33 Insurance Capital Build-Up Incentive Program pursuant to s.
34 215.5595~~7~~, a contract or contract addendum that provides an
35 additional amount of reimbursement coverage of up to \$10
36 million. The premium to be charged for this additional
37 reimbursement coverage shall be 50 percent of the additional
38 reimbursement coverage provided, which shall include one prepaid
39 reinstatement. The minimum retention level that an eligible
40 participating insurer must retain associated with this
41 additional coverage layer is 30 percent of the insurer's surplus
42 as of December 31, 2007 ~~2006~~. This coverage shall be in addition
43 to all other coverage that may be provided under this section.
44 The coverage provided by the fund under this subparagraph shall

794475

4/30/2008 7:36 AM

Amendment No.

45 be in addition to the claims-paying capacity as defined in
46 subparagraph (c)1., but only with respect to those insurers that
47 select the additional coverage option and meet the requirements
48 of this subparagraph. The claims-paying capacity with respect to
49 all other participating insurers and limited apportionment
50 companies that do not select the additional coverage option
51 shall be limited to their reimbursement premium's proportionate
52 share of the actual claims-paying capacity otherwise defined in
53 subparagraph (c)1. and as provided for under the terms of the
54 reimbursement contract. Coverage provided in the reimbursement
55 contract shall ~~will~~ not be affected by the additional premiums
56 paid by participating insurers exercising the additional
57 coverage option allowed in this subparagraph. This subparagraph
58 expires on May 31, 2009 ~~2008~~.

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61 **T I T L E A M E N D M E N T**

62 Remove line 17 and insert:
63 dismissed; amending s. 215.555, F.S.; extending for an
64 additional year the offer of reimbursement coverage for
65 specified insurers; revising the qualifying criteria for such
66 insurers; revising provisions to conform; providing effective
67 dates.