

Amendment No.

CHAMBER ACTION

Senate

House

.

1 Representative Proctor offered the following:

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

4 Remove everything after the enacting clause and insert:

5 Section 1. Paragraph (k) is added to subsection (2) of
6 section 627.062, Florida Statutes, to read:

7 627.062 Rate standards.--

8 (2) As to all such classes of insurance:

9 (k)1. Insurers complying with the requirements of s.
10 627.7031 may use a rate in excess of the otherwise applicable
11 filed rate.

12 2. Policies subject to this paragraph may not be counted
13 in the calculation under s. 627.171(2).

14 3. Such rates shall be filed with the office. This
15 paragraph does not affect the authority of the office to
16 disapprove a rate as inadequate or to disapprove a rate filing

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17 for using a rating factor that is unlawful under s. 626.9541(1).
18 Upon finding that an insurer has used a rating factor that is
19 unlawful under s. 626.9541(1), the office may direct the insurer
20 to make a filing for rates governed by this paragraph and which
21 do not use such rating factor.

22
23 The provisions of this subsection shall not apply to workers'
24 compensation and employer's liability insurance and to motor
25 vehicle insurance.

26 Section 2. Section 627.7031, Florida Statutes, is created
27 to read:

28 627.7031 Residential property insurance option.--

29 (1) An insurer may offer or renew policies at rates
30 established in accordance with s. 627.062(2)(k) if all of the
31 following conditions are met:

32 (a) The insurer is authorized to write property insurance
33 in this state.

34 (b)1. The insurer has, at the time of issuance of the
35 policy or at the time of first renewal at rates pursuant to s.
36 627.062(2)(k), surplus as to policyholders equal to or greater
37 than \$500 million as calculated based on the information in the
38 insurer's most recent annual statement; or

39 2. The insurer has, at the time of issuance of the policy
40 or at the time of first renewal at rates pursuant to s.
41 627.062(2)(k), a surplus as to policyholders equal to or greater
42 than \$200 million and a ratio of net written premium to its
43 surplus as to policyholders, as calculated based on the
44 information in the insurer's most recent annual statement, not

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45 exceeding two to one. For purposes of this subparagraph, the
46 calculation of net written premium shall consider only
47 reinsurance placed pursuant to s. 215.555(4) and with reinsurers
48 or direct insurers that have been given a financial strength
49 rating of "A-minus" or better by A.M. Best Company, or have been
50 given a comparable rating by another rating agency which is
51 generally considered accurate or acceptable.

52 (c) The insurer may not purchase coverage relating to
53 temporary increase in coverage limit options under s.
54 215.555(17) from the Florida Hurricane Catastrophe Fund.

55 (d) Before the issuance or renewal of a policy at rates
56 established in accordance with s. 627.062(2)(k), the applicant
57 or insured must be given the following notice, printed in at
58 least 12-point boldfaced type:

59
60 THE RATE FOR THIS POLICY IS NOT REGULATED BY THE FLORIDA
61 OFFICE OF INSURANCE REGULATION AND MAY BE HIGHER THAN RATES
62 APPROVED BY THAT OFFICE. A RESIDENTIAL PROPERTY POLICY SUBJECT
63 TO FULL RATE REGULATION REQUIREMENTS MAY BE AVAILABLE FROM
64 ANOTHER INSURER OR CITIZENS PROPERTY INSURANCE CORPORATION.
65 PLEASE DISCUSS YOUR POLICY OPTIONS WITH AN INSURANCE AGENT. YOU
66 MAY WISH TO VIEW THE OFFICE OF INSURANCE REGULATION'S WEBSITE
67 WWW.SHOPANDCOMPARERATES.COM FOR MORE INFORMATION ABOUT CHOICES
68 AVAILABLE TO YOU.

69
70 (e) Before the issuance of a policy at a rate established
71 in accordance with s. 627.062(2)(k), or before the first renewal
72 at such rate of a policy originally issued before the effective
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73 date of this section, the applicant or insured must:

74 1. Be given a quote for a policy from Citizens Property
75 Insurance Corporation, or for a fully rate-regulated policy from
76 an admitted insurer willing to insure the risk, reflecting
77 substantially similar coverages, limits, and deductibles to the
78 extent available.

79 2. Sign the following acknowledgement form, which must be
80 retained by the insurer or agent for at least 3 years. If the
81 acknowledgement form is signed by the insured, it is presumed
82 that the insured has been informed and understands the form:

83
84 ACKNOWLEDGEMENT

85 1. I HAVE REVIEWED THE REQUIRED DISCLOSURES AND THE
86 REQUIRED PREMIUM COMPARISON.

87 2. I UNDERSTAND THAT THE RATE FOR THIS RESIDENTIAL
88 PROPERTY INSURANCE POLICY IS NOT REGULATED BY THE FLORIDA OFFICE
89 OF INSURANCE REGULATION AND MAY BE HIGHER THAN RATES APPROVED BY
90 THAT OFFICE.

91 3. I UNDERSTAND THAT A RESIDENTIAL PROPERTY INSURANCE
92 POLICY SUBJECT TO FULL RATE REGULATION REQUIREMENTS MAY BE
93 AVAILABLE FROM ANOTHER INSURER OR CITIZENS PROPERTY INSURANCE
94 CORPORATION.

95 4. I UNDERSTAND THAT THE FLORIDA OFFICE OF INSURANCE
96 REGULATION'S WEBSITE WWW.SHOPANDCOMPARERATES.COM CONTAINS
97 RESIDENTIAL PROPERTY INSURANCE RATE COMPARISON INFORMATION.

98 5. I UNDERSTAND THAT SHOULD A HURRICANE CAUSE SEVERE
99 DAMAGE IN FLORIDA, A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
100 CORPORATION MAY BE REQUIRED TO PAY A HIGHER ASSESSMENT THAN THE

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101 ASSESSMENT OTHERWISE APPLICABLE TO THIS RESIDENTIAL PROPERTY
102 INSURANCE POLICY.

103
104 (2) For policies renewed at a rate established in
105 accordance with s. 627.062(2)(k), the notice described in
106 paragraph (1)(d) must be furnished in writing at the same time
107 as the renewal notice on a document separate from the renewal
108 notice, but may be contained within the same mailing as the
109 renewal notice.

110 (3) This section does not apply to residential property
111 insurance policies that exclude coverage for the perils of
112 windstorm or hurricane.

113 (4) Notwithstanding s. 627.4133, an insurer issuing a
114 policy under this section shall provide the named insured
115 written notice of nonrenewal, cancellation, or termination at
116 least 180 days before the effective date of the nonrenewal,
117 cancellation, or termination.

118 Section 3. This act shall take effect upon becoming a law.

119
120 -----
121 **T I T L E A M E N D M E N T**

122 Remove the entire title and insert:

123 A bill to be entitled

124 An act relating to residential property insurance; amending s.
125 627.062, F.S.; authorizing certain insurers to use a rate in
126 excess of the otherwise applicable filed rate; prohibiting the
127 consideration of certain policies when making a specified
128 calculation; preserving the authority of the Office of Insurance
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129 Regulation to disapprove rates as inadequate or disapprove a
130 rate filing for using an unlawful rating factor; authorizing the
131 office to direct an insurer to make a specified type of rate
132 filing under certain circumstances; creating s. 627.7031, F.S.;;
133 authorizing an insurer to offer or renew policies at rates
134 established in accordance with specified provisions of state law
135 if certain conditions are met; requiring that certain policies
136 contain a specified notice; providing for applicability;
137 requiring written notice of nonrenewal, cancellation, or
138 termination; providing an effective date.

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