

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Nelson offered the following:

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

4 Between lines 108-109, insert:

5 Section 4. 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  
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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 2008 2007,  
30 insurers qualifying as limited apportionment companies under s.  
31 627.351(6)(c), and insurers that have been approved to  
32 participate in the Insurance Capital Build-Up Incentive Program  
33 pursuant to s. 215.5595 a contract or contract addendum that  
34 provides an additional amount of reimbursement coverage of up to  
35 \$10 million. The premium to be charged for this additional  
36 reimbursement coverage shall be 50 percent of the additional  
37 reimbursement coverage provided, which shall include one prepaid  
38 reinstatement. The minimum retention level that an eligible  
39 participating insurer must retain associated with this  
40 additional coverage layer is 30 percent of the insurer's surplus  
41 as of December 31, 2008, for the 2009-2010 contract year; as of  
42 December 31, 2009, for the contract year beginning June 1, 2010,  
43 and ending December 31, 2010; and as of December 31, 2010, for  
44 the 2011 contract year 2007. This coverage shall be in addition

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45 to all other coverage that may be provided under this section.  
46 The coverage provided by the fund under this subparagraph shall  
47 be in addition to the claims-paying capacity as defined in  
48 subparagraph (c)1., but only with respect to those insurers that  
49 select the additional coverage option and meet the requirements  
50 of this subparagraph. The claims-paying capacity with respect to  
51 all other participating insurers and limited apportionment  
52 companies that do not select the additional coverage option  
53 shall be limited to their reimbursement premium's proportionate  
54 share of the actual claims-paying capacity otherwise defined in  
55 subparagraph (c)1. and as provided for under the terms of the  
56 reimbursement contract. The optional coverage retention as  
57 specified shall be accessed before the mandatory coverage under  
58 the reimbursement contract, but once the limit of coverage  
59 selected under this option is exhausted, the insurer's retention  
60 under the mandatory coverage shall apply. This coverage shall  
61 apply and be paid concurrently with the mandatory coverage.  
62 ~~Coverage provided in the reimbursement contract shall not be~~  
63 ~~affected by the additional premiums paid by participating~~  
64 ~~insurers exercising the additional coverage option allowed in~~  
65 ~~this subparagraph.~~ This subparagraph expires on December ~~May~~ 31,  
66 2011 ~~2009~~.

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72 **T I T L E   A M E N D M E N T**

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73        Remove line 18 and insert:  
74 requirements applicable to payment instruments; amending s.  
75 215.555, F.S.; revising the dates of an insurer's contract year  
76 for purposes of calculating the insurer's retention; revising  
77 reimbursement contract coverage payment provisions; extending  
78 application of provisions relating to reimbursement contracts;  
79 providing