



725852

LEGISLATIVE ACTION

Senate

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House

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Floor: 2/AD/2R

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04/28/2009 02:39 PM

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Senator Smith moved the following:

Senate Amendment (with title amendment)

Between lines 125 and 126

insert:

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

215.555 Florida Hurricane Catastrophe Fund.—

(4) REIMBURSEMENT CONTRACTS.—

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



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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
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
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. Such coverage shall
61 apply and must 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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68 ===== T I T L E A M E N D M E N T =====

69 And the title is amended as follows:

70 Delete line 24



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71 and insert:
72 215.555, F.S.; revising the dates of an insurer's
73 contract year for purposes of calculating the
74 insurer's retention; revising reimbursement contract
75 coverage payment provisions; extending the application
76 of provisions relating to reimbursement contracts;
77 amending s. 218.415, F.S.; requiring that the Chief
78 Financial