

By Senator Fasano

11-01004-09

2009862\_\_

1                   A bill to be entitled  
2           An act relating to insurance; amending s. 627.351,  
3           F.S.; extending the rate freeze imposed upon Citizens  
4           Property Insurance Corporation by 1 year; providing an  
5           effective date.

6  
7 Be It Enacted by the Legislature of the State of Florida:

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9           Section 1. Paragraph (m) of subsection (6) of section  
10          627.351, Florida Statutes, is amended to read:

11           627.351 Insurance risk apportionment plans.—

12           (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

13           (m)1. Rates for coverage provided by the corporation shall  
14          be actuarially sound and subject to the requirements of s.  
15          627.062, except as otherwise provided in this paragraph. The  
16          corporation shall file its recommended rates with the office at  
17          least annually. The corporation shall provide any additional  
18          information regarding the rates which the office requires. The  
19          office shall consider the recommendations of the board and issue  
20          a final order establishing the rates for the corporation within  
21          45 days after the recommended rates are filed. The corporation  
22          may not pursue an administrative challenge or judicial review of  
23          the final order of the office.

24           2. In addition to the rates otherwise determined pursuant  
25          to this paragraph, the corporation shall impose and collect an  
26          amount equal to the premium tax provided for in s. 624.509 to  
27          augment the financial resources of the corporation.

28           3. After the public hurricane loss-projection model under  
29          s. 627.06281 has been found to be accurate and reliable by the

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30 Florida Commission on Hurricane Loss Projection Methodology,  
31 that model shall serve as the minimum benchmark for determining  
32 the windstorm portion of the corporation's rates. This  
33 subparagraph does not require or allow the corporation to adopt  
34 rates lower than the rates otherwise required or allowed by this  
35 paragraph.

36 4. The rate filings for the corporation which were approved  
37 by the office and which took effect January 1, 2007, are  
38 rescinded, except for those rates that were lowered. As soon as  
39 possible, the corporation shall begin using the lower rates that  
40 were in effect on December 31, 2006, and shall provide refunds  
41 to policyholders who have paid higher rates as a result of that  
42 rate filing. The rates in effect on December 31, 2006, shall  
43 remain in effect for the 2007, ~~and 2008,~~ and 2009 calendar years  
44 except for any rate change that results in a lower rate. The  
45 next rate change that may increase rates shall take effect  
46 pursuant to a new rate filing recommended by the corporation and  
47 established by the office, subject to the requirements of this  
48 paragraph.

49 5. Beginning on July 15, 2010 ~~2009~~, and each year  
50 thereafter, the corporation must make a recommended actuarially  
51 sound rate filing for each personal and commercial line of  
52 business it writes, to be effective no earlier than January 1,  
53 2011 ~~2010~~.

54 Section 2. This act shall take effect July 1, 2009.