



482592

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/06/2010	.	
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The Committee on General Government Appropriations (Dean)  
recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 954 - 1030  
and insert:

(1)~~(a)~~ It is the intent of the Legislature that insurers  
~~must~~ provide the most accurate pricing signals available ~~savings~~  
to encourage consumers to ~~who~~ install or implement windstorm  
damage mitigation techniques, alterations, or solutions to their  
properties to prevent windstorm losses. It is also the intent of  
the Legislature that implementation of mitigation discounts not  
result in a loss of income to the insurers granting the  
discounts, so that the aggregate of mitigation discounts should



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13 not exceed the aggregate of the expected reduction in loss that  
14 is attributable to the mitigation efforts for which discounts  
15 are granted. A rate filing for residential property insurance  
16 must include actuarially reasonable discounts, credits, debits,  
17 or other rate differentials, or appropriate reductions in  
18 deductibles, which provide the proper pricing for all  
19 properties. The rate filing must take into account the presence  
20 or absence of ~~en which~~ fixtures or construction techniques  
21 demonstrated to reduce the amount of loss in a windstorm have  
22 been installed or implemented. The fixtures or construction  
23 techniques shall include, but not be limited to, fixtures or  
24 construction techniques that ~~which~~ enhance roof strength, roof  
25 covering performance, roof-to-wall strength, wall-to-floor-to-  
26 foundation strength, opening protection, and window, door, and  
27 skylight strength. Credits, debits, discounts, or other rate  
28 differentials, or appropriate reductions or increases in  
29 deductibles, which recognize the presence or absence of ~~for~~  
30 fixtures and construction techniques that ~~which~~ meet the minimum  
31 requirements of the Florida Building Code must be included in  
32 the rate filing. If an insurer demonstrates that the aggregate  
33 of its mitigation discounts results in a reduction to revenue  
34 which exceeds the reduction of the aggregate loss that is  
35 expected to result from the mitigation, that insurer may recover  
36 the lost revenue through an increase in its base rates. ~~All~~  
37 ~~insurance companies must make a rate filing which includes the~~  
38 ~~credits, discounts, or other rate differentials or reductions in~~  
39 ~~deductibles by February 28, 2003.~~ By July 1, 2007, the office  
40 shall reevaluate the discounts, credits, other rate  
41 differentials, and appropriate reductions in deductibles for



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42 fixtures and construction techniques that meet the minimum  
43 requirements of the Florida Building Code, based upon actual  
44 experience or any other loss relativity studies available to the  
45 office. The office shall determine the discounts, credits,  
46 debits, other rate differentials, and appropriate reductions or  
47 increases in deductibles that reflect the full actuarial value  
48 of such revaluation, which may be used by insurers in rate  
49 filings.

50 ~~(b) By February 1, 2011, the Office of Insurance~~  
51 ~~Regulation, in consultation with the Department of Financial~~  
52 ~~Services and the Department of Community Affairs, shall develop~~  
53 ~~and make publicly available a proposed method for insurers to~~  
54 ~~establish discounts, credits, debits, or other rate~~  
55 ~~differentials for hurricane mitigation measures which directly~~  
56 ~~correlate to the numerical rating assigned to a structure~~  
57 ~~pursuant to the uniform home grading scale adopted by the~~  
58 ~~Financial Services Commission pursuant to s. 215.55865,~~  
59 ~~including any proposed changes to the uniform home grading~~  
60 ~~scale. By October 1, 2011, the commission shall adopt rules~~  
61 ~~requiring insurers to make rate filings for residential property~~  
62 ~~insurance which revise insurers' discounts, credits, debits, or~~  
63 ~~other rate differentials for hurricane mitigation measures so~~  
64 ~~that such rate differentials correlate directly to the uniform~~  
65 ~~home grading scale. The rules may include such changes to the~~  
66 ~~uniform home grading scale as the commission determines are~~  
67 ~~necessary, and may specify the minimum required discounts,~~  
68 ~~credits, or other rate differentials. Such rate differentials~~  
69 ~~must be consistent with generally accepted actuarial principles~~  
70 ~~and wind-loss mitigation studies. The rules must shall allow a~~



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71 ~~period of at least 2 years after the effective date of the~~  
72 ~~revised mitigation discounts, credits, debits, or other rate~~  
73 ~~differentials for a property owner to obtain an inspection or~~  
74 ~~otherwise qualify for the revised credit or debit, during which~~  
75 ~~time the insurer must shall continue to apply the mitigation~~  
76 ~~credit or debit that was applied immediately before prior to the~~  
77 ~~effective date of the revised credit. Discounts, credits,~~  
78 ~~debits, and other rate differentials established for rate~~  
79 ~~filings under this paragraph shall supersede, after adoption,~~  
80 ~~the discounts, credits, and other rate differentials included in~~  
81 ~~rate filings under paragraph (a).~~

82  
83 ===== T I T L E A M E N D M E N T =====

84 And the title is amended as follows:

85 Delete line 74

86 and insert:

87 reasonable debits that provide proper pricing;  
88 deleting provisions that require the office to develop  
89 certain rate differentials for hurricane mitigation  
90 measures;