



597492

LEGISLATIVE ACTION

Senate

House

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Floor: 11/AD/2R

04/23/2010 01:56 PM

Senator Bennett moved the following:

Senate Amendment (with title amendment)

Between lines 561 and 562

insert:

Section 5. Section 624.611, Florida Statutes, is created to read:

624.611 Catastrophe contracts.—An insurer may submit to the Office of Insurance Regulation, in advance of the hurricane season, a plan to use financial contracts other than reinsurance contracts to provide catastrophe loss funding. In such a plan, the insurer must demonstrate that the coverage, together with its reinsurance program, will provide adequate protection for policyholders in the event of a natural catastrophe. If the



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14 contract does not provide for coverage that is highly correlated
15 with the actual losses of the insurer, the insurer must
16 demonstrate its ability to cover the risk created by such lack
17 of correlation. If the office approves the plan, the insurer may
18 purchase the contracts and take credit for reinsurance for
19 amounts expected or due from other parties to the contracts in
20 accordance with any terms, conditions, or limitations
21 established by the office.

22
23 ===== T I T L E A M E N D M E N T =====

24 And the title is amended as follows:

25 Delete line 26

26 and insert:

27 a financial statement; creating s. 624.611, F.S.;

28 authorizing an insurer to submit to the Office of

29 Insurance Regulation a plan to use financial contracts

30 other than reinsurance contracts to provide

31 catastrophe loss funding; providing requirements for

32 such a plan; authorizing an insurer to take certain

33 action if the office approves such plan; amending s.

34 626.7452, F.S.;