



588490

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/07/2013	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (Hays) recommended the following:

Senate Amendment (with title amendment)

Between lines 91 and 92
insert:

Section 1. Paragraph (n) of subsection (2) and paragraph (d) of subsection (6) of section 215.555, Florida Statutes, are amended to read:

215.555 Florida Hurricane Catastrophe Fund.—

(2) DEFINITIONS.—As used in this section:

(n) "Corporation" means the State Board of Administration Florida Hurricane Catastrophe Fund Finance Corporation created in paragraph (6) (d).



588490

13 (6) REVENUE BONDS.—

14 (d) State Board of Administration ~~Florida Hurricane~~
15 ~~Catastrophe Fund Finance Corporation.~~—

16 1. In addition to the findings and declarations in
17 subsection (1), the Legislature also finds and declares that:

18 a. The public benefits corporation created under this
19 paragraph will provide a mechanism ~~necessary~~ for the cost-
20 effective and efficient issuance of bonds. This mechanism will
21 eliminate unnecessary costs in the bond issuance process,
22 thereby increasing the amounts available for ~~to pay~~
23 reimbursement for losses to property sustained as a result of
24 hurricane damage.

25 b. The purpose of such bonds is to fund reimbursements
26 through the Florida Hurricane Catastrophe Fund ~~to pay~~ for the
27 costs of construction, reconstruction, repair, restoration, and
28 other costs associated with damage to properties of
29 policyholders of covered policies due to the occurrence of a
30 hurricane.

31 c. The efficacy of the financing mechanism will be enhanced
32 by the corporation's ownership of the assessments, by the
33 insulation of the assessments from possible bankruptcy
34 proceedings, and by covenants of the state with the
35 corporation's bondholders.

36 ~~2.a.~~ The State Board of Administration Finance Corporation
37 ~~There~~ is created, which is a public benefits corporation and,
38 ~~which is an instrumentality of the state, to be known as the~~
39 ~~Florida Hurricane Catastrophe Fund Finance Corporation. The~~
40 State Board of Administration Finance Corporation is for all
41 purposes the successor to the Florida Hurricane Catastrophe Fund



588490

42 Finance Corporation.

43 ~~a.b.~~ The corporation shall operate under a five-member
44 board of directors consisting of the Governor or a designee, the
45 Chief Financial Officer or a designee, the Attorney General or a
46 designee, the director of the Division of Bond Finance of the
47 State Board of Administration, and the Chief Operating Officer
48 ~~senior employee of the State Board of Administration responsible~~
49 ~~for operations~~ of the Florida Hurricane Catastrophe Fund.

50 ~~b.e.~~ The corporation has all of the powers of corporations
51 under chapter 607 and under chapter 617, subject only to ~~the~~
52 ~~provisions of~~ this subsection.

53 ~~c.d.~~ The corporation may issue bonds and engage in such
54 other financial transactions as are necessary to provide
55 sufficient funds to achieve the purposes of this section.

56 ~~d.e.~~ The corporation may invest in any of the investments
57 authorized under s. 215.47.

58 ~~e.f.~~ There is ~~shall be~~ no liability on the part of, and no
59 cause of action shall arise against, any board members or
60 employees of the corporation for any actions taken by them in
61 the performance of their duties under this paragraph.

62 3.a. In actions under chapter 75 to validate any bonds
63 issued by the corporation, the notice required by s. 75.06 must
64 ~~shall~~ be published in two newspapers of general circulation in
65 the state, and the complaint and order of the court shall be
66 served only on the State Attorney of the Second Judicial
67 Circuit.

68 b. The state hereby covenants with holders of bonds of the
69 corporation that the state will not repeal or abrogate the power
70 of the board to direct the Office of Insurance Regulation to



588490

71 levy the assessments and to collect the proceeds of the revenues
72 pledged to the payment of such bonds as long as ~~any~~ such bonds
73 remain outstanding unless adequate provision has been made for
74 the payment of such bonds pursuant to the documents authorizing
75 the issuance of the ~~such~~ bonds.

76 c.4. The bonds of the corporation are not a debt of the
77 state or of any political subdivision, and neither the state nor
78 any political subdivision is liable on such bonds. The
79 corporation may not ~~does not have the power to~~ pledge the
80 credit, the revenues, or the taxing power of the state or of any
81 political subdivision. The credit, revenues, or taxing power of
82 the state or of any political subdivision may ~~shall~~ not be
83 deemed to be pledged to the payment of any bonds of the
84 corporation.

85 d.5.a. The property, revenues, and other assets of the
86 corporation; the transactions and operations of the corporation
87 and the income from such transactions and operations; and all
88 bonds issued under this paragraph and interest on such bonds are
89 exempt from taxation by the state and any political subdivision,
90 including the intangibles tax under chapter 199 and the income
91 tax under chapter 220. This exemption does not apply to any tax
92 imposed by chapter 220 on interest, income, or profits on debt
93 obligations owned by corporations other than the State Board of
94 Administration ~~Florida Hurricane Catastrophe Fund~~ Finance
95 Corporation.

96 e.b. All bonds of the corporation are ~~shall be and~~
97 ~~constitute~~ legal investments without limitation for all public
98 bodies of this state; for all banks, trust companies, savings
99 banks, savings associations, savings and loan associations, and



588490

100 investment companies; for all administrators, executors,
101 trustees, and other fiduciaries; for all insurance companies and
102 associations and other persons carrying on an insurance
103 business; and for all other persons who are now or may hereafter
104 be authorized to invest in bonds or other obligations of the
105 state and are ~~shall be and constitute~~ eligible securities to be
106 deposited as collateral for the security of any state, county,
107 municipal, or other public funds. This sub-subparagraph shall be
108 considered ~~as~~ additional and supplemental authority and may
109 ~~shall~~ not be limited without specific reference to this sub-
110 subparagraph.

111 ~~4.6.~~ The corporation and its corporate existence shall
112 continue until terminated by law; however, no such law shall
113 take effect as long as the corporation has bonds outstanding
114 unless adequate provision has been made for the payment of such
115 bonds pursuant to the documents authorizing the issuance of such
116 bonds. Upon termination of the existence of the corporation, all
117 of its rights and properties in excess of its obligations shall
118 pass to and be vested in the state.

119
120
121 ===== T I T L E A M E N D M E N T =====

122 And the title is amended as follows:

123 Delete line 2

124 and insert:

125 An act relating to property insurance; amending s.
126 215.555, F.S.; changing the name of the Florida
127 Hurricane Catastrophe Fund Finance Corporation to the
128 State Board of Administration Finance Corporation;



588490

129

creating s.