

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Rodríguez, J. offered the following:

2
3 **Amendment to Amendment (764133) (with directory and title**
4 **amendments)**

5 Between lines 1419 and 1420 of the amendment, insert:

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

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17 2. In addition to the rates otherwise determined pursuant
18 to this paragraph, the corporation shall impose and collect an
19 amount equal to the premium tax provided in s. 624.509 to
20 augment the financial resources of the corporation.

21 3. After the public hurricane loss-projection model under
22 s. 627.06281 has been found to be accurate and reliable by the
23 Florida Commission on Hurricane Loss Projection Methodology, the
24 model shall serve as the minimum benchmark for determining the
25 windstorm portion of the corporation's rates. This subparagraph
26 does not require or allow the corporation to adopt rates lower
27 than the rates otherwise required or allowed by this paragraph.

28 4. The rate filings for the corporation which were
29 approved by the office and took effect January 1, 2007, are
30 rescinded, except for those rates that were lowered. As soon as
31 possible, the corporation shall begin using the lower rates that
32 were in effect on December 31, 2006, and provide refunds to
33 policyholders who paid higher rates as a result of that rate
34 filing. The rates in effect on December 31, 2006, remain in
35 effect for the 2007 and 2008 calendar years except for any rate
36 change that results in a lower rate. The next rate change that
37 may increase rates shall take effect pursuant to a new rate
38 filing recommended by the corporation and established by the
39 office, subject to this paragraph.

40 5. Beginning on July 15, 2009, and annually thereafter,
41 the corporation must make a recommended actuarially sound rate
42 filing for each personal and commercial line of business it
43 writes, to be effective no earlier than January 1, 2010.

44 6. With respect to any single policy issued for property

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45 described in s. 6(a), Art. VII of the State Constitution
46 ("homesteaded property"), the corporation shall not effectively
47 increase the amount paid for the policy coverage by more than 10
48 percent in any 12-month period either by increasing the cost of
49 such policy through changes to rates, surcharges, methodology
50 used to calculate replacement value, procedures used to conduct
51 wind mitigation reinspections, or any other change which affects
52 the amount paid by a policyholder; or by reducing the value of
53 such policy, including changes to the policy's levels and limits
54 of coverage that are not accompanied by a corresponding decrease
55 in the amount paid for coverage. Premium increases that are the
56 result of material changes in a policyholder's circumstances
57 rather than changes in the corporation's policies or that take
58 into account errors and omissions, including, but not limited
59 to, the cancellation of wind mitigation discounts due to a
60 policyholder not originally qualifying for such discounts, are
61 excluded from the calculation used to determine the amount paid
62 under this section. The provisions of this section shall apply
63 to a policy so long as the property that it insures remains
64 homesteaded property; shall apply to any policy taken out,
65 assumed, or removed from the corporation under this chapter for
66 a period of 3 years after take out, assumption, or removal,
67 unless a subsequent insurer obtains the written consent of the
68 policyholder; and shall apply to policies issued to a
69 policyholder previously insured with the corporation for the
70 same property at any time within the preceding 24 months and
71 entitle policyholders to enjoy the protections described in this
72 section as if their coverage by the corporation had been

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73 ~~continuous Beginning on or after January 1, 2010, and~~
 74 ~~notwithstanding the board's recommended rates and the office's~~
 75 ~~final order regarding the corporation's filed rates under~~
 76 ~~subparagraph 1., the corporation shall annually implement a rate~~
 77 ~~increase which, except for sinkhole coverage, does not exceed 10~~
 78 ~~percent for any single policy issued by the corporation,~~
 79 ~~excluding coverage changes and surcharges.~~

80 7. The corporation may also implement an increase to
 81 reflect the effect on the corporation of the cash buildup factor
 82 pursuant to s. 215.555(5)(b).

83 8. The corporation's implementation of rates as prescribed
 84 in subparagraph 6. shall cease for any line of business written
 85 by the corporation upon the corporation's implementation of
 86 actuarially sound rates. Thereafter, the corporation shall
 87 annually make a recommended actuarially sound rate filing for
 88 each commercial and personal line of business the corporation
 89 writes.

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 91 -----

92 **D I R E C T O R Y A M E N D M E N T**

93 Remove line 649 of the amendment and insert:
 94 Section 7. Paragraphs (a), (c), (i), (k), (n), and (q) of
 95

96 -----
 97 -----

97 **T I T L E A M E N D M E N T**

98 Remove line 2060 of the amendment and insert:

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99 | corporation; providing limits on premium increases on
100 | insurance policies that provide coverage for homestead
101 | property; authorizing insurers taking out,