

By Senator Flores

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1 A bill to be entitled
2 An act relating to Citizens Property Insurance
3 Corporation rates; reordering and amending s. 627.351,
4 F.S.; providing that any restrictions on annual rate
5 increases apply to both new and renewal policies;
6 deleting obsolete provisions; providing an effective
7 date.

8
9 Be It Enacted by the Legislature of the State of Florida:

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11 Section 1. Paragraph (n) of subsection (6) of section
12 627.351, Florida Statutes, is reordered and amended to read:
13 627.351 Insurance risk apportionment plans.—

14 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

15 (n)~~1~~. Rates for coverage provided by the corporation must
16 be actuarially sound and subject to s. 627.062, except as
17 otherwise provided in this paragraph.

18 1. The corporation shall file its recommended rates with
19 the office at least annually. The corporation shall provide any
20 additional information regarding the rates which the office
21 requires. The office shall consider the recommendations of the
22 board and issue a final order establishing the rates for the
23 corporation within 45 days after the recommended rates are
24 filed. The corporation may not pursue an administrative
25 challenge or judicial review of the final order of the office.

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

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

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38 ~~by the office and took effect January 1, 2007, are rescinded,~~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

49 ~~4.5. Beginning on July 15, 2009, and annually thereafter,~~
50 The corporation shall annually ~~must~~ make a recommended
51 actuarially sound rate filing for each personal and commercial
52 line of business it writes, ~~to be effective no earlier than~~
53 ~~January 1, 2010.~~

54 ~~5.6. Beginning on or after January 1, 2010, and~~
55 Notwithstanding the board's recommended rates and the office's
56 final order regarding the corporation's filed rates under
57 subparagraph 1., the corporation shall annually implement a rate
58 increase that ~~which~~, except for sinkhole coverage, does not

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59 exceed 10 percent for any single policy, new or existing, issued
60 by the corporation, excluding coverage changes and surcharges.

61 ~~6.7.~~ The corporation may also implement an increase to
62 reflect the effect on the corporation of the cash buildup factor
63 pursuant to s. 215.555(5) (b).

64 ~~7.8.~~ The corporation's implementation of rates as
65 prescribed in subparagraph 5. ~~6.~~ shall cease for any line of
66 business written by the corporation upon the corporation's
67 implementation of actuarially sound rates. Thereafter, the
68 corporation shall annually make a recommended actuarially sound
69 rate filing for each commercial and personal line of business
70 the corporation writes.

71 Section 2. This act shall take effect upon becoming a law.