



401672

LEGISLATIVE ACTION

Senate

House

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Floor: NC

03/08/2016 01:38 PM

Senator Flores moved the following:

1 **Senate Substitute for Amendment (898240) (with title**
2 **amendment)**

3
4 Delete lines 759 - 825

5 and insert:

6 1. The corporation must publish a periodic schedule of
7 cycles during which an insurer may identify policies it wishes
8 to take out from the corporation. An insurer shall submit its
9 requests to take out such policies in a form and manner
10 prescribed by the corporation. An insurer's take-out request
11 must include a description of the coverages offered and an



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12 estimated premium. In submitting any take-out request, an
13 insurer must agree to offer comparable coverage to that offered
14 by the corporation and that the initial premium of the insurer
15 after assumption will not exceed its estimated premium by more
16 than 10 percent, excluding coverage changes, surcharges, and
17 assessments.

18 2. For each policy of the corporation identified under
19 subparagraph 1., the corporation shall maintain and make
20 available to the agent of record a consolidated list of all
21 insurers requesting the policy. The list must contain the
22 information described in subparagraph 1.

23 3. The corporation shall provide written notice to its
24 policyholders and the agents of record informing them of their
25 option to accept one of the take-out offers presented or to
26 remain with the corporation. The notice must be in a format
27 prescribed by the corporation and include the amount of the
28 estimated premium for the coverage of each offering insurer, the
29 amount of the premium for the coverage provided by the
30 corporation, and a description of the coverage offered by each
31 insurer and the coverage provided by the corporation, which
32 includes an explanation of any differences among the coverage
33 offered by each insurer and the coverage provided by the
34 corporation.

35 4. A policyholder who accepted a take-out offer by an
36 insurer within the previous 36 months is deemed to be a renewal
37 policyholder under s. 627.3518 if the corporation determines
38 that the insurer increased the rate on the policy in excess of
39 the increase allowed for the corporation under subparagraph
40 (n) 6.



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42 The provision of this sub-subparagraph does not apply if the
43 office determines that a take-out insurer that increased its
44 rates in excess of subparagraph (n)6. experienced, or is likely
45 to experience, a 20 percent increase in the cost of reinsurance
46 when compared to the cost of reinsurance in the prior year.

47
48 ===== T I T L E A M E N D M E N T =====

49 And the title is amended as follows:

50 Delete lines 19 - 32

51 and insert:

52 corporation to publish a periodic schedule of cycles
53 during which an insurer may identify and submit policy
54 take-out requests; specifying information required to
55 be included in such requests; providing conditions
56 that must be agreed to by insurers submitting a
57 request; requiring the corporation to maintain and
58 make available specified lists of insurers to its
59 agents of record; requiring the corporation to provide
60 policyholders and the agents of record with a
61 specified notice regarding their policy renewal
62 options; providing that a policyholder is deemed to be
63 a renewal policyholder under certain circumstances;
64 providing applicability; providing an effective date.