



898240

LEGISLATIVE ACTION

Senate

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House

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Floor: NC

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03/08/2016 01:38 PM

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Senator Flores moved the following:

Senate Amendment (with title amendment)

Delete lines 759 - 825

and insert:

1. The corporation must publish a periodic schedule of cycles during which an insurer may identify policies it wishes to take out from the corporation. An insurer shall submit its requests to take out such policies in a form and manner prescribed by the corporation. An insurer's take-out request must include a description of the coverages offered and an estimated premium. In submitting any take-out request, an



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

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

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

34 4. A policyholder who accepted a take-out offer by an
35 insurer within the previous 36 months is deemed to be a renewal
36 policyholder under s. 627.3518 if the corporation determines
37 that:

38 a. The insurer continues to insure the policyholder and
39 failed to meet the requirements of subparagraph 1.;

40 b. The insurer nonrenewed the policyholder for reasons



41 other than the nonpayment of premium; or
42 c. The insurer increased the rate on the policy in excess
43 of the increase allowed for the corporation under subparagraph
44 (n) 6.

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46 The provisions of sub-subparagraphs b. and c. do not apply if
47 the office determines that a take-out insurer that nonrenewed or
48 raised rates in excess of subparagraph (n) 6. experienced, or is
49 likely to experience, a 20 percent increase in the cost of
50 reinsurance when compared to the cost of reinsurance in the
51 prior year.

52
53 ===== T I T L E A M E N D M E N T =====

54 And the title is amended as follows:

55 Delete lines 19 - 32

56 and insert:

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