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LEGISLATIVE ACTION

Senate

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House

The Committee on Rules (Flores) recommended the following:

Senate Amendment (with title amendment)

Between lines 351 and 352

insert:

Section 10. Paragraph (n) of subsection (6) of section 627.351, Florida Statutes, is amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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



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12 its recommended rates with the office at least annually. The
13 corporation shall provide any additional information regarding
14 the rates which the office requires. The office shall consider
15 the recommendations of the board and issue a final order
16 establishing the rates for the corporation within 45 days after
17 the recommended rates are filed. The corporation may not pursue
18 an administrative challenge or judicial review of the final
19 order of the office.

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

24 3.a. After the public hurricane loss-projection model under
25 s. 627.06281 has been found to be accurate and reliable by the
26 Florida Commission on Hurricane Loss Projection Methodology, the
27 model shall be considered when establishing the windstorm
28 portion of the corporation's rates. The corporation may use the
29 public model results in combination with the results of private
30 models to calculate rates for the windstorm portion of the
31 corporation's rates. This sub-subparagraph ~~subparagraph~~ does not
32 require or allow the corporation to adopt rates lower than the
33 rates otherwise required or allowed by this paragraph.

34 b. Notwithstanding sub-subparagraph a., in a rating
35 territory located in a county that the office determines does
36 not have a reasonable degree of competition, the corporation
37 shall annually file and the office shall approve a recommended
38 rate change of 0 percent for the windstorm portion of a rate in
39 that territory if, within that territory:

40 (I) At least one of the windstorm models used by the



41 corporation indicates an increase in the windstorm portion of
42 the rate and a different such model indicates a decrease in the
43 windstorm portion of the rate;

44 (II) The combination of models used by the corporation
45 under sub-subparagraph a. to calculate the rate indicates an
46 increase for the windstorm portion of the rate; and

47 (III) At least 70 percent of residential policies covering
48 windstorm losses in the county are covered by the corporation.

49
50 This sub-subparagraph expires December 31, 2022, unless
51 reenacted by the Legislature.

52 4. The rate filings for the corporation which were approved
53 by the office and took effect January 1, 2007, are rescinded,
54 except for those rates that were lowered. As soon as possible,
55 the corporation shall begin using the lower rates that were in
56 effect on December 31, 2006, and provide refunds to
57 policyholders who paid higher rates as a result of that rate
58 filing. The rates in effect on December 31, 2006, remain in
59 effect for the 2007 and 2008 calendar years except for any rate
60 change that results in a lower rate. The next rate change that
61 may increase rates shall take effect pursuant to a new rate
62 filing recommended by the corporation and established by the
63 office, subject to this paragraph.

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

68 6. Beginning on or after January 1, 2010, and
69 notwithstanding the board's recommended rates and the office's



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70 final order regarding the corporation's filed rates under
71 subparagraph 1., the corporation shall annually implement a rate
72 increase which, except for sinkhole coverage, does not exceed 10
73 percent for any single policy issued by the corporation,
74 excluding coverage changes and surcharges.

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

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

85
86 ===== T I T L E A M E N D M E N T =====

87 And the title is amended as follows:

88 Delete line 30

89 and insert:

90 organizations; amending s. 627.351, F.S.; requiring,
91 under certain circumstances, the Citizens Property
92 Insurance Corporation to annually file and the Office
93 of Insurance Regulation to approve a 0 percent
94 recommended rate change for the windstorm portion of a
95 rate in certain rating territories; providing an
96 expiration date for the requirement; amending s.
97 627.4035, F.S.; revising