



265338

LEGISLATIVE ACTION

Senate

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House

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The Committee on Banking and Insurance (Rouson) recommended the following:

**Senate Amendment (with directory and title amendments)**

Between lines 148 and 149  
insert:

(b) The State Board of Administration shall select an independent consultant to develop a formula for determining the actuarially indicated premium to be paid to the fund. The rate formula must ~~shall~~ specify, for each zip code or other limited geographical area, the amount of premium to be paid by an insurer for each \$1,000 of insured value under covered policies



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11 in that zip code or other area. In establishing premiums, the  
12 board shall consider the coverage elected under paragraph (4) (b)  
13 and any factors that tend to enhance the actuarial  
14 sophistication of ratemaking for the fund, including  
15 deductibles, type of construction, type of coverage provided,  
16 relative concentration of risks, and other such factors deemed  
17 by the board to be appropriate. Beginning in the 2020-2021  
18 contract year, the fund's formula may provide for a rapid cash  
19 build-up factor of up to 25 percent only when the available cash  
20 balance as of December 31 of the previous year is less than 70  
21 percent of the statutory capacity. For the purpose of  
22 calculating the rapid cash build-up factor trigger, the  
23 available cash balance may not be reduced by reserves for  
24 projected participating insurer reimbursements ~~The formula must~~  
25 ~~provide for a cash build-up factor. For the 2009-2010 contract~~  
26 ~~year, the factor is 5 percent. For the 2010-2011 contract year,~~  
27 ~~the factor is 10 percent. For the 2011-2012 contract year, the~~  
28 ~~factor is 15 percent. For the 2012-2013 contract year, the~~  
29 ~~factor is 20 percent. For the 2013-2014 contract year and~~  
30 ~~thereafter, the factor is 25 percent.~~ The rate formula may  
31 provide for a procedure to determine the premiums to be paid by  
32 new insurers that begin writing covered policies after the  
33 beginning of a contract year, taking into consideration when the  
34 insurer starts writing covered policies, the potential exposure  
35 of the insurer, the potential exposure of the fund, the  
36 administrative costs to the insurer and to the fund, and any  
37 other factors deemed appropriate by the board. The formula must  
38 be approved by unanimous vote of the board. The board may, at  
39 any time, revise the formula pursuant to the procedure provided



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40 in this paragraph.

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42 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

43 And the directory clause is amended as follows:

44 Delete lines 97 - 98

45 and insert:

46 Section 1. Paragraph (c) of subsection (2) and paragraph  
47 (b) of subsection (5) of section 215.555, Florida Statutes, are  
48 amended, and paragraph (f) is

49

50 ===== T I T L E A M E N D M E N T =====

51 And the title is amended as follows:

52 Delete line 6

53 and insert:

54 policies; providing that the fund's rate formula may  
55 provide for a rapid cash build-up factor only if  
56 certain conditions are met; specifying a limitation on  
57 calculating the trigger for the cash build-up factor;  
58 requiring the Office of Insurance Regulation