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LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
04/07/2010	.	
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The Committee on Banking and Insurance (Bennett) recommended the following:

Senate Amendment (with title amendment)

Between lines 77 and 78
insert:

Section 1. Section 624.611, Florida Statutes, is created to read:

624.611 Catastrophe contracts.—An insurer may submit to the Office of Insurance Regulation, in advance of the hurricane season, a plan to use financial contracts other than reinsurance contracts to provide catastrophe loss funding. In such a plan, the insurer must demonstrate that the coverage, together with its reinsurance program, will provide adequate protection for



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13 policyholders in the event of a natural catastrophe. If the
14 contract does not provide for coverage that is highly correlated
15 with the actual losses of the insurer, the insurer must
16 demonstrate its ability to cover the risk created by such lack
17 of correlation. If the office approves the plan, the insurer may
18 purchase the contracts and take credit for reinsurance for
19 amounts expected or due from other parties to the contracts in
20 accordance with any terms, conditions, or limitations
21 established by the office.

22
23 ===== T I T L E A M E N D M E N T =====

24 And the title is amended as follows:

25 Delete line 2

26 and insert:

27 An act relating to property insurance; creating s.
28 624.611, F.S.; authorizing an insurer to submit to the
29 Office of Insurance Regulation a plan to use financial
30 contracts other than reinsurance contracts to provide
31 catastrophe loss funding; providing requirements for
32 such a plan; authorizing an insurer to take certain
33 action if the office approves such plan; amending s.