

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Hays offered the following:

2
3 **Amendment (with directory and title amendments)**

4 Between lines 1608 and 1609, insert:

5 (n)1. Rates for coverage provided by the corporation shall
6 be actuarially sound and subject to the requirements of s.
7 627.062, except as otherwise provided in this paragraph. The
8 corporation shall file its recommended rates with the office at
9 least annually. The corporation shall provide any additional
10 information regarding the rates which the office requires. The
11 office shall consider the recommendations of the board and issue
12 a final order establishing the rates for the corporation within
13 45 days after the recommended rates are filed. The corporation
14 may not pursue an administrative challenge or judicial review of
15 the final order of the office.

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16 2. In addition to the rates otherwise determined pursuant
17 to this paragraph, the corporation shall impose and collect an
18 amount equal to the premium tax provided for in s. 624.509 to
19 augment the financial resources of the corporation.

20 3. After the public hurricane loss-projection model under
21 s. 627.06281 has been found to be accurate and reliable by the
22 Florida Commission on Hurricane Loss Projection Methodology,
23 that model shall serve as the minimum benchmark for determining
24 the windstorm portion of the corporation's rates. This
25 subparagraph does not require or allow the corporation to adopt
26 rates lower than the rates otherwise required or allowed by this
27 paragraph.

28 4. The rate filings for the corporation which were
29 approved by the office and which took effect January 1, 2007,
30 are rescinded, except for those rates that were lowered. As soon
31 as possible, the corporation shall begin using the lower rates
32 that were in effect on December 31, 2006, and shall provide
33 refunds to policyholders who have paid higher rates as a result
34 of that rate filing. The rates in effect on December 31, 2006,
35 shall remain in effect for the 2007 and 2008 calendar years
36 except for any rate change that results in a lower rate. The
37 next rate change that may increase rates shall take effect
38 pursuant to a new rate filing recommended by the corporation and
39 established by the office, subject to the requirements of this
40 paragraph.

41 ~~5. Beginning on July 15, 2009, and each year thereafter,~~
42 ~~the corporation must make a recommended actuarially sound rate~~

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43 ~~filing for each personal and commercial line of business it~~
44 ~~writes, to be effective no earlier than January 1, 2010.~~

45 5.6. Beginning on or after January 1, ~~2011~~ 2010, and
46 ~~notwithstanding the board's recommended rates and the office's~~
47 ~~final order regarding the corporation's filed rates under~~
48 ~~subparagraph 1.7,~~ the corporation shall implement a rate increase
49 each year that equals ~~which does not exceed~~ 10 percent for each
50 ~~any single~~ policy issued by the corporation, excluding coverage
51 changes and surcharges. Rate increases under this subparagraph
52 shall be implemented until the corporation is financially sound.
53 As used in this subparagraph, the term "financially sound" means
54 that the corporation's reserves, reinsurance, and any other
55 available funding source are sufficient to pay all claims and
56 expenses of the corporation reasonably expected to result from a
57 100-year probable maximum loss event without resort to any
58 Citizens policyholder surcharge, regular assessment, emergency
59 assessment, long-term debt, state revenue, or other funding
60 source.

61 6.7. The corporation may also implement an increase to
62 reflect the effect on the corporation of the cash buildup factor
63 pursuant to s. 215.555(5)(b).

64 ~~8.~~ ~~The corporation's implementation of rates as prescribed~~
65 ~~in subparagraph 6. shall cease for any line of business written~~
66 ~~by the corporation upon the corporation's implementation of~~
67 ~~actuarially sound rates. Thereafter, the corporation shall~~
68 ~~annually make a recommended actuarially sound rate filing for~~
69 ~~each commercial and personal line of business the corporation~~
70 ~~writes.~~

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D I R E C T O R Y A M E N D M E N T

Remove line 746 and insert:

Section 9. Paragraphs (b), (c), (d), (n), (y), (z), (aa),
(bb),

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

Remove line 76 and insert:

requirements; revising requirements that rates for coverage by
the corporation be actuarially sound; requiring the
corporation's rates to increase each year by a specified
percentage; providing a definition; deleting an obsolete
legislative intent