

1 A bill to be entitled
 2 An act relating to residential property insurance;
 3 amending s. 627.062, F.S.; revising costs to be included
 4 in a rate filing; revising the overall premium increase
 5 for a rate filing; revising the information that must be
 6 included in a rate filing relating to reinsurance;
 7 deleting a provision prohibiting an insurer from
 8 implementing a rate increase within 6 months before it
 9 makes certain rate filings; deleting a provision
 10 prohibiting an insurer from filing for a rate increase
 11 within 6 months after it makes certain rate filings;
 12 providing an effective date.

13
 14 Be It Enacted by the Legislature of the State of Florida:

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 16 Section 1. Paragraph (k) of subsection (2) of section
 17 627.062, Florida Statutes, is amended to read:

18 627.062 Rate standards.—

19 (2) As to all such classes of insurance:

20 (k)1. A residential property ~~An~~ insurer may make a
 21 separate filing limited solely to an adjustment of its rates for
 22 reinsurance, the cost of financing products used as a
 23 replacement for reinsurance, ~~or~~ financing costs incurred in the
 24 purchase of reinsurance, ~~or financing products to replace or~~
 25 ~~finance the payment of the amount covered by the Temporary~~
 26 ~~Increase in Coverage Limits (TICL) portion of the Florida~~
 27 ~~Hurricane Catastrophe Fund including replacement reinsurance for~~
 28 ~~the TICL reductions made pursuant to s. 215.555(17)(c); the~~

CS/HB 885

2011

29 ~~actual cost paid due to the application of the TICL premium~~
30 ~~factor pursuant to s. 215.555(17)(f);~~ and the actual cost paid
31 due to the application of the cash build-up factor pursuant to
32 s. 215.555(5)(b) if the insurer:

33 a. Elects to purchase financing products such as a
34 liquidity instrument or line of credit, in which case the cost
35 included in ~~the~~ filing for the liquidity instrument or line of
36 credit may not result in a premium increase exceeding 3 percent
37 for any individual policyholder. All costs contained in the
38 filing may not result in an overall premium increase of more
39 than 15 ~~10~~ percent for any individual policyholder.

40 b. Includes in the filing a copy of all of its
41 reinsurance, liquidity instrument, or line of credit contracts;
42 proof of the billing or payment for the contracts; and the
43 calculation upon which the proposed rate change is based
44 demonstrating ~~demonstrates~~ that the costs meet the criteria of
45 this section and are not loaded for expenses or profit for the
46 ~~insurer making the filing.~~

47 ~~e. Includes no other changes to its rates in the filing.~~

48 ~~d. Has not implemented a rate increase within the 6 months~~
49 ~~immediately preceding the filing.~~

50 ~~e. Does not file for a rate increase under any other~~
51 ~~paragraph within 6 months after making a filing under this~~
52 ~~paragraph.~~

53 c.f. An insurer that purchases reinsurance or financing
54 products from an affiliated company may make a separate filing
55 ~~in compliance with this paragraph does so~~ only if the costs for
56 such reinsurance or financing products are charged at or below

CS/HB 885

2011

57 | charges made for comparable coverage by nonaffiliated reinsurers
58 | or financial entities making such coverage or financing products
59 | available in this state.

60 | 2. An insurer may ~~only~~ make only one filing per ~~in any~~ 12-
61 | month period under this paragraph.

62 | 3. An insurer that elects to implement a rate change under
63 | this paragraph must file its rate filing with the office at
64 | least 45 days before the effective date of the rate change.
65 | After an insurer submits a complete filing that meets all of the
66 | requirements of this paragraph, the office has 45 days after the
67 | date of the filing to review the rate filing and determine if
68 | the rate is excessive, inadequate, or unfairly discriminatory.

69 |
70 | The provisions of this subsection shall not apply to workers'
71 | compensation and employer's liability insurance and to motor
72 | vehicle insurance.

73 | Section 2. This act shall take effect upon becoming a law.