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LEGISLATIVE ACTION

Senate

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House

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Floor: 1/RS/2R

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05/02/2017 05:10 PM

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Senator Brandes moved the following:

Senate Amendment (with title amendment)

Delete lines 126 - 207

and insert:

October 1, 2025 ~~2019~~, the insurer may also establish and use such rates in accordance with the rates, rating schedules, or rating manuals filed by the insurer with the office which allow the insurer a reasonable rate of return on flood coverage written in this state. Flood coverage rates established pursuant to this paragraph are not subject to s. 627.062(2)(a) and (f). An insurer shall notify the office of any change to such rates



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12 within 30 days after the effective date of the change. The
13 notice must include the name of the insurer and the average
14 statewide percentage change in rates. Actuarial data with regard
15 to such rates for flood coverage must be maintained by the
16 insurer for 2 years after the effective date of such rate change
17 and is subject to examination by the office. The office may
18 require the insurer to incur the costs associated with an
19 examination. Upon examination, the office, in accordance with
20 generally accepted and reasonable actuarial techniques, shall
21 consider the rate factors in s. 627.062(2)(b), (c), and (d), and
22 the standards in s. 627.062(2)(e), to determine if the rate is
23 excessive, inadequate, or unfairly discriminatory. If the office
24 determines that a rate is excessive or unfairly discriminatory,
25 the office shall require the insurer to provide appropriate
26 credit to affected insureds or an appropriate refund to affected
27 insureds who no longer receive coverage from the insurer.

28 (4) A surplus lines agent may export a contract or
29 endorsement providing flood coverage to an eligible surplus
30 lines insurer without making a diligent effort to seek such
31 coverage from three or more authorized insurers under s.
32 626.916(1) if the surplus lines insurer maintains a financial
33 strength rating of superior, excellent, or exceptional, or an
34 equivalent financial strength rating, by a rating agency
35 acceptable to the office s. 626.916(1)(a). This subsection
36 expires July 1, 2019, or on the date on which the Commissioner
37 of Insurance Regulation determines in writing that there is an
38 adequate admitted market to provide coverage for the peril of
39 flood consistent with this section, whichever date occurs first.
40 If there are fewer than three authorized insurers on the date



41 this subsection expires, the number of declinations necessary to
42 meet the diligent-effort requirement shall be no fewer than the
43 number of authorized insurers providing flood coverage 2017.

44 (5) In addition to any other applicable requirements, an
45 insurer providing flood coverage that is not excess coverage in
46 this state must:

47 (a) Notify the office at least 30 days before writing flood
48 insurance in this state; and

49 (b) File a plan of operation and financial projections or
50 revisions to such plan, as applicable, with the office.

51 (6) Citizens Property Insurance Corporation may not provide
52 insurance for the peril of flood.

53 (7) The Florida Hurricane Catastrophe Fund may not provide
54 reimbursement for losses proximately caused by the peril of
55 flood, including losses that occur during a covered event as
56 defined in s. 215.555(2)(b).

57 (8) An agent must, upon receiving an application for flood
58 coverage from an authorized or surplus lines insurer for a
59 property receiving flood insurance under the National Flood
60 Insurance Program, obtain an acknowledgment signed by the
61 applicant before placing the coverage with the authorized or
62 surplus lines insurer. The acknowledgment must notify the
63 applicant that, if the applicant discontinues coverage under the
64 National Flood Insurance Program which is provided at a
65 subsidized rate, the full risk rate for flood insurance may
66 apply to the property if the applicant later seeks to reinstate
67 coverage under the program.

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



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70 And the title is amended as follows:

71 Delete lines 11 - 22

72 and insert:

73 applicability; extending the last date of filing with
74 the Office of Insurance Regulation of certain flood
75 coverage rates that may be established and used by an
76 insurer; exempting certain surplus lines insurers from
77 a diligent-effort requirement under certain
78 circumstances; extending the expiration date of the
79 exemption under certain conditions; revising
80 applicability of certain notification and filing
81 requirements; providing