



917258

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/11/2019	.	
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	.	

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

Senate Amendment (with title amendment)

Between lines 29 and 30

insert:

Section 2. Effective January 1, 2020, paragraph (b) of subsection (4) of section 215.555, Florida Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.—

(4) REIMBURSEMENT CONTRACTS.—

(b)1. The contract shall contain a promise by the board to



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11 reimburse the insurer for 45 percent, 75 percent, or 90 percent
12 of its losses from each covered event in excess of the insurer's
13 retention, plus, for the purpose of covering loss adjustment
14 expenses, the lesser of 15 percent of the reimbursed losses or
15 the uniform loss adjustment expense percentage adopted pursuant
16 to s. 215.55953 5-percent of the reimbursed losses to cover loss
17 adjustment expenses.

18 2. The insurer must elect one of the percentage coverage
19 levels specified in this paragraph and may, upon renewal of a
20 reimbursement contract, elect a lower percentage coverage level
21 if no revenue bonds issued under subsection (6) after a covered
22 event are outstanding, or elect a higher percentage coverage
23 level, regardless of whether or not revenue bonds are
24 outstanding. All members of an insurer group must elect the same
25 percentage coverage level. Any joint underwriting association,
26 risk apportionment plan, or other entity created under s.
27 627.351 must elect the 90-percent coverage level.

28 3. The contract shall provide that reimbursement amounts
29 shall not be reduced by reinsurance paid or payable to the
30 insurer from other sources.

31 Section 3. Section 215.55953, Florida Statutes, is created
32 to read:

33 215.55953 Uniform loss adjustment expense percentage.-

34 (1) No later than December 1, 2019, the Financial Services
35 Commission shall establish by rule a uniform loss adjustment
36 expense percentage for the reasonable reimbursement by the
37 Florida Hurricane Catastrophe Fund of loss adjustment expenses
38 incurred in adjusting losses for covered policies under s.
39 215.555. In determining the reasonable loss adjustment expenses



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40 incurred in adjusting such losses, the commission shall
41 consider:

42 (a) The total losses and loss adjustment expenses that have
43 been incurred by authorized insurers related to losses caused by
44 covered events as defined in s. 215.555(2) (b).

45 (b) The actual claims paying capacity of the Florida
46 Hurricane Catastrophe Fund.

47 (c) Other information the commission finds is relevant to
48 determining the reasonable loss expenses incurred in adjusting
49 losses reimbursable under s. 215.555.

50 (2) No later than March 1 of the calendar year following a
51 covered event under s. 215.555, the Office of Insurance
52 Regulation shall advise the commission as to the necessity of
53 adopting a new uniform loss adjustment expense percentage. Upon
54 a recommendation from the Office of Insurance Regulation that
55 the commission adopt a new uniform loss adjustment percentage,
56 the commission shall do so by rule no later than December 1 of
57 the year such recommendation is made.

58 (3) Rules adopted pursuant to this section are not subject
59 to the requirements of s. 120.541.

60
61 Delete line 122

62 and insert:

63 Section 9. Except as otherwise expressly provided in this
64 act, this act shall take effect July 1, 2019.

65
66 ===== T I T L E A M E N D M E N T =====

67 And the title is amended as follows:

68 Between lines 2 and 3



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69 insert:
70 amending s. 215.555, F.S.; revising the reimbursement
71 of loss adjustment expenses by the Florida Hurricane
72 Catastrophe Fund; creating s. 215.55953, F.S.;
73 requiring the Financial Services Commission, by a
74 specified date, to adopt a certain uniform loss
75 adjustment expense percentage by rule; specifying
76 information the commission must consider in
77 determining certain incurred expenses; requiring the
78 Office of Insurance Regulation, under certain
79 circumstances, to advise the commission on certain
80 matters; requiring the commission to adopt certain
81 rules under certain circumstances; providing that
82 adopted rules are not subject to requirements for a
83 statement of estimated regulatory costs;
84
85 Delete line 25
86 and insert:
87 program; providing effective dates.