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
reimburse the insurer for 45 percent, 75 percent, or 90 percent of its losses from each covered event in excess of the insurer’s retention, plus, for the purpose of covering loss adjustment expenses, the lesser of 15 percent of the reimbursed losses or the uniform loss adjustment expense percentage adopted pursuant to s. 215.55953 of the reimbursed losses to cover loss adjustment expenses.

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

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

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

215.55953 Uniform loss adjustment expense percentage.—
(1) No later than December 1, 2019, the Financial Services Commission shall establish by rule a uniform loss adjustment expense percentage for the reasonable reimbursement by the Florida Hurricane Catastrophe Fund of loss adjustment expenses incurred in adjusting losses for covered policies under s. 215.555. In determining the reasonable loss adjustment expenses
incurred in adjusting such losses, the commission shall consider:

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

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

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

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

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

Delete line 122
and insert:

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

amending s. 215.555, F.S.; revising the reimbursement of loss adjustment expenses by the Florida Hurricane Catastrophe Fund; creating s. 215.55953, F.S.; requiring the Financial Services Commission, by a specified date, to adopt a certain uniform loss adjustment expense percentage by rule; specifying information the commission must consider in determining certain incurred expenses; requiring the Office of Insurance Regulation, under certain circumstances, to advise the commission on certain matters; requiring the commission to adopt certain rules under certain circumstances; providing that adopted rules are not subject to requirements for a statement of estimated regulatory costs;

Delete line 25

and insert:

program; providing effective dates.