

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)(e); the~~

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

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.