

Notice of Proposed Rule

STATE BOARD OF ADMINISTRATION

RULE NO.: RULE TITLE:

19-8.010: Reimbursement Contract

PURPOSE AND EFFECT: The State Board of Administration of Florida, Florida Hurricane Catastrophe Fund, seeks to amend the rule listed above to implement Section 215.555, F.S.

SUMMARY: Rule 19-8.010, F.A.C., is being amended to adopt the 2024-2025 Reimbursement Contract, including Addenda.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: Upon review of the proposed changes to this rule and the incorporated forms, the State Board of Administration of Florida has determined that the rule does not meet the requirements for ratification by the legislature. The changes to the rule do not have an adverse impact on small business and do not directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate within 1 year of implementation. The changes to the rule also do not directly or indirectly have an adverse impact on economic growth, private sector job creation or employment, or private sector investment, business competitiveness or innovation or increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 215.555(3), F.S.

LAW IMPLEMENTED: 215.555(2), (3), (4), (5), (6), (7), (10), (16), F.S.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

DATE AND TIME: November 28, 2023, 9:00 a.m. (ET) to 10:00 a.m. (ET).

PLACE: Conference Call in Number: 1(872)242-7651, Phone Conference ID: 134-814-195#.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Mary Linzee Branham, Florida Hurricane Catastrophe Fund, 1801 Hermitage Blvd., Tallahassee, FL 32308, (850) 413-1335, marylinzee.branham@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Mary Linzee Branham at the number or email listed above.

THE FULL TEXT OF THE PROPOSED RULE IS:

19-8.010 Reimbursement Contract.

(1)(a) The reimbursement contract for the 2024-2025 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2024K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. XX/23 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2024 through May 31, 2025.

(b) Appendix A, for the 2024-2025 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, required by Section 215.555(5)(e), F.S., which is called Form FHCF-2024K-1 “Appendix A to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. XX/23 is hereby adopted and incorporated by reference into this rule. This appendix is effective from June 1, 2024 through May 31, 2025.

~~(2)(1)(a) The reimbursement contract for the 2023-2024 contract year, <http://www.flrules.org/Gateway/reference.asp?No=Ref-14788>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2023K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 10/22 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2023 through May 31, 2024.~~

~~(b) Appendix A, for the 2023-2024 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-14789>, required by Section 215.555(5)(e), F.S., which is called Form FHCF-2023K-1 “Appendix A to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 10/22 is hereby adopted and incorporated by reference into this rule. This appendix is effective from June 1, 2023 through May 31, 2024.~~

~~(2)(a) The reimbursement contract for the 2022-2023 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-13637>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2022K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 11/21 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2022 through May 31, 2023.~~

~~(b) Addendum No. 1, which includes Appendix A, for the 2022-2023 contract year, <http://www.flrules.org/Gateway/reference.asp?No=Ref-14590>, required by Section 215.555(5)(e), F.S., which is called Form FHCF 2022K-1 “Addendum No. 1 to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 08/22 is hereby adopted and incorporated by reference into this rule. This addendum is effective from June 1, 2022 through May 31, 2023.~~

~~(3) The reimbursement contract form may be obtained by accessing the FHCF website at <https://fhcf.sbafla.com> ~~www.sbafla.com/fhcf~~; by submitting a written request to the State Board of Administration at P. O. Box 13300, Tallahassee, Florida 32317-3300; or by calling (850)413-1335.~~

~~(4)(a) Subsection 215.555(2), F.S., specifies definitions to be used in Section 215.555, F.S. SB 1058 as enacted during the 2022 Regular Session of the Florida Legislature added paragraph 215.555(2)(p), F.S. to define the term “unsound insurer” as “...an insurer determined by the Office of Insurance Regulation to be in unsound condition as defined in Section 624.80(2), F.S., or an insurer placed in receivership under Chapter 631, F.S.” In addition, SB 1058 as enacted amends Section 215.555(5)(e), F.S., revising requirements for coverage under the Florida Hurricane Catastrophe Fund of certain policies assumed by an authorized insurer or Citizens Property Insurance Corporation.~~

~~(b) The purpose of the subsection of this rule is to implement the revisions to subparagraphs Sections 215.555(2)(p) and (5)(e) only for the 2022-2023 Reimbursement Contract, including Addendum 1, and without consideration of the dates on which the Reimbursement Contract was executed or took effect.~~

~~Rulemaking Authority 215.555(3) FS. Law Implemented 215.555 FS. History—New 5-31-94, Amended 8-29-95, 5-19-96, 6-19-97, 5-28-98, 5-17-99, 9-13-99, 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 11-13-05, 5-10-06, 9-5-06, 5-8-07, 8-13-07, 6-8-08, 9-2-08, 3-30-09, 8-23-09, 3-29-10, 8-8-10, 12-12-10, 9-11-11, 12-19-11, 11-18-12, 12-2-13, 11-12-14, 6-2-15, 1-3-16, 11-9-16, 12-6-17, 1-29-19, 9-17-19, 11-12-19, 11-17-20, 11-10-21, 8-18-22, 10-11-22, X-XX-23.~~

NAME OF PERSON ORIGINATING PROPOSED RULE: Gina Wilson, FHCF Chief Operating Officer, State Board of Administration of Florida.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: The Trustees of the State Board of

Administration of Florida.

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: October 25, 2023

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: June 27, 2023