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1  
2 An act relating to property insurance; amending s.  
3 626.621, F.S.; providing additional grounds for  
4 refusing, suspending, or revoking a license or  
5 appointment of an insurance agent, adjuster, customer  
6 representative, or managing general agent based on the  
7 acceptance of payment for certain referrals; amending  
8 s. 626.854, F.S.; prohibiting a public adjuster or  
9 public adjuster apprentice from choosing the persons  
10 or entities that will perform repair work in a  
11 property insurance claim; amending s. 627.351, F.S.;  
12 deleting reference to the Residential Property and  
13 Casualty Joint Underwriting Association with respect  
14 to issuing certain residential or commercial policies;  
15 requiring the corporation to cease offering new  
16 commercial residential policies providing multiperil  
17 coverage after a certain date and continue offering  
18 commercial residential wind-only policies; authorizing  
19 the corporation to offer commercial residential  
20 policies excluding wind; providing exceptions;  
21 requiring the corporation's board to contract with the  
22 Division of Administrative Hearings to hear protests  
23 of the corporation's decisions regarding the purchase  
24 of commodities and contractual services and issue a  
25 recommended order; requiring the board to take final  
26 action in a public meeting; revising the date for  
27 submitting the annual loss-ratio report for  
28 residential coverage; repealing s. 627.3519, F.S.,  
29 relating to an annual report requirement for aggregate

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30 net probable maximum losses; amending s. 627.35191,  
31 F.S.; requiring the corporation to annually provide  
32 certain estimates for the next 12-month period to the  
33 Legislature and the Financial Services Commission;  
34 amending s. 627.711, F.S.; prohibiting a mitigation  
35 inspector from offering or delivering compensation,  
36 and an insurance agency, agent, customer  
37 representative, or employee from accepting  
38 compensation for referring an owner to the inspector  
39 or inspection company; authorizing an insurer to  
40 exempt a uniform mitigation verification form from  
41 independent verification under certain circumstances;  
42 providing that the form provided to the corporation is  
43 not subject to verification and the property is not  
44 subject to reinspection under certain circumstances;  
45 amending s. 817.234, F.S.; prohibiting a contractor  
46 from paying, waiving, or rebating a property insurance  
47 deductible; providing penalties; providing effective  
48 dates.

49  
50 Be It Enacted by the Legislature of the State of Florida:

51  
52 Section 1. Subsection (15) is added to section 626.621,  
53 Florida Statutes, to read:

54 626.621 Grounds for discretionary refusal, suspension, or  
55 revocation of agent's, adjuster's, customer representative's,  
56 service representative's, or managing general agent's license or  
57 appointment.—The department may, in its discretion, deny an  
58 application for, suspend, revoke, or refuse to renew or continue

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59 the license or appointment of any applicant, agent, adjuster,  
60 customer representative, service representative, or managing  
61 general agent, and it may suspend or revoke the eligibility to  
62 hold a license or appointment of any such person, if it finds  
63 that as to the applicant, licensee, or appointee any one or more  
64 of the following applicable grounds exist under circumstances  
65 for which such denial, suspension, revocation, or refusal is not  
66 mandatory under s. 626.611:

67 (15) Directly or indirectly accepting any compensation,  
68 inducement, or reward from an inspector for the referral of the  
69 owner of the inspected property to the inspector or inspection  
70 company. This prohibition applies to an inspection intended for  
71 submission to an insurer in order to obtain property insurance  
72 coverage or establish the applicable property insurance premium.

73 Section 2. Subsection (18) of section 626.854, Florida  
74 Statutes, is redesignated as subsection (19) and amended, and  
75 subsection (18) is added to that section, to read:

76 626.854 "Public adjuster" defined; prohibitions.—The  
77 Legislature finds that it is necessary for the protection of the  
78 public to regulate public insurance adjusters and to prevent the  
79 unauthorized practice of law.

80 (18) A public adjuster, a public adjuster apprentice, or a  
81 person acting on behalf of an adjuster or apprentice may not  
82 enter into a contract or accept a power of attorney that vests  
83 in the public adjuster, the public adjuster apprentice, or the  
84 person acting on behalf of the adjuster or apprentice the  
85 effective authority to choose the persons or entities that will  
86 perform repair work in a property insurance claim.

87 (19) ~~(18)~~ The provisions of Subsections (5) - (18) ~~(5) - (17)~~

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88 apply only to residential property insurance policies and  
89 condominium unit owner policies as described ~~defined~~ in s.  
90 718.111(11).

91 Section 3. Paragraphs (b), (e), and (hh) of subsection (6)  
92 of section 627.351, Florida Statutes, are amended to read:

93 627.351 Insurance risk apportionment plans.—

94 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

95 (b)1. All insurers authorized to write one or more subject  
96 lines of business in this state are subject to assessment by the  
97 corporation and, for the purposes of this subsection, are  
98 referred to collectively as "assessable insurers." Insurers  
99 writing one or more subject lines of business in this state  
100 pursuant to part VIII of chapter 626 are not assessable  
101 insurers; however, ~~but~~ insureds who procure one or more subject  
102 lines of business in this state pursuant to part VIII of chapter  
103 626 are subject to assessment by the corporation and are  
104 referred to collectively as "assessable insureds." An insurer's  
105 assessment liability begins on the first day of the calendar  
106 year following the year in which the insurer was issued a  
107 certificate of authority to transact insurance for subject lines  
108 of business in this state and terminates 1 year after the end of  
109 the first calendar year during which the insurer no longer holds  
110 a certificate of authority to transact insurance for subject  
111 lines of business in this state.

112 2.a. All revenues, assets, liabilities, losses, and  
113 expenses of the corporation shall be divided into three separate  
114 accounts as follows:

115 (I) A personal lines account for personal residential  
116 policies issued by the corporation, ~~or issued by the Residential~~

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117 ~~Property and Casualty Joint Underwriting Association and renewed~~  
118 ~~by the corporation,~~ which provides comprehensive, multiperil  
119 coverage on risks that are not located in areas eligible for  
120 coverage by the Florida Windstorm Underwriting Association as  
121 those areas were defined on January 1, 2002, and for policies  
122 that do not provide coverage for the peril of wind on risks that  
123 are located in such areas;

124 (II) A commercial lines account for commercial residential  
125 and commercial nonresidential policies issued by the  
126 ~~corporation, or issued by the Residential Property and Casualty~~  
127 ~~Joint Underwriting Association and renewed by the corporation,~~  
128 which provides coverage for basic property perils on risks that  
129 are not located in areas eligible for coverage by the Florida  
130 Windstorm Underwriting Association as those areas were defined  
131 on January 1, 2002, and for policies that do not provide  
132 coverage for the peril of wind on risks that are located in such  
133 areas; and

134 (III) A coastal account for personal residential policies  
135 and commercial residential and commercial nonresidential  
136 property policies issued by the corporation, ~~or transferred to~~  
137 ~~the corporation,~~ which provides coverage for the peril of wind  
138 on risks that are located in areas eligible for coverage by the  
139 Florida Windstorm Underwriting Association as those areas were  
140 defined on January 1, 2002. The corporation may offer policies  
141 that provide multiperil coverage and ~~the corporation~~ shall  
142 ~~continue to~~ offer policies that provide coverage only for the  
143 peril of wind for risks located in areas eligible for coverage  
144 in the coastal account. Effective July 1, 2014, the corporation  
145 shall cease offering new commercial residential policies

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146 providing multiperil coverage and shall instead continue to  
147 offer commercial residential wind-only policies, and may offer  
148 commercial residential policies excluding wind. The corporation  
149 may, however, continue to renew a commercial residential  
150 multiperil policy on a building that is insured by the  
151 corporation on June 30, 2014, under a multiperil policy. In  
152 issuing multiperil coverage, the corporation may use its  
153 approved policy forms and rates for the personal lines account.  
154 An applicant or insured who is eligible to purchase a multiperil  
155 policy from the corporation may purchase a multiperil policy  
156 from an authorized insurer without prejudice to the applicant's  
157 or insured's eligibility to prospectively purchase a policy that  
158 provides coverage only for the peril of wind from the  
159 corporation. An applicant or insured who is eligible for a  
160 corporation policy that provides coverage only for the peril of  
161 wind may elect to purchase or retain such policy and also  
162 purchase or retain coverage excluding wind from an authorized  
163 insurer without prejudice to the applicant's or insured's  
164 eligibility to prospectively purchase a policy that provides  
165 multiperil coverage from the corporation. It is the goal of the  
166 Legislature that there be an overall average savings of 10  
167 percent or more for a policyholder who currently has a wind-only  
168 policy with the corporation, and an ex-wind policy with a  
169 voluntary insurer or the corporation, and who obtains a  
170 multiperil policy from the corporation. It is the intent of the  
171 Legislature that the offer of multiperil coverage in the coastal  
172 account be made and implemented in a manner that does not  
173 adversely affect the tax-exempt status of the corporation or  
174 creditworthiness of or security for currently outstanding

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175 financing obligations or credit facilities of the coastal  
176 account, the personal lines account, or the commercial lines  
177 account. The coastal account must also include quota share  
178 primary insurance under subparagraph (c)2. The area eligible for  
179 coverage under the coastal account also includes the area within  
180 Port Canaveral, which is bordered on the south by the City of  
181 Cape Canaveral, bordered on the west by the Banana River, and  
182 bordered on the north by Federal Government property.

183       b. The three separate accounts must be maintained as long  
184 as financing obligations entered into by the Florida Windstorm  
185 Underwriting Association or Residential Property and Casualty  
186 Joint Underwriting Association are outstanding, in accordance  
187 with the terms of the corresponding financing documents. If the  
188 financing obligations are no longer outstanding, the corporation  
189 may use a single account for all revenues, assets, liabilities,  
190 losses, and expenses of the corporation. Consistent with this  
191 subparagraph and prudent investment policies that minimize the  
192 cost of carrying debt, the board shall exercise its best efforts  
193 to retire existing debt or obtain the approval of necessary  
194 parties to amend the terms of existing debt, so as to structure  
195 the most efficient plan for consolidating ~~to consolidate~~ the  
196 three separate accounts into a single account.

197       c. Creditors of the Residential Property and Casualty Joint  
198 Underwriting Association and the accounts specified in sub-sub-  
199 subparagraphs a.(I) and (II) may have a claim against, and  
200 recourse to, those accounts and no claim against, or recourse  
201 to, the account referred to in sub-sub-subparagraph a.(III).  
202 Creditors of the Florida Windstorm Underwriting Association have  
203 a claim against, and recourse to, the account referred to in

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204 sub-sub-subparagraph a.(III) and no claim against, or recourse  
205 to, the accounts referred to in sub-sub-subparagraphs a.(I) and  
206 (II).

207 d. Revenues, assets, liabilities, losses, and expenses not  
208 attributable to particular accounts shall be prorated among the  
209 accounts.

210 e. The Legislature finds that the revenues of the  
211 corporation are revenues that are necessary to meet the  
212 requirements set forth in documents authorizing the issuance of  
213 bonds under this subsection.

214 f. The income of the corporation may not inure to the  
215 benefit of any private person.

216 3. With respect to a deficit in an account:

217 a. After accounting for the Citizens policyholder surcharge  
218 imposed under sub-subparagraph i., if the remaining projected  
219 deficit incurred in the coastal account in a particular calendar  
220 year:

221 (I) Is not greater than 2 percent of the aggregate  
222 statewide direct written premium for the subject lines of  
223 business for the prior calendar year, the entire deficit shall  
224 be recovered through regular assessments of assessable insurers  
225 under paragraph (q) and assessable insureds.

226 (II) Exceeds 2 percent of the aggregate statewide direct  
227 written premium for the subject lines of business for the prior  
228 calendar year, the corporation shall levy regular assessments on  
229 assessable insurers under paragraph (q) and on assessable  
230 insureds in an amount equal to the greater of 2 percent of the  
231 projected deficit or 2 percent of the aggregate statewide direct  
232 written premium for the subject lines of business for the prior



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233 calendar year. Any remaining projected deficit shall be  
234 recovered through emergency assessments under sub-subparagraph  
235 d.

236       b. Each assessable insurer's share of the amount being  
237 assessed under sub-subparagraph a. must be in the proportion  
238 that the assessable insurer's direct written premium for the  
239 subject lines of business for the year preceding the assessment  
240 bears to the aggregate statewide direct written premium for the  
241 subject lines of business for that year. The assessment  
242 percentage applicable to each assessable insured is the ratio of  
243 the amount being assessed under sub-subparagraph a. to the  
244 aggregate statewide direct written premium for the subject lines  
245 of business for the prior year. Assessments levied by the  
246 corporation on assessable insurers under sub-subparagraph a.  
247 must be paid as required by the corporation's plan of operation  
248 and paragraph (q). Assessments levied by the corporation on  
249 assessable insureds under sub-subparagraph a. shall be collected  
250 by the surplus lines agent at the time the surplus lines agent  
251 collects the surplus lines tax required by s. 626.932, and paid  
252 to the Florida Surplus Lines Service Office at the time the  
253 surplus lines agent pays the surplus lines tax to that office.  
254 Upon receipt of regular assessments from surplus lines agents,  
255 the Florida Surplus Lines Service Office shall transfer the  
256 assessments directly to the corporation as determined by the  
257 corporation.

258       c. After accounting for the Citizens policyholder surcharge  
259 imposed under sub-subparagraph i., the remaining projected  
260 deficits in the personal lines account and in the commercial  
261 lines account in a particular calendar year shall be recovered

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262 through emergency assessments under sub-subparagraph d.  
263 d. Upon a determination by the board of governors that a  
264 projected deficit in an account exceeds the amount that is  
265 expected to be recovered through regular assessments under sub-  
266 subparagraph a., plus the amount that is expected to be  
267 recovered through surcharges under sub-subparagraph i., the  
268 board, after verification by the office, shall levy emergency  
269 assessments for as many years as necessary to cover the  
270 deficits, to be collected by assessable insurers and the  
271 corporation and collected from assessable insureds upon issuance  
272 or renewal of policies for subject lines of business, excluding  
273 National Flood Insurance policies. The amount collected in a  
274 particular year must be a uniform percentage of that year's  
275 direct written premium for subject lines of business and all  
276 accounts of the corporation, excluding National Flood Insurance  
277 Program policy premiums, as annually determined by the board and  
278 verified by the office. The office shall verify the arithmetic  
279 calculations involved in the board's determination within 30  
280 days after receipt of the information on which the determination  
281 was based. The office shall notify assessable insurers and the  
282 Florida Surplus Lines Service Office of the date on which  
283 assessable insurers shall begin to collect and assessable  
284 insureds shall begin to pay such assessment. The date must be at  
285 least ~~may be not less than~~ 90 days after the date the  
286 corporation levies emergency assessments pursuant to this sub-  
287 subparagraph. Notwithstanding any other provision of law, the  
288 corporation and each assessable insurer that writes subject  
289 lines of business shall collect emergency assessments from its  
290 policyholders without such obligation being affected by any

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291 credit, limitation, exemption, or deferment. Emergency  
292 assessments levied by the corporation on assessable insureds  
293 shall be collected by the surplus lines agent at the time the  
294 surplus lines agent collects the surplus lines tax required by  
295 s. 626.932 and paid to the Florida Surplus Lines Service Office  
296 at the time the surplus lines agent pays the surplus lines tax  
297 to that office. The emergency assessments collected shall be  
298 transferred directly to the corporation on a periodic basis as  
299 determined by the corporation and held by the corporation solely  
300 in the applicable account. The aggregate amount of emergency  
301 assessments levied for an account ~~under this sub-subparagraph~~ in  
302 any calendar year may be less than but may not exceed the  
303 greater of 10 percent of the amount needed to cover the deficit,  
304 plus interest, fees, commissions, required reserves, and other  
305 costs associated with financing the original deficit, or 10  
306 percent of the aggregate statewide direct written premium for  
307 subject lines of business and all accounts of the corporation  
308 for the prior year, plus interest, fees, commissions, required  
309 reserves, and other costs associated with financing the deficit.

310 e. The corporation may pledge the proceeds of assessments,  
311 projected recoveries from the Florida Hurricane Catastrophe  
312 Fund, other insurance and reinsurance recoverables, policyholder  
313 surcharges and other surcharges, and other funds available to  
314 the corporation as the source of revenue for and to secure bonds  
315 issued under paragraph (q), bonds or other indebtedness issued  
316 under subparagraph (c)3., or lines of credit or other financing  
317 mechanisms issued or created under this subsection, or to retire  
318 any other debt incurred as a result of deficits or events giving  
319 rise to deficits, or in any other way that the board determines

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320 will efficiently recover such deficits. The purpose of the lines  
321 of credit or other financing mechanisms is to provide additional  
322 resources to assist the corporation in covering claims and  
323 expenses attributable to a catastrophe. As used in this  
324 subsection, the term "assessments" includes regular assessments  
325 under sub-subparagraph a. or subparagraph (q)1. and emergency  
326 assessments under sub-subparagraph d. Emergency assessments  
327 collected under sub-subparagraph d. are not part of an insurer's  
328 rates, are not premium, and are not subject to premium tax,  
329 fees, or commissions; however, failure to pay the emergency  
330 assessment shall be treated as failure to pay premium. The  
331 emergency assessments ~~under sub-subparagraph d.~~ shall continue  
332 as long as any bonds issued or other indebtedness incurred with  
333 respect to a deficit for which the assessment was imposed remain  
334 outstanding, unless adequate provision has been made for the  
335 payment of such bonds or other indebtedness pursuant to the  
336 documents governing such bonds or indebtedness.

337 f. As used in this subsection for purposes of any deficit  
338 incurred on or after January 25, 2007, the term "subject lines  
339 of business" means insurance written by assessable insurers or  
340 procured by assessable insureds for all property and casualty  
341 lines of business in this state, but not including workers'  
342 compensation or medical malpractice. As used in this sub-  
343 subparagraph, the term "property and casualty lines of business"  
344 includes all lines of business identified on Form 2, Exhibit of  
345 Premiums and Losses, in the annual statement required of  
346 authorized insurers under s. 624.424 and any rule adopted under  
347 this section, except for those lines identified as accident and  
348 health insurance and except for policies written under the

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349 National Flood Insurance Program or the Federal Crop Insurance  
350 Program. For purposes of this sub-subparagraph, the term  
351 "workers' compensation" includes both workers' compensation  
352 insurance and excess workers' compensation insurance.

353 g. The Florida Surplus Lines Service Office shall determine  
354 annually the aggregate statewide written premium in subject  
355 lines of business procured by assessable insureds and report  
356 that information to the corporation in a form and at a time the  
357 corporation specifies to ensure that the corporation can meet  
358 the requirements of this subsection and the corporation's  
359 financing obligations.

360 h. The Florida Surplus Lines Service Office shall verify  
361 the proper application by surplus lines agents of assessment  
362 percentages for regular assessments and emergency assessments  
363 levied under this subparagraph on assessable insureds and assist  
364 the corporation in ensuring the accurate, timely collection and  
365 payment of assessments by surplus lines agents as required by  
366 the corporation.

367 i. ~~In 2008 or thereafter,~~ Upon a determination by the board  
368 of governors that an account has a projected deficit, the board  
369 shall levy a Citizens policyholder surcharge against all  
370 policyholders of the corporation.

371 (I) The surcharge shall be levied as a uniform percentage  
372 of the premium for the policy of up to 15 percent of such  
373 premium, which funds shall be used to offset the deficit.

374 (II) The surcharge is payable upon cancellation or  
375 termination of the policy, upon renewal of the policy, or upon  
376 issuance of a new policy by the corporation within the first 12  
377 months after the date of the levy or the period of time

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378 necessary to fully collect the surcharge amount.

379 (III) The corporation may not levy any regular assessments  
380 under paragraph (q) pursuant to sub-subparagraph a. or sub-  
381 subparagraph b. with respect to a particular year's deficit  
382 until the corporation has first levied the full amount of the  
383 surcharge authorized by this sub-subparagraph.

384 (IV) The surcharge is not considered premium and is not  
385 subject to commissions, fees, or premium taxes. However, failure  
386 to pay the surcharge shall be treated as failure to pay premium.

387 j. If the amount of any assessments or surcharges collected  
388 from corporation policyholders, assessable insurers or their  
389 policyholders, or assessable insureds exceeds the amount of the  
390 deficits, such excess amounts shall be remitted to and retained  
391 by the corporation in a reserve to be used by the corporation,  
392 as determined by the board of governors and approved by the  
393 office, to pay claims or reduce any past, present, or future  
394 plan-year deficits or to reduce outstanding debt.

395 (e) The corporation is subject to s. 287.057 for the  
396 purchase of commodities and contractual services except as  
397 otherwise provided in this paragraph. Services provided by  
398 tradepersons or technical experts to assist a licensed adjuster  
399 in the evaluation of individual claims are not subject to the  
400 procurement requirements of this section. Additionally, the  
401 procurement of financial services providers and underwriters  
402 must be made pursuant to s. 627.3513. Contracts for goods or  
403 services valued at or more than \$100,000 are subject to approval  
404 by the board.

405 1. The corporation is an agency for purposes of s. 287.057,  
406 except that, for purposes of s. 287.057(22), the corporation is

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407 an eligible user.

408 a. The authority of the Department of Management Services  
409 and the Chief Financial Officer under s. 287.057 extends to the  
410 corporation as if the corporation were an agency.

411 b. The executive director of the corporation is the agency  
412 head under s. 287.057, except for resolution of bid protests for  
413 which the board would serve as the agency head.

414 2. The corporation must provide notice of a decision or  
415 intended decision concerning a solicitation, contract award, or  
416 exceptional purchase by electronic posting. Such notice must  
417 contain the following statement: "Failure to file a protest  
418 within the time prescribed in this section constitutes a waiver  
419 of proceedings."

420 a. A person adversely affected by the corporation's  
421 decision or intended decision to award a contract pursuant to s.  
422 287.057(1) or (3)(c) who elects to challenge the decision must  
423 file a written notice of protest with the executive director of  
424 the corporation within 72 hours after the corporation posts a  
425 notice of its decision or intended decision. For a protest of  
426 the terms, conditions, and specifications contained in a  
427 solicitation, including ~~any~~ provisions governing the methods for  
428 ranking bids, proposals, replies, awarding contracts, reserving  
429 rights of further negotiation, or modifying or amending any  
430 contract, the notice of protest must be filed in writing within  
431 72 hours after ~~the~~ posting ~~of~~ the solicitation. Saturdays,  
432 Sundays, and state holidays are excluded in the computation of  
433 the 72-hour time period.

434 b. A formal written protest must be filed within 10 days  
435 after the date the notice of protest is filed. The formal

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436 written protest must state with particularity the facts and law  
437 upon which the protest is based. Upon receipt of a formal  
438 written protest that has been timely filed, the corporation must  
439 stop the solicitation or contract award process until the  
440 subject of the protest is resolved by final board action unless  
441 the executive director sets forth in writing particular facts  
442 and circumstances that require the continuance of the  
443 solicitation or contract award process without delay in order to  
444 avoid an immediate and serious danger to the public health,  
445 safety, or welfare.

446 (I) The corporation must provide an opportunity to resolve  
447 the protest by mutual agreement between the parties within 7  
448 business days after receipt of the formal written protest.

449 (II) If the subject of a protest is not resolved by mutual  
450 agreement within 7 business days, the corporation's board must  
451 transmit the protest to the Division of Administrative Hearings  
452 and contract with the division to conduct a hearing to determine  
453 the merits of the protest and to issue a recommended order ~~place~~  
454 ~~the protest on the agenda and resolve it at its next regularly~~  
455 ~~scheduled meeting.~~ The contract must provide for the corporation  
456 to reimburse the division for any costs incurred by the division  
457 for court reporters, transcript preparation, travel, facility  
458 rental, and other customary hearing costs in the manner set  
459 forth in s. 120.65(9). The division has jurisdiction to  
460 determine the facts and law concerning the protest and to issue  
461 a recommended order. The division's rules and procedures apply  
462 to these proceedings; the division's applicable bond  
463 requirements do not apply. The protest must be heard by the  
464 division ~~board~~ at a publicly noticed meeting in accordance with



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465 procedures established by the division board.

466 c. In a protest of an invitation-to-bid or request-for-  
467 proposals procurement, submissions made after the bid or  
468 proposal opening which amend or supplement the bid or proposal  
469 may not be considered. In protesting an invitation-to-negotiate  
470 procurement, submissions made after the corporation announces  
471 its intent to award a contract, reject all replies, or withdraw  
472 the solicitation that amends or supplements the reply may not be  
473 considered. Unless otherwise provided by law, the burden of  
474 proof rests with the party protesting the corporation's action.  
475 In a competitive-procurement protest, other than a rejection of  
476 all bids, proposals, or replies, the administrative law judge  
477 ~~corporation's board~~ must conduct a de novo proceeding to  
478 determine whether the corporation's proposed action is contrary  
479 to the corporation's governing statutes, the corporation's rules  
480 or policies, or the solicitation specifications. The standard of  
481 proof for the proceeding is whether the corporation's action was  
482 clearly erroneous, contrary to competition, arbitrary, or  
483 capricious. In any bid-protest proceeding contesting an intended  
484 corporation action to reject all bids, proposals, or replies,  
485 the standard of review by the board is whether the corporation's  
486 intended action is illegal, arbitrary, dishonest, or fraudulent.

487 d. Failure to file a notice of protest or failure to file a  
488 formal written protest constitutes a waiver of proceedings.

489 3. The board, acting as agency head, shall consider the  
490 recommended order of an administrative law judge in a public  
491 meeting and take final action on the protest. ~~Contract actions~~  
492 ~~and decisions by the board under this paragraph are final.~~ Any  
493 further legal remedy lies with the First District Court of

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494 ~~Appeal must be made in the Circuit Court of Leon County.~~

495 (hh) The corporation shall ~~must~~ prepare a report for each  
496 calendar year outlining both the statewide average and county-  
497 specific details of the loss ratio attributable to losses that  
498 are not catastrophic losses for residential coverage provided by  
499 the corporation, which information must be presented to the  
500 office and available for public inspection on the Internet  
501 website of the corporation by March 1 ~~January 15th~~ of the  
502 following calendar year.

503 Section 4. Section 627.3519, Florida Statutes, is repealed.

504 Section 5. Section 627.35191, Florida Statutes, is amended  
505 to read:

506 627.35191 Required reports ~~Annual report of aggregate net~~  
507 ~~probable maximum losses, financing options, and potential~~  
508 ~~assessments.-~~

509 (1) By ~~No later than~~ February 1 of each year, the Florida  
510 Hurricane Catastrophe Fund and Citizens Property Insurance  
511 Corporation shall each submit a report to the Legislature and  
512 the Financial Services Commission identifying their respective  
513 aggregate net probable maximum losses, financing options, and  
514 potential assessments. The report issued by the fund and the  
515 corporation must include their respective 50-year, 100-year, and  
516 250-year probable maximum losses; analysis of all reasonable  
517 financing strategies for each such probable maximum loss,  
518 including the amount and term of debt instruments; specification  
519 of the percentage assessments that would be needed to support  
520 each of the financing strategies; and calculations of the  
521 aggregate assessment burden on Florida property and casualty  
522 policyholders for each of the probable maximum losses.

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523       (2) In May of each year, Citizens Property Insurance  
524 Corporation shall also provide to the Legislature and the  
525 Financial Services Commission a statement of the estimated  
526 borrowing capacity of the corporation for the next 12-month  
527 period, the estimated claims-paying capacity of the corporation,  
528 and the corporation's estimated balance as of December 31 of the  
529 current calendar year. Such estimates must take into account  
530 that the corporation, the Florida Hurricane Catastrophe Fund,  
531 and the Florida Insurance Guaranty Association may all be  
532 concurrently issuing debt instruments following a catastrophic  
533 event.

534       Section 6. Present subsections (6) through (8) of section  
535 627.711, Florida Statutes, are redesignated as subsections (7)  
536 through (9), respectively, a new subsection (6) is added to that  
537 section, and present subsection (8) of that section is amended,  
538 to read:

539       627.711 Notice of premium discounts for hurricane loss  
540 mitigation; uniform mitigation verification inspection form.—

541       (6) (a) An authorized mitigation inspector may not directly  
542 or indirectly offer or deliver any compensation, inducement, or  
543 reward to an insurance agency, insurance agent, customer  
544 representative, or an employee of an insurance agency for the  
545 referral of the owner of the inspected property to the inspector  
546 or the inspection company. Section 455.227(1)(k) applies to  
547 applicable licensees in violation of this paragraph.

548       (b) An insurance agency, insurance agent, customer  
549 representative, or an employee of an insurance agency may not  
550 directly or indirectly receive or accept any compensation,  
551 inducement, or reward from an authorized mitigation inspector

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552 for the referral of the owner of the inspected property to the  
553 inspector or the inspection company. Sections 626.621(2) and  
554 626.6215(5) (d) apply to a violation of this paragraph.

555 (9)~~(8)~~ At its expense, the insurer may require that a  
556 uniform mitigation verification form provided by a policyholder,  
557 a policyholder's agent, or an authorized mitigation inspector or  
558 inspection company be independently verified by an inspector, an  
559 inspection company, or an independent third-party quality  
560 assurance provider ~~that~~ ~~which~~ possesses a quality assurance  
561 program before accepting the uniform mitigation verification  
562 form as valid. At its option, the insurer may exempt from  
563 independent verification a uniform mitigation verification form  
564 completed by an authorized mitigation inspector or inspection  
565 company that possesses a quality assurance program approved by  
566 the insurer. A uniform mitigation verification form provided by  
567 a policyholder, a policyholder's agent, or an authorized  
568 mitigation inspector or inspection company to Citizens Property  
569 Insurance Corporation is not subject to independent verification  
570 and the property is not subject to reinspection by the  
571 corporation, absent material changes to the structure during the  
572 term stated on the form, if the form was signed by an authorized  
573 mitigation inspector and submitted to, reviewed by, and verified  
574 by a quality assurance program approved by the corporation  
575 before submission of the form to the corporation.

576 Section 7. Paragraph (d) is added to subsection (7) of  
577 section 817.234, Florida Statutes, to read:

578 817.234 False and fraudulent insurance claims.—

579 (7)

580 (d) A contractor, or a person acting on behalf of a

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581 contractor, may not knowingly or willfully and with intent to  
582 injure, defraud, or deceive, pay, waive, or rebate all or part  
583 of an insurance deductible applicable to payment to the  
584 contractor, or a person acting on behalf of a contractor, for  
585 repairs to property covered by a property insurance policy. A  
586 person who violates this paragraph commits a third degree  
587 felony, punishable as provided in s. 775.082, s. 775.083, or s.  
588 775.084.

589       Section 8. Except as otherwise expressly provided in this  
590 act, this act shall take effect July 1, 2014.