

By Senator Silver

38-863A-99

1 A bill to be entitled
2 An act relating to insurance; amending s.
3 626.916, F.S.; authorizing certain surplus
4 lines insurers to remove and insure policies
5 from the Florida Windstorm Underwriting
6 Association under certain circumstances;
7 amending s. 627.0629, F.S.; requiring insurers
8 to provide certain discounts, credits, or other
9 rate differentials in their rating manuals
10 under certain circumstances; clarifying the
11 application of certain discounts for mobile
12 home owner's insurance rate filings; requiring
13 insurers to implement certain discounts or rate
14 differentials for mobile home insurance
15 premiums; providing criteria; amending s.
16 627.351, F.S.; revising the provisions of
17 Florida Windstorm Underwriting Association
18 policies; amending s. 627.3511, F.S.; revising
19 the conditions under which an insurer or agent
20 may qualify for a bonus or exception from
21 assessment with respect to the Residential
22 Property and Casualty Joint Underwriting
23 Association; creating s. 627.35115, F.S.;
24 providing conditions, procedures, and criteria
25 for the removal of policies from the Florida
26 Windstorm Underwriting Association;
27 establishing procedures regarding agent
28 commissions for policies removed from the
29 Florida Windstorm Underwriting Association;
30 establishing requirements for renewal of
31 policies removed from the Florida Windstorm

1 Underwriting Association; amending s. 627.4091,
2 F.S.; prohibiting insurers from canceling or
3 nonrenewing residential policies without
4 notice; providing requirements for such notice;
5 amending s. 627.4133, F.S.; requiring insurers
6 to offer coverage for certain replacement
7 property under certain circumstances; creating
8 s. 627.4138, F.S.; providing restrictions on
9 cancellation or nonrenewal of residential
10 coverage; amending s. 627.701, F.S.; increasing
11 the value of a risk at which certain hurricane
12 or wind loss deductible provisions apply;
13 providing definitions governing the
14 applicability of hurricane and wind loss
15 deductible provisions; repealing s.
16 627.3511(5)(b), F.S., relating to conditions
17 under which an insurer or agent may qualify for
18 a bonus or exception from assessment with
19 respect to the Residential Property and
20 Casualty Joint Underwriting Association;
21 providing an effective date.

22

23 Be It Enacted by the Legislature of the State of Florida:

24

25 Section 1. Present subsections (2), (3), and (4) of
26 section 626.916, Florida Statutes, are redesignated as
27 subsections (3), (4), and (5), respectively, and new
28 subsection (2) is added to that section, to read:

29

626.916 Eligibility for export.--

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(2)(a) Notwithstanding any other provision of this

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section, eligible surplus lines insurers that have a Best's

1 rating of B++ or better and a capital and surplus of at least
2 \$25 million are eligible to remove commercial property
3 insurance policies from the Florida Windstorm Underwriting
4 Association established under s. 627.35(12) and to insure such
5 policies for windstorm coverage. Such removal of commercial
6 policies from the association may be accomplished only with
7 the insured's consent, either by assumption or when the
8 association policy is renewed. Each commercial property
9 insurance policy may be removed without undertaking due
10 diligence pursuant to paragraph (1)(a). The removal is subject
11 to approval by the department based upon the criteria set
12 forth in this subsection and other applicable provisions of
13 the Florida Insurance Code. With respect to a commercial
14 property insurance policy removed from the association and
15 covered by a surplus lines insurer, the surplus lines insurer
16 may offer to provide the non-wind property damage coverage
17 with respect to the insured's risk.

18 Section 2. Subsections (1), (3), and (8) of section
19 627.0629, Florida Statutes, are amended to read:

20 627.0629 Residential property insurance; rate
21 filings.--

22 (1) Effective July 1, 2000 ~~1994~~, a rating manual rate
23 ~~filing~~ for residential property insurance must include
24 appropriate discounts, credits, or other rate differentials,
25 or appropriate reductions in deductibles, for properties on
26 which fixtures or construction techniques actuarially
27 demonstrated to reduce the amount of loss in a windstorm have
28 been installed or implemented. The fixtures or construction
29 techniques shall include, but not be limited to, fixtures or
30 techniques which enhance roof strength, roof to wall strength,
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1 wall to floor to foundation strength, and window, door, and
2 skylight strength.

3 (3) A rate filing ~~made on or after July 1, 1995,~~for
4 mobile home owner's insurance must include appropriate
5 discounts, credits, or other rate differentials for mobile
6 homes constructed to comply with American Society of Civil
7 Engineers Standard ANSI/ASCE 7-88, adopted by the United
8 States Department of Housing and Urban Development on July 13,
9 1994, provided the policyholder has, with respect to the
10 mobile home which is the subject to the discount, complied ~~and~~
11 that ~~also comply~~ with all applicable tie-down requirements
12 provided by state law. The discount authorized under this
13 subsection shall be in addition to any other discounts,
14 credits, or rate differentials authorized under this code,
15 including those authorized under subsection (8).

16 (8) An insurer shall ~~may~~ implement appropriate
17 discounts or other rate differentials of up to 10 percent of
18 the annual premium to mobile home owners who provide to the
19 insurer evidence of a current inspection of tie-downs for the
20 mobile home, certifying that the tie-downs have been properly
21 installed and are in good condition. Any discount or other
22 rate differential implemented under this subsection shall be
23 in addition to any discount, credit, or rate differential
24 authorized under any other provision of this code including
25 those authorized under subsection (3). The insurer shall not
26 raise its base rate in order to offset the amount of the
27 discount.

28 Section 3. Paragraph (b) of subsection (2) of section
29 627.351, Florida Statutes, 1998 Supplement, is amended to
30 read:

31 627.351 Insurance risk apportionment plans.--

1 (2) WINDSTORM INSURANCE RISK APPORTIONMENT.--
2 (b) The department shall require all insurers holding
3 a certificate of authority to transact property insurance on a
4 direct basis in this state, other than joint underwriting
5 associations and other entities formed pursuant to this
6 section, to provide windstorm coverage to applicants from
7 areas determined to be eligible pursuant to paragraph (c) who
8 in good faith are entitled to, but are unable to procure, such
9 coverage through ordinary means; or it shall adopt a
10 reasonable plan or plans for the equitable apportionment or
11 sharing among such insurers of windstorm coverage, which may
12 include formation of an association for this purpose. As used
13 in this subsection, the term "property insurance" means
14 insurance on real or personal property, as defined in s.
15 624.604, including insurance for fire, industrial fire, allied
16 lines, farmowners multiperil, homeowners' multiperil,
17 commercial multiperil, and mobile homes, and including
18 liability coverages on all such insurance, but excluding
19 inland marine as defined in s. 624.607(3) and excluding
20 vehicle insurance as defined in s. 624.605(1)(a) other than
21 insurance on mobile homes used as permanent dwellings. The
22 department shall adopt rules that provide a formula for the
23 recovery and repayment of any deferred assessments.

24 1. For the purpose of this section, properties
25 eligible for such windstorm coverage are defined as dwellings,
26 buildings, and other structures, including mobile homes which
27 are used as dwellings and which are tied down in compliance
28 with mobile home tie-down requirements prescribed by the
29 Department of Highway Safety and Motor Vehicles pursuant to s.
30 320.8325, and the contents of all such properties. An
31 applicant or policyholder is eligible for coverage only if an

1 offer of coverage cannot be obtained by or for the applicant
2 or policyholder from an admitted insurer at approved rates.
3 2.a.(I) All insurers required to be members of such
4 association shall participate in its writings, expenses, and
5 losses. Surplus of the association shall be retained for the
6 payment of claims and shall not be distributed to the member
7 insurers. Such participation by member insurers shall be in
8 the proportion that the net direct premiums of each member
9 insurer written for property insurance in this state during
10 the preceding calendar year bear to the aggregate net direct
11 premiums for property insurance of all member insurers, as
12 reduced by any credits for voluntary writings, in this state
13 during the preceding calendar year. For the purposes of this
14 subsection, the term "net direct premiums" means direct
15 written premiums for property insurance, reduced by premium
16 for liability coverage and for the following if included in
17 allied lines: rain and hail on growing crops; livestock;
18 association direct premiums booked; National Flood Insurance
19 Program direct premiums; and similar deductions specifically
20 authorized by the plan of operation and approved by the
21 department. A member's participation shall begin on the first
22 day of the calendar year following the year in which it is
23 issued a certificate of authority to transact property
24 insurance in the state and shall terminate 1 year after the
25 end of the calendar year during which it no longer holds a
26 certificate of authority to transact property insurance in the
27 state. The commissioner, after review of annual statements,
28 other reports, and any other statistics that the commissioner
29 deems necessary, shall certify to the association the
30 aggregate direct premiums written for property insurance in
31 this state by all member insurers.

1 (II) The plan of operation shall provide for a board
2 of directors consisting of the Insurance Consumer Advocate
3 appointed under s. 627.0613, 1 consumer representative
4 appointed by the Insurance Commissioner, 1 consumer
5 representative appointed by the Governor, and 12 additional
6 members appointed as specified in the plan of operation. One
7 of the 12 additional members shall be elected by the domestic
8 companies of this state on the basis of cumulative weighted
9 voting based on the net direct premiums of domestic companies
10 in this state. Nothing in the 1997 amendments to this
11 paragraph terminates the existing board or the terms of any
12 members of the board.

13 (III) The plan of operation shall provide a formula
14 whereby a company voluntarily providing windstorm coverage in
15 affected areas will be relieved wholly or partially from
16 apportionment of a regular assessment pursuant to
17 sub-sub-subparagraph d.(I) or sub-sub-subparagraph d.(II).

18 (IV) A company which is a member of a group of
19 companies under common management may elect to have its
20 credits applied on a group basis, and any company or group may
21 elect to have its credits applied to any other company or
22 group.

23 (V) There shall be no credits or relief from
24 apportionment to a company for emergency assessments collected
25 from its policyholders under sub-sub-subparagraph d.(III).

26 (VI) The plan of operation may also provide for the
27 award of credits, for a period not to exceed 3 years, from a
28 regular assessment pursuant to sub-sub-subparagraph d.(I) or
29 sub-sub-subparagraph d.(II) as an incentive for taking
30 policies out of the Residential Property and Casualty Joint
31 Underwriting Association. In order to qualify for the

1 exemption under this sub-sub-subparagraph, the take-out plan
2 must provide that at least 40 percent of the policies removed
3 from the Residential Property and Casualty Joint Underwriting
4 Association cover risks located in Dade, Broward, and Palm
5 Beach Counties or at least 30 percent of the policies so
6 removed cover risks located in Dade, Broward, and Palm Beach
7 Counties and an additional 50 percent of the policies so
8 removed cover risks located in other coastal counties, and
9 must also provide that no more than 15 percent of the policies
10 so removed may exclude windstorm coverage. With the approval
11 of the department, the association may waive these geographic
12 criteria for a take-out plan that removes at least the lesser
13 of 100,000 Residential Property and Casualty Joint
14 Underwriting Association policies or 15 percent of the total
15 number of Residential Property and Casualty Joint Underwriting
16 Association policies, provided the governing board of the
17 Residential Property and Casualty Joint Underwriting
18 Association certifies that the take-out plan will materially
19 reduce the Residential Property and Casualty Joint
20 Underwriting Association's 100-year probable maximum loss from
21 hurricanes. With the approval of the department, the board
22 may extend such credits for an additional year if the insurer
23 guarantees an additional year of renewability for all policies
24 removed from the Residential Property and Casualty Joint
25 Underwriting Association, or for 2 additional years if the
26 insurer guarantees 2 additional years of renewability for all
27 policies removed from the Residential Property and Casualty
28 Joint Underwriting Association.

29 b. Assessments to pay deficits in the association
30 under this subparagraph shall be included as an appropriate
31 factor in the making of rates as provided in s. 627.3512.

1 c. The Legislature finds that the potential for
2 unlimited deficit assessments under this subparagraph may
3 induce insurers to attempt to reduce their writings in the
4 voluntary market, and that such actions would worsen the
5 availability problems that the association was created to
6 remedy. It is the intent of the Legislature that insurers
7 remain fully responsible for paying regular assessments and
8 collecting emergency assessments for any deficits of the
9 association; however, it is also the intent of the Legislature
10 to provide a means by which assessment liabilities may be
11 amortized over a period of years.

12 d.(I) When the deficit incurred in a particular
13 calendar year is 10 percent or less of the aggregate statewide
14 direct written premium for property insurance for the prior
15 calendar year for all member insurers, the association shall
16 levy an assessment on member insurers in an amount equal to
17 the deficit.

18 (II) When the deficit incurred in a particular
19 calendar year exceeds 10 percent of the aggregate statewide
20 direct written premium for property insurance for the prior
21 calendar year for all member insurers, the association shall
22 levy an assessment on member insurers in an amount equal to
23 the greater of 10 percent of the deficit or 10 percent of the
24 aggregate statewide direct written premium for property
25 insurance for the prior calendar year for member insurers. Any
26 remaining deficit shall be recovered through emergency
27 assessments under sub-sub-subparagraph (III).

28 (III) Upon a determination by the board of directors
29 that a deficit exceeds the amount that will be recovered
30 through regular assessments on member insurers, pursuant to
31 sub-sub-subparagraph (I) or sub-sub-subparagraph (II), the

1 board shall levy, after verification by the department,
2 emergency assessments to be collected by member insurers and
3 by underwriting associations created pursuant to this section
4 which write property insurance, upon issuance or renewal of
5 property insurance policies other than National Flood
6 Insurance policies in the year or years following levy of the
7 regular assessments. The amount of the emergency assessment
8 collected in a particular year shall be a uniform percentage
9 of that year's direct written premium for property insurance
10 for all member insurers and underwriting associations,
11 excluding National Flood Insurance policy premiums, as
12 annually determined by the board and verified by the
13 department. The department shall verify the arithmetic
14 calculations involved in the board's determination within 30
15 days after receipt of the information on which the
16 determination was based. Notwithstanding any other provision
17 of law, each member insurer and each underwriting association
18 created pursuant to this section shall collect emergency
19 assessments from its policyholders without such obligation
20 being affected by any credit, limitation, exemption, or
21 deferment. The emergency assessments so collected shall be
22 transferred directly to the association on a periodic basis as
23 determined by the association. The aggregate amount of
24 emergency assessments levied under this sub-sub-subparagraph
25 in any calendar year may not exceed the greater of 10 percent
26 of the amount needed to cover the original deficit, plus
27 interest, fees, commissions, required reserves, and other
28 costs associated with financing of the original deficit, or 10
29 percent of the aggregate statewide direct written premium for
30 property insurance written by member insurers and underwriting
31 associations for the prior year, plus interest, fees,

1 commissions, required reserves, and other costs associated
2 with financing the original deficit. The board may pledge the
3 proceeds of the emergency assessments under this
4 sub-sub-subparagraph as the source of revenue for bonds, to
5 retire any other debt incurred as a result of the deficit or
6 events giving rise to the deficit, or in any other way that
7 the board determines will efficiently recover the deficit. The
8 emergency assessments under this sub-sub-subparagraph shall
9 continue as long as any bonds issued or other indebtedness
10 incurred with respect to a deficit for which the assessment
11 was imposed remain outstanding, unless adequate provision has
12 been made for the payment of such bonds or other indebtedness
13 pursuant to the document governing such bonds or other
14 indebtedness. Emergency assessments collected under this
15 sub-sub-subparagraph are not part of an insurer's rates, are
16 not premium, and are not subject to premium tax, fees, or
17 commissions; however, failure to pay the emergency assessment
18 shall be treated as failure to pay premium.

19 (IV) Each member insurer's share of the total regular
20 assessments under sub-sub-subparagraph (I) or
21 sub-sub-subparagraph (II) shall be in the proportion that the
22 insurer's net direct premium for property insurance in this
23 state, for the year preceding the assessment bears to the
24 aggregate statewide net direct premium for property insurance
25 of all member insurers, as reduced by any credits for
26 voluntary writings for that year.

27 (V) If regular deficit assessments are made under
28 sub-sub-subparagraph (I) or sub-sub-subparagraph (II), or by
29 the Residential Property and Casualty Joint Underwriting
30 Association under sub-subparagraph (6)(b)3.a. or
31 sub-subparagraph (6)(b)3.b., the association shall levy upon

1 the association's policyholders, as part of its next rate
2 filing, or by a separate rate filing solely for this purpose,
3 a market equalization surcharge in a percentage equal to the
4 total amount of such regular assessments divided by the
5 aggregate statewide direct written premium for property
6 insurance for member insurers for the prior calendar year.
7 Market equalization surcharges under this sub-sub-subparagraph
8 are not considered premium and are not subject to commissions,
9 fees, or premium taxes; however, failure to pay a market
10 equalization surcharge shall be treated as failure to pay
11 premium.

12 e. The governing body of any unit of local government,
13 any residents of which are insured under the plan, may issue
14 bonds as defined in s. 125.013 or s. 166.101 to fund an
15 assistance program, in conjunction with the association, for
16 the purpose of defraying deficits of the association. In order
17 to avoid needless and indiscriminate proliferation,
18 duplication, and fragmentation of such assistance programs,
19 any unit of local government, any residents of which are
20 insured by the association, may provide for the payment of
21 losses, regardless of whether or not the losses occurred
22 within or outside of the territorial jurisdiction of the local
23 government. Revenue bonds may not be issued until validated
24 pursuant to chapter 75, unless a state of emergency is
25 declared by executive order or proclamation of the Governor
26 pursuant to s. 252.36 making such findings as are necessary to
27 determine that it is in the best interests of, and necessary
28 for, the protection of the public health, safety, and general
29 welfare of residents of this state and the protection and
30 preservation of the economic stability of insurers operating
31 in this state, and declaring it an essential public purpose to

1 permit certain municipalities or counties to issue bonds as
2 will provide relief to claimants and policyholders of the
3 association and insurers responsible for apportionment of plan
4 losses. Any such unit of local government may enter into such
5 contracts with the association and with any other entity
6 created pursuant to this subsection as are necessary to carry
7 out this paragraph. Any bonds issued under this
8 sub-subparagraph shall be payable from and secured by moneys
9 received by the association from assessments under this
10 subparagraph, and assigned and pledged to or on behalf of the
11 unit of local government for the benefit of the holders of
12 such bonds. The funds, credit, property, and taxing power of
13 the state or of the unit of local government shall not be
14 pledged for the payment of such bonds. If any of the bonds
15 remain unsold 60 days after issuance, the department shall
16 require all insurers subject to assessment to purchase the
17 bonds, which shall be treated as admitted assets; each insurer
18 shall be required to purchase that percentage of the unsold
19 portion of the bond issue that equals the insurer's relative
20 share of assessment liability under this subsection. An
21 insurer shall not be required to purchase the bonds to the
22 extent that the department determines that the purchase would
23 endanger or impair the solvency of the insurer. The authority
24 granted by this sub-subparagraph is additional to any bonding
25 authority granted by subparagraph 6.

26 3. The plan shall also provide that any member with a
27 surplus as to policyholders of \$20 million or less writing 25
28 percent or more of its total countrywide property insurance
29 premiums in this state may petition the department, within the
30 first 90 days of each calendar year, to qualify as a limited
31 apportionment company. The apportionment of such a member

1 company in any calendar year for which it is qualified shall
2 not exceed its gross participation, which shall not be
3 affected by the formula for voluntary writings. In no event
4 shall a limited apportionment company be required to
5 participate in any apportionment of losses pursuant to
6 sub-sub-subparagraph 2.d.(I) or sub-sub-subparagraph 2.d.(II)
7 in the aggregate which exceeds \$50 million after payment of
8 available plan funds in any calendar year. However, a limited
9 apportionment company shall collect from its policyholders any
10 emergency assessment imposed under sub-sub-subparagraph
11 2.d.(III). The plan shall provide that, if the department
12 determines that any regular assessment will result in an
13 impairment of the surplus of a limited apportionment company,
14 the department may direct that all or part of such assessment
15 be deferred. However, there shall be no limitation or
16 deferment of an emergency assessment to be collected from
17 policyholders under sub-sub-subparagraph 2.d.(III).

18 4. The plan shall provide for the deferment, in whole
19 or in part, of a regular assessment of a member insurer under
20 sub-sub-subparagraph 2.d.(I) or sub-sub-subparagraph 2.d.(II),
21 but not for an emergency assessment collected from
22 policyholders under sub-sub-subparagraph 2.d.(III), if, in the
23 opinion of the commissioner, payment of such regular
24 assessment would endanger or impair the solvency of the member
25 insurer. In the event a regular assessment against a member
26 insurer is deferred in whole or in part, the amount by which
27 such assessment is deferred may be assessed against the other
28 member insurers in a manner consistent with the basis for
29 assessments set forth in sub-sub-subparagraph 2.d.(I) or
30 sub-sub-subparagraph 2.d.(II).

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1 5.a. The plan of operation may include deductibles and
2 rules for classification of risks and rate modifications
3 consistent with the objective of providing and maintaining
4 funds sufficient to pay catastrophe losses.

5 b. The association may require arbitration of a rate
6 filing under s. 627.062(6). It is the intent of the
7 Legislature that the rates for coverage provided by the
8 association be actuarially sound and not competitive with
9 approved rates charged in the admitted voluntary market such
10 that the association functions as a residual market mechanism
11 to provide insurance only when the insurance cannot be
12 procured in the voluntary market. The plan of operation shall
13 provide a mechanism to assure that, beginning no later than
14 January 1, 1999, the rates charged by the association for each
15 line of business are reflective of approved rates in the
16 voluntary market for hurricane coverage for each line of
17 business in the various areas eligible for association
18 coverage.

19 c. The association shall provide for windstorm
20 coverage on residential properties in limits up to \$10 million
21 for commercial lines residential risks and up to \$1 million
22 for personal lines residential risks. If coverage with the
23 association is sought for a residential risk valued in excess
24 of these limits, coverage shall be available to the risk up to
25 the replacement cost or actual cash value of the property, at
26 the option of the insured, if coverage for the risk cannot be
27 located in the authorized market. The association must accept
28 a commercial lines residential risk with limits above \$10
29 million or a personal lines residential risk with limits above
30 \$1 million if coverage is not available in the authorized
31 market. The association may write coverage above the limits

1 specified in this subparagraph with or without facultative or
2 other reinsurance coverage, as the association determines
3 appropriate.

4 d. The plan of operation must provide objective
5 criteria and procedures, approved by the department, to be
6 uniformly applied for all applicants in determining whether an
7 individual risk is so hazardous as to be uninsurable. In
8 making this determination and in establishing the criteria and
9 procedures, the following shall be considered:

10 (I) Whether the likelihood of a loss for the
11 individual risk is substantially higher than for other risks
12 of the same class; and

13 (II) Whether the uncertainty associated with the
14 individual risk is such that an appropriate premium cannot be
15 determined.

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17 The acceptance or rejection of a risk by the association
18 pursuant to such criteria and procedures must be construed as
19 the private placement of insurance, and the provisions of
20 chapter 120 do not apply.

21 ~~e. The policies issued by the association must provide~~
22 ~~that if the association obtains an offer from an authorized~~
23 ~~insurer to cover the risk at its approved rates under either a~~
24 ~~standard policy including wind coverage or, if consistent with~~
25 ~~the insurer's underwriting rules as filed with the department,~~
26 ~~a basic policy including wind coverage, the risk is no longer~~
27 ~~eligible for coverage through the association. Upon~~
28 ~~termination of eligibility, the association shall provide~~
29 ~~written notice to the policyholder and agent of record stating~~
30 ~~that the association policy must be canceled as of 60 days~~
31 ~~after the date of the notice because of the offer of coverage~~

1 ~~from an authorized insurer. Other provisions of the insurance~~
2 ~~code relating to cancellation and notice of cancellation do~~
3 ~~not apply to actions under this sub-subparagraph.~~

4 e.f. Association policies and applications must
5 include a notice that the association policy could, under this
6 section, be replaced with a policy issued by an authorized
7 insurer that does not provide coverage identical to the
8 coverage provided by the association. The notice shall also
9 specify that acceptance of association coverage creates a
10 conclusive presumption that the applicant or policyholder is
11 aware of this potential.

12 6.a. The plan of operation may authorize the formation
13 of a private nonprofit corporation, a private nonprofit
14 unincorporated association, a partnership, a trust, a limited
15 liability company, or a nonprofit mutual company which may be
16 empowered, among other things, to borrow money by issuing
17 bonds or by incurring other indebtedness and to accumulate
18 reserves or funds to be used for the payment of insured
19 catastrophe losses. The plan may authorize all actions
20 necessary to facilitate the issuance of bonds, including the
21 pledging of assessments or other revenues.

22 b. Any entity created under this subsection, or any
23 entity formed for the purposes of this subsection, may sue and
24 be sued, may borrow money; issue bonds, notes, or debt
25 instruments; pledge or sell assessments, market equalization
26 surcharges and other surcharges, rights, premiums, contractual
27 rights, projected recoveries from the Florida Hurricane
28 Catastrophe Fund, other reinsurance recoverables, and other
29 assets as security for such bonds, notes, or debt instruments;
30 enter into any contracts or agreements necessary or proper to
31 accomplish such borrowings; and take other actions necessary

1 to carry out the purposes of this subsection. The association
2 may issue bonds or incur other indebtedness, or have bonds
3 issued on its behalf by a unit of local government pursuant to
4 subparagraph (g)2., in the absence of a hurricane or other
5 weather-related event, upon a determination by the association
6 subject to approval by the department that such action would
7 enable it to efficiently meet the financial obligations of the
8 association and that such financings are reasonably necessary
9 to effectuate the requirements of this subsection. Any such
10 entity may accumulate reserves and retain surpluses as of the
11 end of any association year to provide for the payment of
12 losses incurred by the association during that year or any
13 future year. The association shall incorporate and continue
14 the plan of operation and articles of agreement in effect on
15 the effective date of chapter 76-96, Laws of Florida, to the
16 extent that it is not inconsistent with chapter 76-96, and as
17 subsequently modified consistent with chapter 76-96. The board
18 of directors and officers currently serving shall continue to
19 serve until their successors are duly qualified as provided
20 under the plan. The assets and obligations of the plan in
21 effect immediately prior to the effective date of chapter
22 76-96 shall be construed to be the assets and obligations of
23 the successor plan created herein.

24 c. In recognition of s. 10, Art. I of the State
25 Constitution, prohibiting the impairment of obligations of
26 contracts, it is the intent of the Legislature that no action
27 be taken whose purpose is to impair any bond indenture or
28 financing agreement or any revenue source committed by
29 contract to such bond or other indebtedness issued or incurred
30 by the association or any other entity created under this
31 subsection.

1 7. On such coverage, an agent's remuneration shall be
2 that amount of money payable to the agent by the terms of his
3 or her contract with the company with which the business is
4 placed. However, no commission will be paid on that portion of
5 the premium which is in excess of the standard premium of that
6 company.

7 8. Subject to approval by the department, the
8 association may establish different eligibility requirements
9 and operational procedures for any line or type of coverage
10 for any specified eligible area or portion of an eligible area
11 if the board determines that such changes to the eligibility
12 requirements and operational procedures are justified due to
13 the voluntary market being sufficiently stable and competitive
14 in such area or for such line or type of coverage and that
15 consumers who, in good faith, are unable to obtain insurance
16 through the voluntary market through ordinary methods would
17 continue to have access to coverage from the association. When
18 coverage is sought in connection with a real property
19 transfer, such requirements and procedures shall not provide
20 for an effective date of coverage later than the date of the
21 closing of the transfer as established by the transferor, the
22 transferee, and, if applicable, the lender.

23 9. Notwithstanding any other provision of law:

24 a. The pledge or sale of, the lien upon, and the
25 security interest in any rights, revenues, or other assets of
26 the association created or purported to be created pursuant to
27 any financing documents to secure any bonds or other
28 indebtedness of the association shall be and remain valid and
29 enforceable, notwithstanding the commencement of and during
30 the continuation of, and after, any rehabilitation,
31 insolvency, liquidation, bankruptcy, receivership,

1 conservatorship, reorganization, or similar proceeding against
2 the association under the laws of this state or any other
3 applicable laws.

4 b. No such proceeding shall relieve the association of
5 its obligation, or otherwise affect its ability to perform its
6 obligation, to continue to collect, or levy and collect,
7 assessments, market equalization or other surcharges,
8 projected recoveries from the Florida Hurricane Catastrophe
9 Fund, reinsurance recoverables, or any other rights, revenues,
10 or other assets of the association pledged.

11 c. Each such pledge or sale of, lien upon, and
12 security interest in, including the priority of such pledge,
13 lien, or security interest, any such assessments, emergency
14 assessments, market equalization or renewal surcharges,
15 projected recoveries from the Florida Hurricane Catastrophe
16 Fund, reinsurance recoverables, or other rights, revenues, or
17 other assets which are collected, or levied and collected,
18 after the commencement of and during the pendency of or after
19 any such proceeding shall continue unaffected by such
20 proceeding.

21 d. As used in this subsection, the term "financing
22 documents" means any agreement, instrument, or other document
23 now existing or hereafter created evidencing any bonds or
24 other indebtedness of the association or pursuant to which any
25 such bonds or other indebtedness has been or may be issued and
26 pursuant to which any rights, revenues, or other assets of the
27 association are pledged or sold to secure the repayment of
28 such bonds or indebtedness, together with the payment of
29 interest on such bonds or such indebtedness, or the payment of
30 any other obligation of the association related to such bonds
31 or indebtedness.

1 e. Any such pledge or sale of assessments, revenues,
2 contract rights or other rights or assets of the association
3 shall constitute a lien and security interest, or sale, as the
4 case may be, that is immediately effective and attaches to
5 such assessments, revenues, contract, or other rights or
6 assets, whether or not imposed or collected at the time the
7 pledge or sale is made. Any such pledge or sale is effective,
8 valid, binding, and enforceable against the association or
9 other entity making such pledge or sale, and valid and binding
10 against and superior to any competing claims or obligations
11 owed to any other person or entity, including policyholders in
12 this state, asserting rights in any such assessments,
13 revenues, contract, or other rights or assets to the extent
14 set forth in and in accordance with the terms of the pledge or
15 sale contained in the applicable financing documents, whether
16 or not any such person or entity has notice of such pledge or
17 sale and without the need for any physical delivery,
18 recordation, filing, or other action.

19 f. There shall be no liability on the part of, and no
20 cause of action of any nature shall arise against, any member
21 insurer or its agents or employees, agents or employees of the
22 association, members of the board of directors of the
23 association, or the department or its representatives, for any
24 action taken by them in the performance of their duties or
25 responsibilities under this subsection. Such immunity does not
26 apply to actions for breach of any contract or agreement
27 pertaining to insurance, or any willful tort.

28 Section 4. Subsection (5) of section 627.3511, Florida
29 Statutes, is amended to read:

30 627.3511 Depopulation of Residential Property and
31 Casualty Joint Underwriting Association.--

1 (5) APPLICABILITY.--

2 (a) The take-out bonus provided by subsection (2) and
3 the exemption from assessment provided by paragraph (3)(a)
4 apply only if the association policy is replaced by either a
5 standard policy including wind coverage or, if consistent with
6 the insurer's underwriting rules as filed with the department,
7 a basic policy including wind coverage; however, with respect
8 to risks located in areas where coverage through the Florida
9 Windstorm Underwriting Association is available, the
10 replacement policy need not provide wind coverage. The insurer
11 must renew the replacement policy at approved rates on
12 substantially similar terms for two additional 1-year terms,
13 unless canceled by the insurer for a lawful reason other than
14 reduction of hurricane exposure. If an insurer assumes the
15 association's obligations for a policy, it must issue a
16 replacement policy for a 1-year term upon expiration of the
17 association policy and must renew the replacement policy at
18 approved rates on substantially similar terms for two
19 additional 1-year terms, unless canceled by the insurer for a
20 lawful reason other than reduction of hurricane exposure. For
21 each replacement policy canceled or nonrenewed by the insurer
22 for any reason during the 3-year coverage period required by
23 this paragraph, the insurer must remove from the association
24 one additional policy covering a risk similar to the risk
25 covered by the canceled or nonrenewed policy. In addition to
26 these requirements, the association must place the bonus
27 moneys in escrow for a period of 3 years; such moneys may be
28 released from escrow only to pay claims. A take-out bonus
29 provided by subsection (2) or subsection (6) shall not be
30 considered premium income for purposes of taxes and
31 assessments under the Florida Insurance Code and shall remain

1 the property of the Residential Property and Casualty Joint
2 Underwriting Association, subject to the prior security
3 interest of the insurer under the escrow agreement until it is
4 released from escrow, and after it is released from escrow it
5 shall be considered an asset of the insurer and credited to
6 the insurer's capital and surplus.

7 ~~(b) An insurer or agent may not qualify for a bonus or~~
8 ~~exemption from assessment under this section after the number~~
9 ~~of risks covered by the Residential Property and Casualty~~
10 ~~Joint Underwriting Association is less than 250,000.~~

11 (b)(c) It is the intent of the Legislature that an
12 insurer eligible for the exemption under paragraph (3)(a)
13 establish a preference in appointment of agents for those
14 agents who lose a substantial amount of business as a result
15 of risks being removed from the association.

16 Section 5. Section 627.35115, Florida Statutes, is
17 created to read:

18 627.35115 Depopulation of Florida Windstorm
19 Underwriting Association.--

20 (1)(a) If an insurer removes a policy from the
21 association when the policy is to be renewed, the insurer may
22 offer to the named insured a policy providing wind and
23 non-wind property damage coverage. The removing insurer shall
24 give the named insured at least 45 days' advance written
25 notice of the renewal premium. The removing insurer shall, at
26 least 90 days before the renewal date of the policy, provide
27 notice of the proposed removal to the insured, to the insurer
28 currently providing non-wind property damage coverage to the
29 insured, and to the current insurer's agent of record. Upon
30 receipt of the notice, the insurer currently providing
31 non-wind property damage coverage may offer the named insured

1 a policy providing wind and non-wind property damage coverage.
2 The insurer currently providing non-wind property damage
3 coverage shall, at least 45 days before the renewal date,
4 either make a written offer to provide wind and non-wind
5 property damage coverage to the named insured, which written
6 offer must include the premium for the coverage, or notify the
7 named insured in writing that it declines to make such an
8 offer. If the insurer providing non-wind property damage
9 coverage declines to make an offer for wind and non-wind
10 property damage coverage as permitted in this paragraph, the
11 insured is subject to the removing insurer's offer and is
12 ineligible for association coverage. If the insurer providing
13 non-wind property damage coverage makes an offer for wind and
14 non-wind property damage coverage as permitted in this
15 paragraph, the insured may accept either that offer or the
16 offer of the removing insurer. Forty-five days before the
17 renewal date, the association shall provide written notice to
18 the policyholder that the association policy will not be
19 renewed because of the offer of coverage by the removing
20 insurer.

21 (b) If an insurer removes a policy from the
22 association at a time other than when the policy is to be
23 renewed, the insurer shall assume only the wind coverage for
24 the named insured for the duration of the association policy
25 and shall provide written notice of the assumption to the
26 named insured. Upon renewal of the policy, the removing
27 insurer may offer to the insured a policy providing wind and
28 non-wind property damage coverage, pursuant to paragraph (a).

29 (c) The notice provisions of paragraphs (a) and (b)
30 control over other notice provisions of this code,

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1 notwithstanding the notice provisions of s. 627.4133 or any
2 other provisions of this code.

3 (2) Any policy removal must be approved by the board
4 of the association. Upon written notice of the approval, the
5 department may, within 30 days after the notice, reject the
6 insurer's take-out plan based on the following criteria:

7 (a) The operational and financial capacity of the
8 insurer to absorb the policies proposed to be taken out of the
9 association and the concentration of risks of those policies;

10 (b) Whether the risk characteristics of policies in
11 the proposed take-out plan serve to reduce the exposure of the
12 association caused by adverse policy concentration;

13 (c) Whether the proposed removal policy provides
14 substantially similar coverage at a reasonable rate to that
15 which is being replaced; and

16 (d) Whether the proposed removal complies with the
17 provisions of this section and all other applicable provisions
18 of this code and the rules adopted thereunder and is otherwise
19 in the best interest of the insurance-buying public.

20 (3)(a) If the removal of policies is accomplished at a
21 time other than when the policies are to be renewed, by
22 assumption of obligations with respect to the in-force
23 policies, the association shall pay to the assuming insurer
24 all unearned premium with respect to such policies, less any
25 policy acquisition costs agreed to by the association and
26 assuming insurer. As used in this paragraph, the term "policy
27 acquisition costs" means the costs of issuance of the policy
28 by the association which include agent commissions, servicing
29 company fees, and premium tax.

30 (b) When the association enters into a contract for a
31 take-out plan, the producing agent of record of the

1 association policy is entitled to retain any unearned
2 commission on such policy, and, upon renewal of the policy,
3 the insurer shall offer to:

4 1. Pay to the producing agent of record of the
5 association policy an amount equal to the insurer's usual and
6 customary 1-year commission for the type of policy written; or

7 2. Allow the producing agent of record of the
8 association policy to continue servicing the policy for a
9 period of not less than 1 year and offer to pay the agent the
10 insurer's usual and customary commission for the type of
11 policy written. The insurer need not take any further action
12 if the offer is rejected.

13
14 This paragraph does not apply if the agent is also the agent
15 of record on the new renewal policy. The requirement of this
16 paragraph that the producing agent of record is entitled to
17 retain the unearned commission on an association policy does
18 not apply to a policy for which coverage has been provided in
19 the association for 30 days or less or for which an offer to
20 remove the policy pursuant to this section has been received
21 by the association during the first 30 days of coverage.

22 (4) If an insurer removes an association policy when
23 the association policy is to be renewed, the insurer must
24 renew the replacement policy on substantially similar terms
25 for two additional 1-year terms, unless canceled by the
26 insurer for a lawful reason and not for the reduction of
27 hurricane-risk exposure. If an insurer assumes the
28 association's obligations for a policy, it must issue a
29 replacement policy for a 1-year term upon expiration of the
30 association policy and must renew the replacement policy on
31 substantially similar terms for two additional 1-year terms,

1 unless canceled by the insurer for a lawful reason and not for
2 the reduction of hurricane-risk exposure.

3 Section 6. Subsection (2) of section 627.4091, Florida
4 Statutes, is amended to read:

5 627.4091 Specific reasons for denial, cancellation, or
6 nonrenewal.--

7 (2)(a) Each notice of nonrenewal or cancellation must
8 be accompanied by the specific reasons for nonrenewal or
9 cancellation, including the specific underwriting reasons, if
10 applicable.

11 (b) An insurer may not cancel or nonrenew a policy
12 providing residential coverage as described in s. 627.4025(1)
13 for an underwriting reason unless the insurer provides the
14 policyholder, in writing, with the underwriting reason for the
15 cancellation or nonrenewal. The reason stated shall be based
16 upon a specific underwriting rule on file with the department
17 or contained in an approved rating manual of a licensed rating
18 organization of which the insurer is a subscriber or member,
19 cite to the specific underwriting rule being invoked as a
20 basis for the cancellation or nonrenewal, and state or
21 paraphrase such underwriting rule.

22 Section 7. Subsection (2) of 627.4133, Florida
23 Statutes, is amended and subsection (4) is added to that
24 section, to read:

25 627.4133 Notice of cancellation, nonrenewal, or
26 renewal premium.--

27 (2) With respect to any personal lines or commercial
28 residential property insurance policy, including, but not
29 limited to, any homeowner's, mobile home owner's, farmowner's,
30 condominium association, condominium unit owner's, apartment
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1 building, or other policy covering a residential structure or
2 its contents:

3 (a) The insurer shall give the named insured at least
4 45 days' advance written notice of the renewal premium.

5 (b) The insurer shall give the named insured written
6 notice of nonrenewal, cancellation, or termination at least 90
7 days prior to the effective date of the nonrenewal,
8 cancellation, or termination. The notice must include the
9 reason or reasons for the nonrenewal, cancellation, or
10 termination, except that:

11 1. When cancellation is for nonpayment of premium, at
12 least 10 days' written notice of cancellation accompanied by
13 the reason therefor shall be given.

14 2. When such cancellation or termination occurs during
15 the first 90 days during which the insurance is in force and
16 the insurance is canceled or terminated for reasons other than
17 nonpayment of premium, at least 20 days' written notice of
18 cancellation or termination accompanied by the reason therefor
19 shall be given except where there has been a ~~material~~
20 misstatement or misrepresentation either of which is material
21 to the acceptance of the risk or to the hazard assumed or
22 failure to comply with the underwriting requirements
23 established by the insurer. During the 20-day notice period,
24 if a cancellation or termination is for failure to comply with
25 an underwriting requirement established by the insurer, the
26 insurer must allow the insured 20 days within which to correct
27 the failure prior to the cancellation or termination, and, if
28 the failure is corrected, the policy must not be canceled or
29 terminated for that reason.

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1 After the policy has been in effect for 90 days, the policy
2 shall not be canceled by the insurer except when there has
3 been a material misstatement, a nonpayment of premium, a
4 failure to comply with the insurer's underwriting
5 requirements ~~established by the insurer~~ within 90 days after
6 notice to the policyholder of the failure, provided that the
7 policyholder does not correct the failure during this 90-day
8 period of the date of effectuation of coverage, or a
9 substantial change in the risk covered by the policy or when
10 the cancellation is for all insureds under such policies for a
11 given class of insureds. This paragraph does not apply to
12 individually rated risks having a policy term of less than 90
13 days.

14 (c) If the insurer fails to provide the notice
15 required by this subsection or fails to comply with the
16 requirements of s. 627.0651(13) or 627.4091, other than the
17 10-day notice, the coverage provided to the named insured
18 shall remain in effect until the effective date of replacement
19 coverage or until the expiration of a period of days after the
20 notice is given equal to the required notice period, whichever
21 occurs first. The premium for the coverage shall remain the
22 same during any such extension period except that, in the
23 event of failure to provide notice of nonrenewal, if the rate
24 filing then in effect would have resulted in a premium
25 reduction, the premium during such extension shall be
26 calculated based on the later rate filing.

27 (4) With respect to any personal lines residential
28 property insurance policy, if the insured property is sold,
29 and a replacement property is purchased by the named insured
30 within 6 months after the closing of the sale of the insured
31 property, the insurer providing the property insurance

1 coverage on the insured property sold shall offer
2 substantially similar coverage for such replacement property
3 if the replacement property is of a type for which the insurer
4 has approved rates and forms and is insurable pursuant to the
5 insurer's written underwriting rules filed with the
6 department.

7 Section 8. Section 627.4138, Florida Statutes, is
8 created to read:

9 627.4138 Residential coverage; restrictions on
10 cancellation or nonrenewal.--

11 (1) For purposes of this section, the term
12 "residential coverage" shall have the same meaning as provided
13 in s. 627.4025.

14 (2) An insurer may not cancel or nonrenew a policy of
15 residential coverage because of a property damage claim that
16 arose due to causes which were not within the control of the
17 policyholder and does not exceed 25 percent of the insured
18 value of the dwelling, unless there has been a similar claim
19 by the policyholder within the previous 5-year period.

20 (3) An insurer may not use as grounds for cancellation
21 or nonrenewal of a policy of residential coverage notice to
22 the insurer of damage to an insured property if a claim is not
23 filed.

24 (4) The provisions of this section shall supplement
25 and shall not restrict or replace any other provision of the
26 Florida Insurance Code relating to the cancellation or
27 nonrenewal of a policy of residential coverage.

28 Section 9. Subsection (3) of section 627.701, Florida
29 Statutes, is amended, and subsection (9) is added to that
30 section, to read:

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1 627.701 Liability of insureds; coinsurance;
2 deductibles.--
3 (3)(a) A policy of residential property insurance
4 shall include a deductible amount applicable to hurricane or
5 wind losses no lower than \$500 and no higher than 2 percent of
6 the policy dwelling limits with respect to personal lines
7 residential risks, and no higher than 3 percent of the policy
8 limits with respect to commercial lines residential risks;
9 however, if a risk was covered on August 24, 1992, under a
10 policy having a higher deductible than the deductibles allowed
11 by this paragraph, a policy covering such risk may include a
12 deductible no higher than the deductible in effect on August
13 24, 1992. Notwithstanding the other provisions of this
14 paragraph, a personal lines residential policy covering a risk
15 valued at \$50,000 or less may include a deductible amount
16 attributable to hurricane or wind losses no lower than \$250,
17 and a personal lines residential policy covering a risk valued
18 at \$150,000~~\$100,000~~ or more may include a deductible amount
19 attributable to hurricane or wind losses no higher than 5
20 percent of the policy limits unless subject to a higher
21 deductible on August 24, 1992; however, no maximum deductible
22 is required with respect to a personal lines residential
23 policy covering a risk valued at more than \$500,000. An
24 insurer may require a higher deductible, provided such
25 deductible is the same as or similar to a deductible program
26 lawfully in effect on June 14, 1995. In addition to the
27 deductible amounts authorized by this paragraph, an insurer
28 may also offer policies with a copayment provision under
29 which, after exhaustion of the deductible, the policyholder is
30 responsible for 10 percent of the next \$10,000 of insured
31 hurricane or wind losses.

1 (b)1. Except as otherwise provided in this paragraph,
2 prior to issuing a personal lines residential property
3 insurance policy on or after April 1, 1996, or prior to the
4 first renewal of a residential property insurance policy on or
5 after April 1, 1996, the insurer must offer alternative
6 deductible amounts applicable to hurricane or wind losses
7 equal to \$500 and 2 percent of the policy dwelling limits,
8 unless the 2 percent deductible is less than \$500. The written
9 notice of the offer shall specify the hurricane or wind
10 deductible to be applied in the event that the applicant or
11 policyholder fails to affirmatively choose a hurricane
12 deductible. The insurer must provide such policyholder with
13 notice of the availability of the deductible amounts specified
14 in this paragraph in a form specified by the department in
15 conjunction with each renewal of the policy. The failure to
16 provide such notice constitutes a violation of this code but
17 does not affect the coverage provided under the policy.

18 2. This paragraph does not apply with respect to a
19 deductible program lawfully in effect on June 14, 1995, or to
20 any similar deductible program, if the deductible program
21 requires a minimum deductible amount of no less than 2 percent
22 of the policy limits.

23 3. With respect to a policy covering a risk with
24 dwelling limits of at least ~~\$100,000~~ \$150,000, but less than
25 \$250,000, the insurer may, in lieu of offering a policy with a
26 \$500 hurricane or wind deductible as required by subparagraph
27 1., offer a policy that the insurer guarantees it will not
28 nonrenew for reasons of reducing hurricane loss for one
29 renewal period and that contains up to a 2 percent hurricane
30 or wind deductible as required by subparagraph 1.

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1 4. With respect to a policy covering a risk with
2 dwelling limits of \$250,000 or more, the insurer need not
3 offer the \$500 hurricane or wind deductible as required by
4 subparagraph 1., but must, except as otherwise provided in
5 this subsection, offer the 2 percent hurricane or wind
6 deductible as required by subparagraph 1.

7 (c) In order to provide for the transition from wind
8 deductibles to hurricane deductibles as required by this
9 subsection, an insurer is required to provide wind deductibles
10 meeting the requirements of this subsection until the
11 effective date of the insurer's first rate filing made after
12 January 1, 1997, and is thereafter required to provide
13 hurricane deductibles meeting the requirements of this
14 subsection.

15 (9) For purposes of this section, the term:

16 (a) "Hurricane or wind losses" means loss or damage
17 caused by the peril of windstorm during a hurricane, if such
18 loss or damage occurs in a county of this state in which the
19 county was in a hurricane warning area declared by the
20 National Hurricane Center of the National Weather Service, or
21 in which the National Hurricane Center determines that an area
22 of the county sustained hurricane force winds. The term
23 includes ensuing damage to the interior of a building, or to
24 property inside a building, caused by rain, snow, sleet, hail,
25 sand, or dust if the direct force of the windstorm first
26 damages the building, causing an opening through which rain,
27 snow, sleet, hail, sand, or dust enters and causes damage.

28 (b) "Windstorm" for purposes of paragraph (a) means
29 wind, wind gusts, hail, rain, tornadoes, or cyclones caused by
30 or resulting from a hurricane which results in direct physical
31 loss or damage to property.

1 (c) "Hurricane" for purposes of paragraphs (a) and (b)
2 means a storm system that has been declared to be a hurricane
3 by the National Hurricane Center. The duration of the
4 hurricane includes the time period, in this state, beginning
5 at the time a hurricane watch or hurricane warning is issued
6 for any part of this state by the National Hurricane Center,
7 continuing for the time period during which the hurricane
8 conditions exist anywhere in this state, and ending 72 hours
9 following the termination of the last hurricane watch or
10 hurricane warning issued for any part of Florida by the
11 National Hurricane Center of the National Weather Service.

12 Section 10. Paragraph (b) of subsection (5) of section
13 627.3511, Florida Statutes, is repealed.

14 Section 11. This act shall take effect July 1, 1999.
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SENATE SUMMARY

Requires insurers to provide discounts, credits, or other rate differentials in their rating manuals. Clarifies the application of discounts for mobile home owner's insurance rate filings. Requires insurers to implement discounts or rate differentials for mobile home insurance premiums. Revises the conditions under which an insurer or agent may qualify for a bonus or exception from assessment with respect to the Residential Property and Casualty Joint Underwriting Association. Prohibits insurers from canceling or nonrenewing residential policies without notice. Provides additional requirements relating to notice of cancellation or nonrenewal. Requires insurers to offer coverage for replacement property. Provides restrictions on cancellation or nonrenewal of residential coverage. Increases the value of a risk at which hurricane or wind loss deductible provisions apply and provides definitions governing the applicability of hurricane and wind loss deductible provisions. Authorizes certain surplus lines insurers to remove and insure policies from the Florida Windstorm Underwriting Association under certain circumstances. Revises the provisions of Florida Windstorm Underwriting Association policies. Revises the conditions under which an insurer or agent may qualify for a bonus or exception from assessment with respect to the Residential Property and Casualty Joint Underwriting Association. Provides conditions, procedures, and criteria for the removal of policies from the Florida Windstorm Underwriting Association. Establishes procedures regarding agent commissions for policies removed from the Florida Windstorm Underwriting Association. Establishes requirements for the renewal of policies removed from the Florida Windstorm Underwriting Association.