

HB 1307

2007

1 A bill to be entitled
2 An act relating to property insurance; amending s.
3 624.404, F.S.; prohibiting certain insurers from
4 transacting residential property insurance business under
5 certain circumstances; prohibiting private passenger
6 automobile insurance insurers from writing such insurance
7 under certain circumstances; amending s. 627.062, F.S.;
8 deleting "use and file" provisions; amending s. 627.351,
9 F.S.; eliminating the distinction between homestead and
10 nonhomestead properties for coverage under the Citizens
11 Property Insurance Corporation; creating s. 627.70185,
12 F.S.; providing a prohibition and requirements for
13 insurers in denying coverage; providing an effective date.

14
15 Be It Enacted by the Legislature of the State of Florida:

16
17 Section 1. Subsection (8) is added to section 624.404,
18 Florida Statutes, to read:

19 624.404 General eligibility of insurers for certificate of
20 authority.--To qualify for and hold authority to transact
21 insurance in this state, an insurer must be otherwise in
22 compliance with this code and with its charter powers and must
23 be an incorporated stock insurer, an incorporated mutual
24 insurer, or a reciprocal insurer, of the same general type as
25 may be formed as a domestic insurer under this code; except
26 that:

27 (8) Effective January 1, 2008, a new certificate of
28 authority may not be issued to an insurer domiciled in this

HB 1307

2007

29 state for the transaction of residential property insurance
30 business in this state if the insurer is a wholly owned
31 subsidiary of an insurer authorized in any other state.

32 Section 2. Effective January 1, 2008, an insurer writing
33 private passenger automobile insurance in this state may not
34 continue to write such insurance if the insurer writes
35 homeowners' insurance in another state but not in this state
36 unless the insurer writing private passenger automobile
37 insurance in this state is affiliated with an insurer writing
38 homeowners' insurance in this state.

39 Section 3. Paragraphs (a) and (h) of subsection (2) of
40 section 627.062, Florida Statutes, as amended by section 18 of
41 chapter 2007-1, Laws of Florida, are amended to read:

42 627.062 Rate standards.--

43 (2) As to all such classes of insurance:

44 (a) Insurers or rating organizations shall establish and
45 use rates, rating schedules, or rating manuals to allow the
46 insurer a reasonable rate of return on such classes of insurance
47 written in this state. A copy of rates, rating schedules, rating
48 manuals, premium credits or discount schedules, and surcharge
49 schedules, and changes thereto, shall be filed with the office
50 under one of the following procedures except as provided in
51 subparagraph 3.:

52 1. If the filing is made at least 90 days before the
53 proposed effective date and the filing is not implemented during
54 the office's review of the filing and any proceeding and
55 judicial review, then such filing shall be considered a "file
56 and use" filing. In such case, the office shall finalize its

HB 1307

2007

57 review by issuance of a notice of intent to approve or a notice
58 of intent to disapprove within 90 days after receipt of the
59 filing. The notice of intent to approve and the notice of intent
60 to disapprove constitute agency action for purposes of the
61 Administrative Procedure Act. Requests for supporting
62 information, requests for mathematical or mechanical
63 corrections, or notification to the insurer by the office of its
64 preliminary findings shall not toll the 90-day period during any
65 such proceedings and subsequent judicial review. The rate shall
66 be deemed approved if the office does not issue a notice of
67 intent to approve or a notice of intent to disapprove within 90
68 days after receipt of the filing.

69 ~~2. If the filing is not made in accordance with the~~
70 ~~provisions of subparagraph 1., such filing shall be made as soon~~
71 ~~as practicable, but no later than 30 days after the effective~~
72 ~~date, and shall be considered a "use and file" filing. An~~
73 ~~insurer making a "use and file" filing is potentially subject to~~
74 ~~an order by the office to return to policyholders portions of~~
75 ~~rates found to be excessive, as provided in paragraph (h).~~

76 2.3. For all filings made on or before December 31, 2008,
77 an insurer seeking a rate that is greater than the rate most
78 recently approved by the office shall make a "file and use"
79 filing.

80 (h) In the event the office finds that a rate or rate
81 change is excessive, inadequate, or unfairly discriminatory, the
82 office shall issue an order of disapproval specifying that a new
83 rate or rate schedule which responds to the findings of the
84 office be filed by the insurer. ~~The office shall further order,~~

85 ~~for any "use and file" filing made in accordance with~~
 86 ~~subparagraph (a)2., that premiums charged each policyholder~~
 87 ~~constituting the portion of the rate above that which was~~
 88 ~~actuarially justified be returned to such policyholder in the~~
 89 ~~form of a credit or refund.~~ If the office finds that an
 90 insurer's rate or rate change is inadequate, the new rate or
 91 rate schedule filed with the office in response to such a
 92 finding shall be applicable only to new or renewal business of
 93 the insurer written on or after the effective date of the
 94 responsive filing.

95
 96 The provisions of this subsection shall not apply to workers'
 97 compensation and employer's liability insurance and to motor
 98 vehicle insurance.

99 Section 4. Paragraphs (a) and (b) of subsection (6) of
 100 section 627.351, Florida Statutes, as amended by section 21 of
 101 chapter 2007-1, Laws of Florida, are amended to read:

102 627.351 Insurance risk apportionment plans.--

103 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

104 (a)1. The Legislature finds that actual and threatened
 105 catastrophic losses to property in this state from hurricanes
 106 have caused insurers to be unwilling or unable to provide
 107 property insurance coverage to the extent sought and needed. It
 108 is in the public interest and a public purpose to assist in
 109 assuring that property in the state is insured so as to
 110 facilitate the remediation, reconstruction, and replacement of
 111 damaged or destroyed property in order to reduce or avoid the
 112 negative effects otherwise resulting to the public health,

HB 1307

2007

113 safety, and welfare; to the economy of the state; and to the
114 revenues of the state and local governments needed to provide
115 for the public welfare. It is necessary, therefore, to provide
116 property insurance to applicants who are in good faith entitled
117 to procure insurance through the voluntary market but are unable
118 to do so. The Legislature intends by this subsection that
119 property insurance be provided and that it continues, as long as
120 necessary, through an entity organized to achieve efficiencies
121 and economies, while providing service to policyholders,
122 applicants, and agents that is no less than the quality
123 generally provided in the voluntary market, all toward the
124 achievement of the foregoing public purposes. Because it is
125 essential for the corporation to have the maximum financial
126 resources to pay claims following a catastrophic hurricane, it
127 is the intent of the Legislature that the income of the
128 corporation be exempt from federal income taxation and that
129 interest on the debt obligations issued by the corporation be
130 exempt from federal income taxation.

131 2. The Residential Property and Casualty Joint
132 Underwriting Association originally created by this statute
133 shall be known, as of July 1, 2002, as the Citizens Property
134 Insurance Corporation. The corporation shall provide insurance
135 for residential and commercial property, for applicants who are
136 in good faith entitled, but are unable, to procure insurance
137 through the voluntary market. The corporation shall operate
138 pursuant to a plan of operation approved by order of the
139 Financial Services Commission. The plan is subject to continuous
140 review by the commission. The commission may, by order, withdraw

HB 1307

2007

141 approval of all or part of a plan if the commission determines
142 that conditions have changed since approval was granted and that
143 the purposes of the plan require changes in the plan. The
144 corporation shall continue to operate pursuant to the plan of
145 operation approved by the Office of Insurance Regulation until
146 October 1, 2006. For the purposes of this subsection,
147 residential coverage includes both personal lines residential
148 coverage, which consists of the type of coverage provided by
149 homeowner's, mobile home owner's, dwelling, tenant's,
150 condominium unit owner's, and similar policies, and commercial
151 lines residential coverage, which consists of the type of
152 coverage provided by condominium association, apartment
153 building, and similar policies.

154 ~~3. For the purposes of this subsection, the term~~
155 ~~"homestead property" means:~~

156 ~~a. Property that has been granted a homestead exemption~~
157 ~~under chapter 196;~~

158 ~~b. Property for which the owner has a current, written~~
159 ~~lease with a renter for a term of at least 7 months and for~~
160 ~~which the dwelling is insured by the corporation for \$200,000 or~~
161 ~~less;~~

162 ~~e. An owner occupied mobile home or manufactured home, as~~
163 ~~defined in s. 320.01, which is permanently affixed to real~~
164 ~~property, is owned by a Florida resident, and has been granted a~~
165 ~~homestead exemption under chapter 196 or, if the owner does not~~
166 ~~own the real property, the owner certifies that the mobile home~~
167 ~~or manufactured home is his or her principal place of residence;~~

168 ~~d. Tenant's coverage;~~

Page 6 of 20

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

hb1307-00

HB 1307

2007

169 ~~e. Commercial lines residential property; or~~
170 ~~f. Any county, district, or municipal hospital; a hospital~~
171 ~~licensed by any not-for-profit corporation qualified under s.~~
172 ~~501(e)(3) of the United States Internal Revenue Code; or a~~
173 ~~continuing care retirement community that is certified under~~
174 ~~chapter 651 and that receives an exemption from ad valorem taxes~~
175 ~~under chapter 196.~~

176 ~~4. For the purposes of this subsection, the term~~
177 ~~"nonhomestead property" means property that is not homestead~~
178 ~~property.~~

179 3.5. Effective July 1, 2008, a personal lines residential
180 structure that has a dwelling replacement cost of \$1 million or
181 more, or a single condominium unit that has a combined dwelling
182 and content replacement cost of \$1 million or more is not
183 eligible for coverage by the corporation. Such dwellings insured
184 by the corporation on June 30, 2008, may continue to be covered
185 by the corporation until the end of the policy term. However,
186 such dwellings that are insured by the corporation and become
187 ineligible for coverage due to the provisions of this
188 subparagraph may reapply and obtain coverage in the high-risk
189 account ~~and be considered "nonhomestead property"~~ if the
190 property owner provides the corporation with a sworn affidavit
191 from one or more insurance agents, on a form provided by the
192 corporation, stating that the agents have made their best
193 efforts to obtain coverage and that the property has been
194 rejected for coverage by at least one authorized insurer and at
195 least three surplus lines insurers. If such conditions are met,
196 the dwelling may be insured by the corporation for up to 3

HB 1307

2007

197 years, after which time the dwelling is ineligible for coverage.
198 The office shall approve the method used by the corporation for
199 valuing the dwelling replacement cost for the purposes of this
200 subparagraph. If a policyholder is insured by the corporation
201 prior to being determined to be ineligible pursuant to this
202 subparagraph and such policyholder files a lawsuit challenging
203 the determination, the policyholder may remain insured by the
204 corporation until the conclusion of the litigation.

205 ~~4.6.~~ For properties constructed on or after January 1,
206 2009, the corporation may not insure any property located within
207 2,500 feet landward of the coastal construction control line
208 created pursuant to s. 161.053 unless the property meets the
209 requirements of the code-plus building standards developed by
210 the Florida Building Commission.

211 ~~5.7.~~ It is the intent of the Legislature that
212 policyholders, applicants, and agents of the corporation receive
213 service and treatment of the highest possible level but never
214 less than that generally provided in the voluntary market. It
215 also is intended that the corporation be held to service
216 standards no less than those applied to insurers in the
217 voluntary market by the office with respect to responsiveness,
218 timeliness, customer courtesy, and overall dealings with
219 policyholders, applicants, or agents of the corporation.

220 (b)1. All insurers authorized to write one or more subject
221 lines of business in this state are subject to assessment by the
222 corporation and, for the purposes of this subsection, are
223 referred to collectively as "assessable insurers." Insurers
224 writing one or more subject lines of business in this state

HB 1307

2007

225 | pursuant to part VIII of chapter 626 are not assessable
226 | insurers, but insureds who procure one or more subject lines of
227 | business in this state pursuant to part VIII of chapter 626 are
228 | subject to assessment by the corporation and are referred to
229 | collectively as "assessable insureds." An authorized insurer's
230 | assessment liability shall begin on the first day of the
231 | calendar year following the year in which the insurer was issued
232 | a certificate of authority to transact insurance for subject
233 | lines of business in this state and shall terminate 1 year after
234 | the end of the first calendar year during which the insurer no
235 | longer holds a certificate of authority to transact insurance
236 | for subject lines of business in this state.

237 | 2.a. All revenues, assets, liabilities, losses, and
238 | expenses of the corporation shall be divided into three separate
239 | accounts as follows:

240 | (I) A personal lines account for personal residential
241 | policies issued by the corporation or issued by the Residential
242 | Property and Casualty Joint Underwriting Association and renewed
243 | by the corporation that provide comprehensive, multiperil
244 | coverage on risks that are not located in areas eligible for
245 | coverage in the Florida Windstorm Underwriting Association as
246 | those areas were defined on January 1, 2002, and for such
247 | policies that do not provide coverage for the peril of wind on
248 | risks that are located in such areas;

249 | (II) A commercial lines account for commercial residential
250 | and commercial nonresidential policies issued by the corporation
251 | or issued by the Residential Property and Casualty Joint
252 | Underwriting Association and renewed by the corporation that

HB 1307

2007

253 provide coverage for basic property perils on risks that are not
254 located in areas eligible for coverage in the Florida Windstorm
255 Underwriting Association as those areas were defined on January
256 1, 2002, and for such policies that do not provide coverage for
257 the peril of wind on risks that are located in such areas; and
258 (III) A high-risk account for personal residential
259 policies and commercial residential and commercial
260 nonresidential property policies issued by the corporation or
261 transferred to the corporation that provide coverage for the
262 peril of wind on risks that are located in areas eligible for
263 coverage in the Florida Windstorm Underwriting Association as
264 those areas were defined on January 1, 2002. Subject to the
265 approval of a business plan by the Financial Services Commission
266 and Legislative Budget Commission as provided in this sub-sub-
267 subparagraph, but no earlier than March 31, 2007, the
268 corporation may offer policies that provide multiperil coverage
269 and the corporation shall continue to offer policies that
270 provide coverage only for the peril of wind for risks located in
271 areas eligible for coverage in the high-risk account. In issuing
272 multiperil coverage, the corporation may use its approved policy
273 forms and rates for the personal lines account. An applicant or
274 insured who is eligible to purchase a multiperil policy from the
275 corporation may purchase a multiperil policy from an authorized
276 insurer without prejudice to the applicant's or insured's
277 eligibility to prospectively purchase a policy that provides
278 coverage only for the peril of wind from the corporation. An
279 applicant or insured who is eligible for a corporation policy
280 that provides coverage only for the peril of wind may elect to

281 purchase or retain such policy and also purchase or retain
282 coverage excluding wind from an authorized insurer without
283 prejudice to the applicant's or insured's eligibility to
284 prospectively purchase a policy that provides multiperil
285 coverage from the corporation. It is the goal of the Legislature
286 that there would be an overall average savings of 10 percent or
287 more for a policyholder who currently has a wind-only policy
288 with the corporation, and an ex-wind policy with a voluntary
289 insurer or the corporation, and who then obtains a multiperil
290 policy from the corporation. It is the intent of the Legislature
291 that the offer of multiperil coverage in the high-risk account
292 be made and implemented in a manner that does not adversely
293 affect the tax-exempt status of the corporation or
294 creditworthiness of or security for currently outstanding
295 financing obligations or credit facilities of the high-risk
296 account, the personal lines account, or the commercial lines
297 account. By March 1, 2007, the corporation shall prepare and
298 submit for approval by the Financial Services Commission and
299 Legislative Budget Commission a report detailing the
300 corporation's business plan for issuing multiperil coverage in
301 the high-risk account. The business plan shall be approved or
302 disapproved within 30 days after receipt, as submitted or
303 modified and resubmitted by the corporation. The business plan
304 must include: the impact of such multiperil coverage on the
305 corporation's financial resources, the impact of such multiperil
306 coverage on the corporation's tax-exempt status, the manner in
307 which the corporation plans to implement the processing of
308 applications and policy forms for new and existing

HB 1307

2007

309 | policyholders, the impact of such multiperil coverage on the
310 | corporation's ability to deliver customer service at the high
311 | level required by this subsection, the ability of the
312 | corporation to process claims, the ability of the corporation to
313 | quote and issue policies, the impact of such multiperil coverage
314 | on the corporation's agents, the impact of such multiperil
315 | coverage on the corporation's existing policyholders, and the
316 | impact of such multiperil coverage on rates and premium. The
317 | high-risk account must also include quota share primary
318 | insurance under subparagraph (c)2. The area eligible for
319 | coverage under the high-risk account also includes the area
320 | within Port Canaveral, which is bordered on the south by the
321 | City of Cape Canaveral, bordered on the west by the Banana
322 | River, and bordered on the north by Federal Government property.

323 | b. The three separate accounts must be maintained as long
324 | as financing obligations entered into by the Florida Windstorm
325 | Underwriting Association or Residential Property and Casualty
326 | Joint Underwriting Association are outstanding, in accordance
327 | with the terms of the corresponding financing documents. When
328 | the financing obligations are no longer outstanding, in
329 | accordance with the terms of the corresponding financing
330 | documents, the corporation may use a single account for all
331 | revenues, assets, liabilities, losses, and expenses of the
332 | corporation. Consistent with the requirement of this
333 | subparagraph and prudent investment policies that minimize the
334 | cost of carrying debt, the board shall exercise its best efforts
335 | to retire existing debt or to obtain approval of necessary
336 | parties to amend the terms of existing debt, so as to structure

HB 1307

2007

337 the most efficient plan to consolidate the three separate
338 accounts into a single account. By February 1, 2007, the board
339 shall submit a report to the Financial Services Commission, the
340 President of the Senate, and the Speaker of the House of
341 Representatives which includes an analysis of consolidating the
342 accounts, the actions the board has taken to minimize the cost
343 of carrying debt, and its recommendations for executing the most
344 efficient plan.

345 c. Creditors of the Residential Property and Casualty
346 Joint Underwriting Association shall have a claim against, and
347 recourse to, the accounts referred to in sub-sub-subparagraphs
348 a.(I) and (II) and shall have no claim against, or recourse to,
349 the account referred to in sub-sub-subparagraph a.(III).

350 Creditors of the Florida Windstorm Underwriting Association
351 shall have a claim against, and recourse to, the account
352 referred to in sub-sub-subparagraph a.(III) and shall have no
353 claim against, or recourse to, the accounts referred to in sub-
354 sub-subparagraphs a.(I) and (II).

355 d. Revenues, assets, liabilities, losses, and expenses not
356 attributable to particular accounts shall be prorated among the
357 accounts.

358 e. The Legislature finds that the revenues of the
359 corporation are revenues that are necessary to meet the
360 requirements set forth in documents authorizing the issuance of
361 bonds under this subsection.

362 f. No part of the income of the corporation may inure to
363 the benefit of any private person.

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

HB 1307

2007

365 a. When the deficit incurred in a particular calendar year
366 is not greater than 10 percent of the aggregate statewide direct
367 written premium for the subject lines of business for the prior
368 calendar year, the entire deficit shall be recovered through
369 regular assessments of assessable insurers under paragraph (p)
370 and assessable insureds.

371 b. When the deficit incurred in a particular calendar year
372 exceeds 10 percent of the aggregate statewide direct written
373 premium for the subject lines of business for the prior calendar
374 year, the corporation shall levy regular assessments on
375 assessable insurers under paragraph (p) and on assessable
376 insureds in an amount equal to the greater of 10 percent of the
377 deficit or 10 percent of the aggregate statewide direct written
378 premium for the subject lines of business for the prior calendar
379 year. Any remaining deficit shall be recovered through emergency
380 assessments under sub-subparagraph d.

381 c. Each assessable insurer's share of the amount being
382 assessed under sub-subparagraph a. or sub-subparagraph b. shall
383 be in the proportion that the assessable insurer's direct
384 written premium for the subject lines of business for the year
385 preceding the assessment bears to the aggregate statewide direct
386 written premium for the subject lines of business for that year.
387 The assessment percentage applicable to each assessable insured
388 is the ratio of the amount being assessed under sub-subparagraph
389 a. or sub-subparagraph b. to the aggregate statewide direct
390 written premium for the subject lines of business for the prior
391 year. Assessments levied by the corporation on assessable
392 insurers under sub-subparagraphs a. and b. shall be paid as

HB 1307

2007

393 required by the corporation's plan of operation and paragraph
394 (p). Notwithstanding any other provision of this subsection, the
395 aggregate amount of a regular assessment for a deficit incurred
396 in a particular calendar year shall be reduced by the estimated
397 amount to be received by the corporation from the Citizens
398 policyholder surcharge under subparagraph (c)11. and the amount
399 collected or estimated to be collected from the assessment on
400 Citizens policyholders pursuant to sub-subparagraph i.

401 Assessments levied by the corporation on assessable insureds
402 under sub-subparagraphs a. and b. shall be collected by the
403 surplus lines agent at the time the surplus lines agent collects
404 the surplus lines tax required by s. 626.932 and shall be paid
405 to the Florida Surplus Lines Service Office at the time the
406 surplus lines agent pays the surplus lines tax to the Florida
407 Surplus Lines Service Office. Upon receipt of regular
408 assessments from surplus lines agents, the Florida Surplus Lines
409 Service Office shall transfer the assessments directly to the
410 corporation as determined by the corporation.

411 d. Upon a determination by the board of governors that a
412 deficit in an account exceeds the amount that will be recovered
413 through regular assessments under sub-subparagraph a. or sub-
414 subparagraph b., the board shall levy, after verification by the
415 office, emergency assessments, for as many years as necessary to
416 cover the deficits, to be collected by assessable insurers and
417 the corporation and collected from assessable insureds upon
418 issuance or renewal of policies for subject lines of business,
419 excluding National Flood Insurance policies. The amount of the
420 emergency assessment collected in a particular year shall be a

HB 1307

2007

421 uniform percentage of that year's direct written premium for
422 subject lines of business and all accounts of the corporation,
423 excluding National Flood Insurance Program policy premiums, as
424 annually determined by the board and verified by the office. The
425 office shall verify the arithmetic calculations involved in the
426 board's determination within 30 days after receipt of the
427 information on which the determination was based.

428 Notwithstanding any other provision of law, the corporation and
429 each assessable insurer that writes subject lines of business
430 shall collect emergency assessments from its policyholders
431 without such obligation being affected by any credit,
432 limitation, exemption, or deferment. Emergency assessments
433 levied by the corporation on assessable insureds shall be
434 collected by the surplus lines agent at the time the surplus
435 lines agent collects the surplus lines tax required by s.
436 626.932 and shall be paid to the Florida Surplus Lines Service
437 Office at the time the surplus lines agent pays the surplus
438 lines tax to the Florida Surplus Lines Service Office. The
439 emergency assessments so collected shall be transferred directly
440 to the corporation on a periodic basis as determined by the
441 corporation and shall be held by the corporation solely in the
442 applicable account. The aggregate amount of emergency
443 assessments levied for an account under this sub-subparagraph in
444 any calendar year may not exceed the greater of 10 percent of
445 the amount needed to cover the original deficit, plus interest,
446 fees, commissions, required reserves, and other costs associated
447 with financing of the original deficit, or 10 percent of the
448 aggregate statewide direct written premium for subject lines of

HB 1307

2007

449 business and for all accounts of the corporation for the prior
450 year, plus interest, fees, commissions, required reserves, and
451 other costs associated with financing the original deficit.

452 e. The corporation may pledge the proceeds of assessments,
453 projected recoveries from the Florida Hurricane Catastrophe
454 Fund, other insurance and reinsurance recoverables, policyholder
455 surcharges and other surcharges, and other funds available to
456 the corporation as the source of revenue for and to secure bonds
457 issued under paragraph (p), bonds or other indebtedness issued
458 under subparagraph (c)3., or lines of credit or other financing
459 mechanisms issued or created under this subsection, or to retire
460 any other debt incurred as a result of deficits or events giving
461 rise to deficits, or in any other way that the board determines
462 will efficiently recover such deficits. The purpose of the lines
463 of credit or other financing mechanisms is to provide additional
464 resources to assist the corporation in covering claims and
465 expenses attributable to a catastrophe. As used in this
466 subsection, the term "assessments" includes regular assessments
467 under sub-subparagraph a., sub-subparagraph b., or subparagraph
468 (p)1. and emergency assessments under sub-subparagraph d.
469 Emergency assessments collected under sub-subparagraph d. are
470 not part of an insurer's rates, are not premium, and are not
471 subject to premium tax, fees, or commissions; however, failure
472 to pay the emergency assessment shall be treated as failure to
473 pay premium. The emergency assessments under sub-subparagraph d.
474 shall continue as long as any bonds issued or other indebtedness
475 incurred with respect to a deficit for which the assessment was
476 imposed remain outstanding, unless adequate provision has been

HB 1307

2007

477 made for the payment of such bonds or other indebtedness
478 pursuant to the documents governing such bonds or other
479 indebtedness.

480 f. As used in this subsection, the term "subject lines of
481 business" means insurance written by assessable insurers or
482 procured by assessable insureds for all property and casualty
483 lines of business in this state, but not including workers'
484 compensation or medical malpractice. As used in the sub-
485 subparagraph, the term "property and casualty lines of business"
486 includes all lines of business identified on Form 2, Exhibit of
487 Premiums and Losses, in the annual statement required of
488 authorized insurers by s. 624.424 and any rule adopted under
489 this section, except for those lines identified as accident and
490 health insurance and except for policies written under the
491 National Flood Insurance Program or the Federal Crop Insurance
492 Program. For purposes of this sub-subparagraph, the term
493 "workers' compensation" includes both workers' compensation
494 insurance and excess workers' compensation insurance.

495 g. The Florida Surplus Lines Service Office shall
496 determine annually the aggregate statewide written premium in
497 subject lines of business procured by assessable insureds and
498 shall report that information to the corporation in a form and
499 at a time the corporation specifies to ensure that the
500 corporation can meet the requirements of this subsection and the
501 corporation's financing obligations.

502 h. The Florida Surplus Lines Service Office shall verify
503 the proper application by surplus lines agents of assessment
504 percentages for regular assessments and emergency assessments

HB 1307

2007

505 levied under this subparagraph on assessable insureds and shall
506 assist the corporation in ensuring the accurate, timely
507 collection and payment of assessments by surplus lines agents as
508 required by the corporation.

509 i. If a deficit is incurred in any account in 2008 or
510 thereafter, the board of governors shall levy an immediate
511 assessment against the premium of each ~~nonhomestead property~~
512 policyholder in that account ~~all accounts of the corporation~~, as
513 a uniform percentage of the premium of the policy of up to 10
514 percent of such premium, which funds shall be used to offset the
515 deficit. If this assessment is insufficient to eliminate the
516 deficit, the board of governors shall levy an additional
517 assessment against all remaining policyholders of the
518 corporation, which shall be collected at the time of issuance or
519 renewal of a policy, as a uniform percentage of the premium for
520 the policy of up to 10 percent of such premium, which funds
521 shall be used to further offset the deficit.

522 ~~j. The board of governors shall maintain separate~~
523 ~~accounting records that consolidate data for nonhomestead~~
524 ~~properties, including, but not limited to, number of policies,~~
525 ~~insured values, premiums written, and losses. The board of~~
526 ~~governors shall annually report to the office and the~~
527 ~~Legislature a summary of such data.~~

528 Section 5. Section 627.70185, Florida Statutes, is created
529 to read:

530 627.70185 Standards for determining risk of coverage.--In
531 determining the risk of providing property insurance coverage,
532 an insurer may not deny coverage solely on the basis of the age

HB 1307

2007

533 | of the property and shall consider the wind resistance of the
534 | structure and measures undertaken by the owner to protect the
535 | property against hurricane loss.

536 | Section 6. This act shall take effect July 1, 2007.