

Bill No. CS for CS for SB 2836, 1st Eng.

Barcode 180330

	CHAMBER ACTION	
<u>Senate</u>		<u>House</u>

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Senator Posey moved the following amendment:

Senate Amendment (with title amendment)

On page 26, between lines 24 and 25,

insert:

Section 10. Paragraph (a) of subsection (6) of section 627.351, Florida Statutes, as amended by section 21 of chapter 2007-1, Laws of Florida, is amended to read:

627.351 Insurance risk apportionment plans.--

(6) CITIZENS PROPERTY INSURANCE CORPORATION.--

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

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1 revenues of the state and local governments needed to provide
2 for the public welfare. It is necessary, therefore, to provide
3 property insurance to applicants who are in good faith
4 entitled to procure insurance through the voluntary market but
5 are unable to do so. The Legislature intends by this
6 subsection that property insurance be provided and that it
7 continues, as long as necessary, through an entity organized
8 to achieve efficiencies and economies, while providing service
9 to policyholders, applicants, and agents that is no less than
10 the quality generally provided in the voluntary market, all
11 toward the achievement of the foregoing public purposes.
12 Because it is essential for the corporation to have the
13 maximum financial resources to pay claims following a
14 catastrophic hurricane, it is the intent of the Legislature
15 that the income of the corporation be exempt from federal
16 income taxation and that interest on the debt obligations
17 issued by the corporation be exempt from federal income
18 taxation.

19 2. The Residential Property and Casualty Joint
20 Underwriting Association originally created by this statute
21 shall be known, as of July 1, 2002, as the Citizens Property
22 Insurance Corporation. The corporation shall provide insurance
23 for residential and commercial property, for applicants who
24 are in good faith entitled, but are unable, to procure
25 insurance through the voluntary market. The corporation shall
26 operate pursuant to a plan of operation approved by order of
27 the Financial Services Commission. The plan is subject to
28 continuous review by the commission. The commission may, by
29 order, withdraw approval of all or part of a plan if the
30 commission determines that conditions have changed since
31 approval was granted and that the purposes of the plan require

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1 changes in the plan. The corporation shall continue to operate
 2 pursuant to the plan of operation approved by the Office of
 3 Insurance Regulation until October 1, 2006. For the purposes
 4 of this subsection, residential coverage includes both
 5 personal lines residential coverage, which consists of the
 6 type of coverage provided by homeowner's, mobile home owner's,
 7 dwelling, tenant's, condominium unit owner's, and similar
 8 policies, and commercial lines residential coverage, which
 9 consists of the type of coverage provided by condominium
 10 association, apartment building, and similar policies.

11 3. For the purposes of this subsection, the term
 12 "homestead property" means:

13 a. Property that has been granted a homestead
 14 exemption under chapter 196;

15 b. Property for which the owner has a current, written
 16 lease with a renter for a term of at least 7 months and for
 17 which the dwelling is insured by the corporation for \$200,000
 18 or less;

19 c. An owner-occupied mobile home or manufactured home,
 20 as defined in s. 320.01, which is permanently affixed to real
 21 property, is owned by a Florida resident, and has been granted
 22 a homestead exemption under chapter 196 or, if the owner does
 23 not own the real property, the owner certifies that the mobile
 24 home or manufactured home is his or her principal place of
 25 residence;

26 d. Tenant's coverage;

27 e. Commercial lines residential property; or

28 f. Any county, district, or municipal hospital; a
 29 hospital licensed by any not-for-profit corporation qualified
 30 under s. 501(c)(3) of the United States Internal Revenue Code;
 31 or a continuing care retirement community that is certified

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1 under chapter 651 and that receives an exemption from ad
2 valorem taxes under chapter 196.

3 4. For the purposes of this subsection, the term
4 "nonhomestead property" means property that is not homestead
5 property.

6 5. Effective July 1, 2008, a personal lines
7 residential structure that has a dwelling replacement cost of
8 \$1 million or more, or a single condominium unit that has a
9 combined dwelling and content replacement cost of \$1 million
10 or more is not eligible for coverage by the corporation. Such
11 dwellings insured by the corporation on June 30, 2008, may
12 continue to be covered by the corporation until the end of the
13 policy term. However, such dwellings that are insured by the
14 corporation and become ineligible for coverage due to the
15 provisions of this subparagraph may reapply and obtain
16 coverage in the high-risk account and be considered
17 "nonhomestead property" if the property owner provides the
18 corporation with a sworn affidavit from one or more insurance
19 agents, on a form provided by the corporation, stating that
20 the agents have made their best efforts to obtain coverage and
21 that the property has been rejected for coverage by at least
22 one authorized insurer and at least three surplus lines
23 insurers. If such conditions are met, the dwelling may be
24 insured by the corporation for up to 3 years, after which time
25 the dwelling is ineligible for coverage. The office shall
26 approve the method used by the corporation for valuing the
27 dwelling replacement cost for the purposes of this
28 subparagraph. If a policyholder is insured by the corporation
29 prior to being determined to be ineligible pursuant to this
30 subparagraph and such policyholder files a lawsuit challenging
31 the determination, the policyholder may remain insured by the

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1 corporation until the conclusion of the litigation.

2 6. For properties constructed on or after January 1,
3 2009, the corporation may not insure any property located
4 within 2,500 feet landward of the coastal construction control
5 line created pursuant to s. 161.053 unless the property meets
6 the requirements of the code-plus building standards developed
7 by the Florida Building Commission.

8 7. It is the intent of the Legislature that
9 policyholders, applicants, and agents of the corporation
10 receive service and treatment of the highest possible level
11 but never less than that generally provided in the voluntary
12 market. It also is intended that the corporation be held to
13 service standards no less than those applied to insurers in
14 the voluntary market by the office with respect to
15 responsiveness, timeliness, customer courtesy, and overall
16 dealings with policyholders, applicants, or agents of the
17 corporation.

18 8. Effective January 1, 2009, a personal lines
19 residential structure that is located in the "wind-borne
20 debris region," as defined in s. 1609.2, International
21 Building Code (2006), and that has a just valuation for
22 purposes of ad valorem taxation of \$300,000 or more is not
23 eligible for coverage by the corporation unless the structure
24 has shutters, impact-resistant glass, or such other approved
25 opening protections as required under the Florida Building
26 Code for a newly constructed residential structure in that
27 area.

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29 (Redesignate subsequent sections.)

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1 ===== T I T L E A M E N D M E N T =====

2 And the title is amended as follows:

3 On page 2, line 25, after the first semicolon,

4

5 insert:

6 amending s. 627.351, F.S.; requiring that a
7 residential structure located in a wind-borne
8 debris region have certain opening protections
9 required under the Florida Building Code in
10 order to be eligible for coverage by the
11 Citizens Property Insurance Corporation;

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