

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative(s) Reagan offered the following:

2  
3 **Amendment (with title amendment)**

4 Remove everything after the enacting clause, and insert:

5 Section 1. Paragraph (h) of subsection (7) of section  
6 163.01, Florida Statutes, as amended by chapter 2007-1, Laws of  
7 Florida, is amended to read:

8 163.01 Florida Interlocal Cooperation Act of 1969.--

9 (7)

10 (h)1. Notwithstanding the provisions of paragraph (c), any  
11 separate legal entity consisting of an alliance, as defined in  
12 s. 395.106(2)(a), created pursuant to this paragraph and  
13 controlled by and whose members consist of eligible entities  
14 comprised of special districts created pursuant to a special act  
15 and having the authority to own or operate one or more hospitals  
16 licensed in this state or hospitals licensed in this state that

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17 are owned, operated, or funded by a county or municipality, for  
18 the purpose of providing property insurance coverage as defined  
19 in s. 395.106(2) ~~(b)(e)~~, for such eligible entities, may exercise  
20 all powers under this subsection in connection with borrowing  
21 funds for such purposes, including, without limitation, the  
22 authorization, issuance, and sale of bonds, notes, or other  
23 obligations of indebtedness. Borrowed funds, including, but not  
24 limited to, bonds issued by such alliance shall be deemed issued  
25 on behalf of such eligible entities that enter into loan  
26 agreements with such separate legal entity as provided in this  
27 paragraph.

28 2. Any such separate legal entity shall have all the  
29 powers that are provided by the interlocal agreement under which  
30 the entity is created or that are necessary to finance, operate,  
31 or manage the alliance's property insurance coverage program.  
32 Proceeds of bonds, notes, or other obligations issued by such an  
33 entity may be loaned to any one or more eligible entities. Such  
34 eligible entities are authorized to enter into loan agreements  
35 with any separate legal entity created pursuant to this  
36 paragraph for the purpose of obtaining moneys with which to  
37 finance property insurance coverage or claims. Obligations of  
38 any eligible entity pursuant to a loan agreement as described in  
39 this paragraph may be validated as provided in chapter 75.

40 3. Any bonds, notes, or other obligations to be issued or  
41 incurred by a separate legal entity created pursuant to this  
42 paragraph shall be authorized by resolution of the governing  
43 body of such entity and bear the date or dates; mature at the  
44 time or times, not exceeding 30 years from their respective  
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45 | dates; bear interest at the rate or rates, which may be fixed or  
46 | vary at such time or times and in accordance with a specified  
47 | formula or method of determination; be payable at the time or  
48 | times; be in the denomination; be in the form; carry the  
49 | registration privileges; be executed in the manner; be payable  
50 | from the sources and in the medium of payment and at the place;  
51 | and be subject to redemption, including redemption prior to  
52 | maturity, as the resolution may provide. The bonds, notes, or  
53 | other obligations may be sold at public or private sale for such  
54 | price as the governing body of the separate legal entity shall  
55 | determine. The bonds may be secured by such credit enhancement,  
56 | if any, as the governing body of the separate legal entity deems  
57 | appropriate. The bonds may be secured by an indenture of trust  
58 | or trust agreement. In addition, the governing body of the  
59 | separate legal entity may delegate, to such officer or official  
60 | of such entity as the governing body may select, the power to  
61 | determine the time; manner of sale, public or private;  
62 | maturities; rate or rates of interest, which may be fixed or may  
63 | vary at such time or times and in accordance with a specified  
64 | formula or method of determination; and other terms and  
65 | conditions as may be deemed appropriate by the officer or  
66 | official so designated by the governing body of such separate  
67 | legal entity. However, the amounts and maturities of such bonds,  
68 | the interest rate or rates, and the purchase price of such bonds  
69 | shall be within the limits prescribed by the governing body of  
70 | such separate legal entity in its resolution delegating to such  
71 | officer or official the power to authorize the issuance and sale  
72 | of such bonds.

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73           4. Bonds issued pursuant to this paragraph may be  
74 validated as provided in chapter 75. The complaint in any action  
75 to validate such bonds shall be filed only in the Circuit Court  
76 for Leon County. The notice required to be published by s. 75.06  
77 shall be published in Leon County and in each county in which an  
78 eligible entity that is a member of an alliance is located. The  
79 complaint and order of the circuit court shall be served only on  
80 the State Attorney of the Second Judicial Circuit and on the  
81 state attorney of each circuit in each county in which an  
82 eligible entity receiving bond proceeds is located.

83           5. The accomplishment of the authorized purposes of a  
84 separate legal entity created under this paragraph is deemed in  
85 all respects for the benefit, increase of the commerce and  
86 prosperity, and improvement of the health and living conditions  
87 of the people of this state. Inasmuch as the separate legal  
88 entity performs essential public functions in accomplishing its  
89 purposes, the separate legal entity is not required to pay any  
90 taxes or assessments of any kind upon any property acquired or  
91 used by the entity for such purposes or upon any revenues at any  
92 time received by the entity. The bonds, notes, and other  
93 obligations of such separate legal entity, the transfer of and  
94 income from such bonds, notes, and other obligations, including  
95 any profits made on the sale of such bonds, notes, and other  
96 obligations, are at all times free from taxation of any kind of  
97 the state or by any political subdivision or other agency or  
98 instrumentality of the state. The exemption granted in this  
99 paragraph does not apply to any tax imposed by chapter 220 on

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100 interest, income, or profits on debt obligations owned by  
101 corporations.

102 6. The participation by any eligible entity in an alliance  
103 or a separate legal entity created pursuant to this paragraph  
104 may not be deemed a waiver of immunity to the extent of  
105 liability or any other coverage, and a contract entered  
106 regarding such alliance is not required to contain any provision  
107 for waiver.

108 Section 2. Paragraph (b) of subsection (4), paragraph (e)  
109 of subsection (5), paragraph (b) of subsection (6), and  
110 subsection (16) of section 215.555, Florida Statutes, as amended  
111 by chapter 2007-1, Laws of Florida, are amended to read:

112 215.555 Florida Hurricane Catastrophe Fund.--

113 (4) REIMBURSEMENT CONTRACTS.--

114 (b)1. The contract shall contain a promise by the board to  
115 reimburse the insurer for 45 percent, 75 percent, or 90 percent  
116 of its losses from each covered event in excess of the insurer's  
117 retention, plus 5 percent of the reimbursed losses to cover loss  
118 adjustment expenses.

119 2. The insurer must elect one of the percentage coverage  
120 levels specified in this paragraph and may, upon renewal of a  
121 reimbursement contract, elect a lower percentage coverage level  
122 if no revenue bonds issued under subsection (6) after a covered  
123 event are outstanding, or elect a higher percentage coverage  
124 level, regardless of whether or not revenue bonds are  
125 outstanding. All members of an insurer group must elect the same  
126 percentage coverage level. Any joint underwriting association,

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127 risk apportionment plan, or other entity created under s.  
128 627.351 must elect the 90-percent coverage level.

129 3. The contract shall provide that reimbursement amounts  
130 shall not be reduced by reinsurance paid or payable to the  
131 insurer from other sources.

132 4. Notwithstanding any other provision contained in this  
133 section, the board shall make available to insurers that  
134 purchased coverage provided by this subparagraph ~~participated in~~  
135 2006, insurers qualifying as limited apportionment companies  
136 under s. 627.351(6)(c) ~~which began writing property insurance in~~  
137 ~~2007~~, and insurers that were approved to participate in 2006 or  
138 that are approved in 2007 for the Insurance Capital Build-Up  
139 Incentive Program pursuant to s. 215.5595, a contract or  
140 contract addendum that provides an additional amount of  
141 reimbursement coverage of up to \$10 million. The premium to be  
142 charged for this additional reimbursement coverage shall be 50  
143 percent of the additional reimbursement coverage provided, which  
144 shall include one prepaid reinstatement. The minimum retention  
145 level that an eligible participating insurer must retain  
146 associated with this additional coverage layer is 30 percent of  
147 the insurer's surplus as of December 31, 2006. This coverage  
148 shall be in addition to all other coverage that may be provided  
149 under this section. The coverage provided by the fund under this  
150 subsection shall be in addition to the claims-paying capacity as  
151 defined in subparagraph (c)1., but only with respect to those  
152 insurers that select the additional coverage option and meet the  
153 requirements of this subsection. The claims-paying capacity with  
154 respect to all other participating insurers and limited

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155 apportionment companies that do not select the additional  
156 coverage option shall be limited to their reimbursement  
157 premium's proportionate share of the actual claims-paying  
158 capacity otherwise defined in subparagraph (c)1. and as provided  
159 for under the terms of the reimbursement contract. Coverage  
160 provided in the reimbursement contract will not be affected by  
161 the additional premiums paid by participating insurers  
162 exercising the additional coverage option allowed in this  
163 subparagraph. This subparagraph expires on May 31, 2008.

164 (5) REIMBURSEMENT PREMIUMS.--

165 (e) If Citizens Property Insurance Corporation assumes or  
166 otherwise provides coverage for policies of an insurer placed in  
167 liquidation under chapter 631 pursuant to s. 627.351(6), the  
168 corporation may, pursuant to conditions mutually agreed to  
169 between the corporation and the State Board of Administration,  
170 obtain coverage for such policies under its contract with the  
171 fund or accept an assignment of the liquidated insurer's  
172 contract with the fund. If Citizens Property Insurance  
173 Corporation elects to cover these policies under the  
174 corporation's contract with the fund, it shall notify the board  
175 of its insured values with respect to such policies within a  
176 specified time mutually agreed to between the corporation and  
177 the board, after such assumption or other coverage transaction,  
178 and the fund shall treat such policies as having been in effect  
179 as of June 30 of that year. In the event of an assignment, the  
180 fund shall apply that contract to such policies and treat  
181 Citizens Property Insurance Corporation as if the corporation  
182 were the liquidated insurer for the remaining term of the  
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183 contract, and the corporation shall have all rights and duties  
184 of the liquidated insurer beginning on the date it provides  
185 coverage for such policies, but the corporation is not subject  
186 to any preexisting rights, liabilities, or duties of the  
187 liquidated insurer. The assignment, including any unresolved  
188 issues between the liquidated insurer and Citizens Property  
189 Insurance Corporation under the contract, shall be provided for  
190 in the liquidation order or otherwise determined by the court.  
191 However, if a covered event occurs before the effective date of  
192 the assignment, the corporation may not obtain coverage for such  
193 policies under its contract with the fund and shall accept an  
194 assignment of the liquidated insurer's contract as provided in  
195 this paragraph. ~~This paragraph expires on June 1, 2007.~~

196 (6) REVENUE BONDS.--

197 (b) Emergency assessments.--

198 1. If the board determines that the amount of revenue  
199 produced under subsection (5) is insufficient to fund the  
200 obligations, costs, and expenses of the fund and the  
201 corporation, including repayment of revenue bonds and that  
202 portion of the debt service coverage not met by reimbursement  
203 premiums, the board shall direct the Office of Insurance  
204 Regulation to levy, by order, an emergency assessment on direct  
205 premiums for all property and casualty lines of business in this  
206 state, including property and casualty business of surplus lines  
207 insurers regulated under part VIII of chapter 626, but not  
208 including any workers' compensation premiums or medical  
209 malpractice premiums. As used in this subsection, the term  
210 "property and casualty business" includes all lines of business

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211 identified on Form 2, Exhibit of Premiums and Losses, in the  
212 annual statement required of authorized insurers by s. 624.424  
213 and any rule adopted under this section, except for those lines  
214 identified as accident and health insurance and except for  
215 policies written under the National Flood Insurance Program. The  
216 assessment shall be specified as a percentage of direct written  
217 premium and is subject to annual adjustments by the board in  
218 order to meet debt obligations. The same percentage shall apply  
219 to all policies in lines of business subject to the assessment  
220 issued or renewed during the 12-month period beginning on the  
221 effective date of the assessment.

222         2. A premium is not subject to an annual assessment under  
223 this paragraph in excess of 6 percent of premium with respect to  
224 obligations arising out of losses attributable to any one  
225 contract year, and a premium is not subject to an aggregate  
226 annual assessment under this paragraph in excess of 10 percent  
227 of premium. An annual assessment under this paragraph shall  
228 continue as long as the revenue bonds issued with respect to  
229 which the assessment was imposed are outstanding, including any  
230 bonds the proceeds of which were used to refund the revenue  
231 bonds, unless adequate provision has been made for the payment  
232 of the bonds under the documents authorizing issuance of the  
233 bonds.

234         3. Emergency assessments shall be collected from  
235 policyholders. Emergency assessments shall be remitted by  
236 insurers as a percentage of direct written premium for the  
237 preceding calendar quarter as specified in the order from the  
238 Office of Insurance Regulation. The office shall verify the

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239 accurate and timely collection and remittance of emergency  
240 assessments and shall report the information to the board in a  
241 form and at a time specified by the board. Each insurer  
242 collecting assessments shall provide the information with  
243 respect to premiums and collections as may be required by the  
244 office to enable the office to monitor and verify compliance  
245 with this paragraph.

246 4. With respect to assessments of surplus lines premiums,  
247 each surplus lines agent shall collect the assessment at the  
248 same time as the agent collects the surplus lines tax required  
249 by s. 626.932, and the surplus lines agent shall remit the  
250 assessment to the Florida Surplus Lines Service Office created  
251 by s. 626.921 at the same time as the agent remits the surplus  
252 lines tax to the Florida Surplus Lines Service Office. The  
253 emergency assessment on each insured procuring coverage and  
254 filing under s. 626.938 shall be remitted by the insured to the  
255 Florida Surplus Lines Service Office at the time the insured  
256 pays the surplus lines tax to the Florida Surplus Lines Service  
257 Office. The Florida Surplus Lines Service Office shall remit the  
258 collected assessments to the fund or corporation as provided in  
259 the order levied by the Office of Insurance Regulation. The  
260 Florida Surplus Lines Service Office shall verify the proper  
261 application of such emergency assessments and shall assist the  
262 board in ensuring the accurate and timely collection and  
263 remittance of assessments as required by the board. The Florida  
264 Surplus Lines Service Office shall annually calculate the  
265 aggregate written premium on property and casualty business,  
266 other than workers' compensation and medical malpractice,  
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267 | procured through surplus lines agents and insureds procuring  
268 | coverage and filing under s. 626.938 and shall report the  
269 | information to the board in a form and at a time specified by  
270 | the board.

271 |         5. Any assessment authority not used for a particular  
272 | contract year may be used for a subsequent contract year. If,  
273 | for a subsequent contract year, the board determines that the  
274 | amount of revenue produced under subsection (5) is insufficient  
275 | to fund the obligations, costs, and expenses of the fund and the  
276 | corporation, including repayment of revenue bonds and that  
277 | portion of the debt service coverage not met by reimbursement  
278 | premiums, the board shall direct the Office of Insurance  
279 | Regulation to levy an emergency assessment up to an amount not  
280 | exceeding the amount of unused assessment authority from a  
281 | previous contract year or years, plus an additional 4 percent  
282 | provided that the assessments in the aggregate do not exceed the  
283 | limits specified in subparagraph 2.

284 |         6. The assessments otherwise payable to the corporation  
285 | under this paragraph shall be paid to the fund unless and until  
286 | the Office of Insurance Regulation and the Florida Surplus Lines  
287 | Service Office have received from the corporation and the fund a  
288 | notice, which shall be conclusive and upon which they may rely  
289 | without further inquiry, that the corporation has issued bonds  
290 | and the fund has no agreements in effect with local governments  
291 | under paragraph (c). On or after the date of the notice and  
292 | until the date the corporation has no bonds outstanding, the  
293 | fund shall have no right, title, or interest in or to the

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294 assessments, except as provided in the fund's agreement with the  
295 corporation.

296 7. Emergency assessments are not premium and are not  
297 subject to the premium tax, to the surplus lines tax, to any  
298 fees, or to any commissions. An insurer is liable for all  
299 assessments that it collects and must treat the failure of an  
300 insured to pay an assessment as a failure to pay the premium. An  
301 insurer is not liable for uncollectible assessments.

302 8. When an insurer is required to return an unearned  
303 premium, it shall also return any collected assessment  
304 attributable to the unearned premium. A credit adjustment to the  
305 collected assessment may be made by the insurer with regard to  
306 future remittances that are payable to the fund or corporation,  
307 but the insurer is not entitled to a refund.

308 9. When a surplus lines insured or an insured who has  
309 procured coverage and filed under s. 626.938 is entitled to the  
310 return of an unearned premium, the Florida Surplus Lines Service  
311 Office shall provide a credit or refund to the agent or such  
312 insured for the collected assessment attributable to the  
313 unearned premium prior to remitting the emergency assessment  
314 collected to the fund or corporation.

315 10. The exemption of medical malpractice insurance  
316 premiums from emergency assessments under this paragraph is  
317 repealed May 31, 2010 ~~2007~~, and medical malpractice insurance  
318 premiums shall be subject to emergency assessments attributable  
319 to loss events occurring in the contract years commencing on  
320 June 1, 2010 ~~2007~~.

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321 (16) TEMPORARY EMERGENCY OPTIONS FOR ADDITIONAL  
322 COVERAGE.--

323 (a) Findings and intent.--

324 1. The Legislature finds that:

325 a. Because of temporary disruptions in the market for  
326 catastrophic reinsurance, many property insurers were unable to  
327 procure reinsurance for the 2006 hurricane season with an  
328 attachment point below the insurers' respective Florida  
329 Hurricane Catastrophe Fund attachment points, were unable to  
330 procure sufficient amounts of such reinsurance, or were able to  
331 procure such reinsurance only by incurring substantially higher  
332 costs than in prior years.

333 b. The reinsurance market problems were responsible, at  
334 least in part, for substantial premium increases to many  
335 consumers and increases in the number of policies issued by the  
336 Citizens Property Insurance Corporation.

337 c. It is likely that the reinsurance market disruptions  
338 will not significantly abate prior to the 2007 hurricane season.

339 2. It is the intent of the Legislature to create a  
340 temporary emergency program, applicable to the 2007, 2008, and  
341 2009 hurricane seasons, to address these market disruptions and  
342 enable insurers, at their option, to procure additional coverage  
343 from the Florida Hurricane Catastrophe Fund.

344 (b) Applicability of other provisions of this  
345 section.--All provisions of this section and the rules adopted  
346 under this section apply to the program created by this  
347 subsection unless specifically superseded by this subsection.

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348 (c) Optional coverage.--For the contract year commencing  
349 June 1, 2007, and ending May 31, 2008, the contract year  
350 commencing June 1, 2008, and ending May 31, 2009, and the  
351 contract year commencing June 1, 2009, and ending May 31, 2010,  
352 the board shall offer for each of such years the optional  
353 coverage as provided in this subsection.

354 (d) Additional definitions.--As used in this subsection,  
355 the term:

356 1. "TEACO options" means the temporary emergency  
357 additional coverage options created under this subsection.

358 2. "TEACO insurer" means an insurer that has opted to  
359 obtain coverage under the TEACO options in addition to the  
360 coverage provided to the insurer under its reimbursement  
361 contract.

362 3. "TEACO reimbursement premium" means the premium charged  
363 by the fund for coverage provided under the TEACO options.

364 4. "TEACO retention" means the amount of losses below  
365 which a TEACO insurer is not entitled to reimbursement from the  
366 fund under the TEACO option selected. A TEACO insurer's  
367 retention options shall be calculated as follows:

368 a. The board shall calculate and report to each TEACO  
369 insurer the TEACO retention multiples. There shall be three  
370 TEACO retention multiples for defining coverage. Each multiple  
371 shall be calculated by dividing \$3 billion, \$4 billion, or \$5  
372 billion by the total estimated mandatory FHCF TEACO  
373 reimbursement premium assuming all insurers ~~selected that~~  
374 ~~option. Total estimated TEACO reimbursement premium for purposes~~  
375 ~~of the calculation under this sub-subparagraph shall be~~  
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376 ~~calculated using the assumption that all insurers have selected~~  
377 ~~a specific TEACO retention multiple option and have selected the~~  
378 90-percent coverage level.

379       b. The TEACO retention multiples as determined under sub-  
380 subparagraph a. shall be adjusted to reflect the coverage level  
381 elected by the insurer. For insurers electing the 90-percent  
382 coverage level, the adjusted retention multiple is 100 percent  
383 of the amount determined under sub-subparagraph a. For insurers  
384 electing the 75-percent coverage level, the retention multiple  
385 is 120 percent of the amount determined under sub-subparagraph  
386 a. For insurers electing the 45-percent coverage level, the  
387 adjusted retention multiple is 200 percent of the amount  
388 determined under sub-subparagraph a.

389       c. An insurer shall determine its provisional TEACO  
390 retention by multiplying its estimated mandatory FHCF  
391 ~~provisional TEACO~~ reimbursement premium by the applicable  
392 adjusted TEACO retention multiple and shall determine its actual  
393 TEACO retention by multiplying its actual mandatory FHCF ~~TEACO~~  
394 reimbursement premium by the applicable adjusted TEACO retention  
395 multiple.

396       d. For TEACO insurers who experience multiple covered  
397 events causing loss during the contract year, the insurer's full  
398 TEACO retention shall be applied to each of the covered events  
399 causing the two largest losses for that insurer. For other  
400 covered events resulting in losses, the TEACO option does not  
401 apply and the insurer's retention shall be one-third of the full  
402 retention as calculated under paragraph (2) (e).

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403           5. "TEACO addendum" means an addendum to the reimbursement  
404 contract reflecting the obligations of the fund and TEACO  
405 insurers under the program created by this subsection.

406           6. "FHCF" means the Florida Hurricane Catastrophe Fund.

407           (e) TEACO addendum.--

408           1. The TEACO addendum shall provide for reimbursement of  
409 TEACO insurers for covered events occurring during the contract  
410 year, in exchange for the TEACO reimbursement premium paid into  
411 the fund under paragraph (f). Any insurer writing covered  
412 policies has the option of choosing to accept the TEACO addendum  
413 for any of the 3 contract years that the coverage is offered.

414           2. The TEACO addendum shall contain a promise by the board  
415 to reimburse the TEACO insurer for 45 percent, 75 percent, or 90  
416 percent of its losses from each covered event in excess of the  
417 insurer's TEACO retention, plus 5 percent of the reimbursed  
418 losses to cover loss adjustment expenses. The percentage shall  
419 be the same as the coverage level selected by the insurer under  
420 paragraph (4) (b).

421           3. The TEACO addendum shall provide that reimbursement  
422 amounts shall not be reduced by reinsurance paid or payable to  
423 the insurer from other sources.

424           4. The TEACO addendum shall also provide that the  
425 obligation of the board with respect to all TEACO addenda shall  
426 not exceed an amount equal to two times the difference between  
427 the industry retention level calculated under paragraph (2) (e)  
428 and the \$3 billion, \$4 billion, or \$5 billion industry TEACO  
429 retention level options actually selected, but in no event may  
430 the board's obligation exceed the actual claims-paying capacity  
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431 of the fund plus the additional capacity created in paragraph  
432 (g). If the actual claims-paying capacity and the additional  
433 capacity created under paragraph (g) fall short of the board's  
434 obligations under the reimbursement contract, each insurer's  
435 share of the fund's capacity shall be prorated based on the  
436 premium an insurer pays for its mandatory ~~normal~~ reimbursement  
437 coverage and the premium paid for its optional TEACO coverage as  
438 each such premium bears to the total premiums paid to the fund  
439 times the available capacity.

440 5. The priorities, schedule, and method of reimbursements  
441 under the TEACO addendum shall be the same as provided under  
442 subsection (4).

443 6. A TEACO insurer's maximum reimbursement for a single  
444 event shall be equal to the product of multiplying its mandatory  
445 FHCF premium by the difference between its FHCF retention  
446 multiple and its TEACO retention multiple under the TEACO option  
447 selected and by the coverage selected under paragraph (4) (b),  
448 plus an additional 5 percent for loss adjustment expenses. A  
449 TEACO insurer's maximum reimbursement under the TEACO option  
450 selected for a TEACO insurer's two largest events addendum shall  
451 be twice its maximum reimbursement for a single event calculated  
452 by multiplying the insurer's share of the estimated total TEACO  
453 reimbursement premium as calculated under sub-subparagraph  
454 (d)4.a. by an amount equal to two times the difference between  
455 the industry retention level calculated under paragraph (2) (e)  
456 and the \$3 billion, \$4 billion, or \$5 billion industry TEACO  
457 retention level specified in sub-subparagraph (d)4.a. as  
458 selected by the TEACO insurer.

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459 (f) TEACO reimbursement premiums.--

460 1. Each TEACO insurer shall pay to the fund, in the manner  
461 and at the time provided in the reimbursement contract for  
462 payment of reimbursement premiums, a TEACO reimbursement premium  
463 calculated as specified in this paragraph.

464 2. ~~The TEACO reimbursement premiums shall be calculated~~  
465 ~~based on the assumption that, if all insurers entering into~~  
466 ~~reimbursement contracts under subsection (4) also accepted the~~  
467 ~~TEACO option.~~

468 a. The insurer's industry TEACO reimbursement premium  
469 associated with the \$3 billion retention option shall ~~would~~ be  
470 equal to 85 percent of a TEACO insurer's maximum reimbursement  
471 for a single event as calculated under subparagraph (e)6. ~~the~~  
472 ~~difference between the industry retention level calculated under~~  
473 ~~paragraph (2)(e) and the \$3 billion industry TEACO retention~~  
474 ~~level.~~

475 b. The TEACO reimbursement premium associated with the \$4  
476 billion retention option shall ~~would~~ be equal to 80 percent of a  
477 TEACO insurer's maximum reimbursement for a single event as  
478 calculated under subparagraph (e)6. ~~the difference between the~~  
479 ~~industry retention level calculated under paragraph (2)(e) and~~  
480 ~~the \$4 billion industry TEACO retention level.~~

481 e. The TEACO premium associated with the \$5 billion  
482 retention option shall ~~would~~ be equal to 75 percent of a TEACO  
483 insurer's maximum reimbursement for a single event as calculated  
484 under subparagraph (e)6. ~~the difference between the industry~~  
485 ~~retention level calculated under paragraph (2)(e) and the \$5~~  
486 ~~billion industry TEACO retention level.~~

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487 ~~3. Each insurer's TEACO premium shall be calculated based~~  
488 ~~on its share of the total TEACO reimbursement premiums based on~~  
489 ~~its coverage selection under the TEACO addendum.~~

490 (g) Effect on claims-paying capacity of the fund.--For the  
491 contract term commencing June 1, 2007, the contract year  
492 commencing June 1, 2008, and the contract term beginning June 1,  
493 2009, the program created by this subsection shall increase the  
494 claims-paying capacity of the fund as provided in subparagraph  
495 (4)(c)1. by an amount equal to two times the difference between  
496 the industry retention level calculated under paragraph (2)(e)  
497 and the \$3 billion industry TEACO retention level specified in  
498 sub-subparagraph (d)4.a. The additional capacity shall apply  
499 only to the additional coverage provided by the TEACO option and  
500 shall not otherwise affect any insurer's reimbursement from the  
501 fund.

502 Section 3. Paragraph (b) of subsection (2) of section  
503 215.5595, Florida Statutes, is amended to read:

504 215.5595 Insurance Capital Build-Up Incentive Program.--

505 (2) The purpose of this section is to provide surplus  
506 notes to new or existing authorized residential property  
507 insurers under the Insurance Capital Build-Up Incentive Program  
508 administered by the State Board of Administration, under the  
509 following conditions:

510 (b) The insurer must contribute an amount of new capital  
511 to its surplus which is at least equal to the amount of the  
512 surplus note and must apply to the board by July 1, 2006. If an  
513 insurer applies after July 1, 2006, but before June 1, 2007, the  
514 amount of the surplus note is limited to one-half of the new  
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515 capital that the insurer contributes to its surplus, except for  
516 an insurer writing only manufactured housing policies, for which  
517 the amount of the surplus note is equal to the amount of the new  
518 capital that the insurer contributes to its surplus. For  
519 purposes of this section, new capital must be in the form of  
520 cash or cash equivalents as specified in s. 625.012(1).

521 Section 4. Subsection (1) of section 624.407, Florida  
522 Statutes, as amended by chapter 2007-1, Laws of Florida, is  
523 amended to read:

524 624.407 Capital funds required; new insurers.--

525 (1) To receive authority to transact any one kind or  
526 combinations of kinds of insurance, as defined in part V of this  
527 chapter, an insurer applying for its original certificate of  
528 authority in this state after the effective date of this section  
529 shall possess surplus as to policyholders not less than the  
530 greater of:

531 (a) Five million dollars for a property and casualty  
532 insurer, or \$2.5 million for any other insurer;

533 (b) For life insurers, 4 percent of the insurer's total  
534 liabilities;

535 (c) For life and health insurers, 4 percent of the  
536 insurer's total liabilities, plus 6 percent of the insurer's  
537 liabilities relative to health insurance; or

538 (d) For all insurers other than life insurers and life and  
539 health insurers, 10 percent of the insurer's total liabilities;

540

541 however, a domestic insurer that transacts residential property  
542 insurance and is a wholly owned subsidiary of an insurer

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543 domiciled ~~authorized to do business~~ in any other state shall  
544 possess surplus as to policyholders of at least \$50 million, but  
545 no insurer shall be required under this subsection to have  
546 surplus as to policyholders greater than \$100 million.

547 Section 5. Paragraph (a) of subsection (1) of section  
548 624.408, Florida Statutes, is amended to read:

549 624.408 Surplus as to policyholders required; new and  
550 existing insurers.--

551 (1)(a) To maintain a certificate of authority to transact  
552 any one kind or combinations of kinds of insurance, as defined  
553 in part V of this chapter, an insurer in this state shall at all  
554 times maintain surplus as to policyholders not less than the  
555 greater of:

556 1. Except as provided in subparagraph 5. and paragraph  
557 (b), \$1.5 million;

558 2. For life insurers, 4 percent of the insurer's total  
559 liabilities;

560 3. For life and health insurers, 4 percent of the  
561 insurer's total liabilities plus 6 percent of the insurer's  
562 liabilities relative to health insurance; or

563 4. For all insurers other than mortgage guaranty insurers,  
564 life insurers, and life and health insurers, 10 percent of the  
565 insurer's total liabilities.

566 5. For property and casualty insurers, \$4 million;  
567 however, a domestic insurer that transacts residential property  
568 insurance and is a wholly owned subsidiary of an insurer  
569 domiciled in any other state shall possess surplus as to  
570 policyholders of at least \$50 million.

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571 Section 6. Subsection (2) of section 626.9201, Florida  
572 Statutes, is amended to read:

573 626.9201 Notice of cancellation or nonrenewal.--

574 (2) An insurer issuing a policy providing coverage for  
575 property, casualty, surety, or marine insurance shall give the  
576 named insured written notice of cancellation or termination  
577 other than nonrenewal at least 45 days prior to the effective  
578 date of the cancellation or termination, including in the  
579 written notice the reason or reasons for the cancellation or  
580 termination, except that:

581 (a) When cancellation is for nonpayment of premium, at  
582 least 10 days' written notice of cancellation accompanied by the  
583 reason therefor shall be given. As used in this paragraph, the  
584 term "nonpayment of premium" means failure of the named insured  
585 to discharge when due any of her or his obligations in  
586 connection with the payment of premiums on a policy or any  
587 installment of such premium, whether the premium is payable  
588 directly to the insurer or its agent or indirectly under any  
589 premium finance plan or extension of credit, or failure to  
590 maintain membership in an organization if such membership is a  
591 condition precedent to insurance coverage. The term "nonpayment  
592 of premium" also means the failure of a financial institution to  
593 honor an insurance applicant's check after delivery to a  
594 licensed agent for payment of a premium, even if the agent has  
595 previously delivered or transferred the premium to the insurer.  
596 If a dishonored check represents the initial premium payment,  
597 the contract and all contractual obligations shall be void ab  
598 initio unless the nonpayment is cured within the earlier of 5  
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599 days after actual notice by certified mail is received by the  
600 applicant or 15 days after notice is sent to the applicant by  
601 certified mail or registered mail, and, if the contract is void,  
602 any premium received by the insurer from a third party shall be  
603 refunded to that party in full; and

604 (b) When such cancellation or termination occurs during  
605 the first 90 days during which the insurance is in force and the  
606 insurance is canceled or terminated for reasons other than  
607 nonpayment, at least 20 days' written notice of cancellation or  
608 termination accompanied by the reason therefor shall be given  
609 except where there has been a material misstatement or  
610 misrepresentation or failure to comply with the underwriting  
611 requirements established by the insurer.

612 Section 7. Subsection (4) of section 627.0613, Florida  
613 Statutes, as amended by chapter 2007-1, Laws of Florida, is  
614 amended to read:

615 627.0613 Consumer advocate.--The Chief Financial Officer  
616 must appoint a consumer advocate who must represent the general  
617 public of the state before the department and the office. The  
618 consumer advocate must report directly to the Chief Financial  
619 Officer, but is not otherwise under the authority of the  
620 department or of any employee of the department. The consumer  
621 advocate has such powers as are necessary to carry out the  
622 duties of the office of consumer advocate, including, but not  
623 limited to, the powers to:

624 (4) Prepare an annual report card for each authorized  
625 personal residential property insurer, on a form and using a

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626 letter-grade scale developed by the commission by rule, which  
627 grades each insurer based on the following factors:

628 (a) The number and nature of consumer complaints received  
629 by the department against the insurer.

630 (b) The disposition of all complaints received by the  
631 department.

632 (c) The average length of time for payment of claims by  
633 the insurer.

634 (d) Any other factors the commission identifies as  
635 assisting policyholders in making informed choices about  
636 homeowner's insurance.

637 Section 8. Paragraph (a) of subsection (2) of section  
638 627.062, Florida Statutes, as amended by chapter 2007-1, Laws of  
639 Florida, is amended to read:

640 627.062 Rate standards.--

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

642 (a) Insurers or rating organizations shall establish and  
643 use rates, rating schedules, or rating manuals to allow the  
644 insurer a reasonable rate of return on such classes of insurance  
645 written in this state. A copy of rates, rating schedules, rating  
646 manuals, premium credits or discount schedules, and surcharge  
647 schedules, and changes thereto, shall be filed with the office  
648 under one of the following procedures except as provided in  
649 subparagraph 3.:

650 1. If the filing is made at least 90 days before the  
651 proposed effective date and the filing is not implemented during  
652 the office's review of the filing and any proceeding and  
653 judicial review, then such filing shall be considered a "file  
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654 and use" filing. In such case, the office shall finalize its  
655 review by issuance of a notice of intent to approve or a notice  
656 of intent to disapprove within 90 days after receipt of the  
657 filing. The notice of intent to approve and the notice of intent  
658 to disapprove constitute agency action for purposes of the  
659 Administrative Procedure Act. Requests for supporting  
660 information, requests for mathematical or mechanical  
661 corrections, or notification to the insurer by the office of its  
662 preliminary findings shall not toll the 90-day period during any  
663 such proceedings and subsequent judicial review. The rate shall  
664 be deemed approved if the office does not issue a notice of  
665 intent to approve or a notice of intent to disapprove within 90  
666 days after receipt of the filing.

667 2. If the filing is not made in accordance with the  
668 provisions of subparagraph 1., such filing shall be made as soon  
669 as practicable, but no later than 30 days after the effective  
670 date, and shall be considered a "use and file" filing. An  
671 insurer making a "use and file" filing is potentially subject to  
672 an order by the office to return to policyholders portions of  
673 rates found to be excessive, as provided in paragraph (h).

674 3. For all filings made or submitted after January 25,  
675 2007, but ~~on or~~ before December 31, 2008, an insurer seeking a  
676 rate that is greater than the rate most recently approved by the  
677 office shall make a "file and use" filing. This subparagraph  
678 applies to property insurance only. For purposes of this  
679 subparagraph, motor vehicle collision and comprehensive  
680 coverages are not considered to be property coverages.

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682 The provisions of this subsection shall not apply to workers'  
683 compensation and employer's liability insurance and to motor  
684 vehicle insurance.

685 Section 9. Section 627.0655, Florida Statutes, as created  
686 by chapter 2007-1, Laws of Florida, is amended to read:

687 627.0655 Policyholder loss or expense-related premium  
688 discounts.--An insurer or person authorized to engage in the  
689 business of insurance in this state may include, in the premium  
690 charged an insured for any policy, contract, or certificate of  
691 insurance, a discount based on the fact that another policy,  
692 contract, or certificate of any type has been purchased by the  
693 insured from the same insurer or insurer group.

694 Section 10. Paragraphs (a), (b), (c), (d), (j), (m), (n),  
695 and (v) of subsection (6) of section 627.351, Florida Statutes,  
696 as amended by chapter 2007-1, Laws of Florida, are amended to  
697 read:

698 627.351 Insurance risk apportionment plans.--

699 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

700 (a)1. It is the public purpose of this subsection to  
701 ensure the existence of an orderly market for property insurance  
702 for Florida's residents and businesses. The Legislature finds  
703 that ~~actual and threatened catastrophic losses to property in~~  
704 ~~this state from hurricanes have caused insurers are to be~~  
705 unwilling or unable to provide affordable property insurance  
706 coverage in this state to the extent sought and needed. The  
707 absence of affordable property insurance threatens the public  
708 health, safety, and welfare and likewise threatens the economic  
709 health of this state. The state therefore has a compelling ~~It is~~  
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710 ~~in the~~ public interest and a public purpose to assist in  
711 assuring that property in the state is insured so as to  
712 facilitate the remediation, reconstruction, and replacement of  
713 damaged or destroyed property in order to reduce or avoid the  
714 negative effects otherwise resulting to the public health,  
715 safety, and welfare; to the economy of the state; and to the  
716 revenues of the state and local governments needed to provide  
717 for the public welfare. It is necessary, therefore, to provide  
718 property insurance to applicants who are in good faith entitled  
719 to procure insurance through the voluntary market but are unable  
720 to do so. The Legislature intends by this subsection that  
721 property insurance be provided and that it continues to be  
722 provided, as long as necessary, through Citizens Property  
723 Insurance Corporation, a government entity that is an integral  
724 part of the state and that is not a private insurance company.  
725 To that end, the corporation shall strive ~~an entity organized~~ to  
726 achieve efficiencies and economies, while providing service to  
727 policyholders, applicants, and agents that is no less than the  
728 quality generally provided in the voluntary market, for all  
729 ~~toward~~ the achievement of the foregoing public purposes. Because  
730 it is essential for such government entity ~~the corporation~~ to  
731 have the maximum financial resources to pay claims following a  
732 catastrophic hurricane, it is the intent of the Legislature that  
733 Citizens Property Insurance Corporation continues to be an  
734 integral part of this state and that the income of the  
735 corporation be exempt from federal income taxation and that  
736 interest on the debt obligations issued by the corporation be  
737 exempt from federal income taxation.

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738           2. The Residential Property and Casualty Joint  
739 Underwriting Association originally created by this statute  
740 shall be known, as of July 1, 2002, as the Citizens Property  
741 Insurance Corporation. The corporation shall provide insurance  
742 for residential and commercial property, for applicants who are  
743 in good faith entitled, but are unable, to procure insurance  
744 through the voluntary market. The corporation shall operate  
745 pursuant to a plan of operation approved by order of the  
746 Financial Services Commission. The plan is subject to continuous  
747 review by the commission. The commission may, by order, withdraw  
748 approval of all or part of a plan if the commission determines  
749 that conditions have changed since approval was granted and that  
750 the purposes of the plan require changes in the plan. The  
751 corporation shall continue to operate pursuant to the plan of  
752 operation approved by the Office of Insurance Regulation until  
753 October 1, 2006. For the purposes of this subsection,  
754 residential coverage includes both personal lines residential  
755 coverage, which consists of the type of coverage provided by  
756 homeowner's, mobile home owner's, dwelling, tenant's,  
757 condominium unit owner's, and similar policies, and commercial  
758 lines residential coverage, which consists of the type of  
759 coverage provided by condominium association, apartment  
760 building, and similar policies.

761           3. For the purposes of this subsection, the term  
762 "homestead property" means:

763           a. Property that has been granted a homestead exemption  
764 under chapter 196;

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

769           c. An owner-occupied mobile home or manufactured home, as  
770 defined in s. 320.01, which is permanently affixed to real  
771 property, is owned by a Florida resident, and has been granted a  
772 homestead exemption under chapter 196 or, if the owner does not  
773 own the real property, the owner certifies that the mobile home  
774 or manufactured home is his or her principal place of residence;

775           d. Tenant's coverage;

776           e. Commercial lines residential property; or

777           f. Any county, district, or municipal hospital; a hospital  
778 licensed by any not-for-profit corporation qualified under s.  
779 501(c)(3) of the United States Internal Revenue Code; or a  
780 continuing care retirement community that is certified under  
781 chapter 651 and that receives an exemption from ad valorem taxes  
782 under chapter 196.

783           4. For the purposes of this subsection, the term  
784 "nonhomestead property" means property that is not homestead  
785 property.

786           5. Effective July 1, 2008, a personal lines residential  
787 structure that has a dwelling replacement cost of \$1 million or  
788 more, or a single condominium unit that has a combined dwelling  
789 and content replacement cost of \$1 million or more is not  
790 eligible for coverage by the corporation. Such dwellings insured  
791 by the corporation on June 30, 2008, may continue to be covered  
792 by the corporation until the end of the policy term. However,  
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793 such dwellings that are insured by the corporation and become  
794 ineligible for coverage due to the provisions of this  
795 subparagraph may reapply and obtain coverage in the high-risk  
796 account and be considered "nonhomestead property" if the  
797 property owner provides the corporation with a sworn affidavit  
798 from one or more insurance agents, on a form provided by the  
799 corporation, stating that the agents have made their best  
800 efforts to obtain coverage and that the property has been  
801 rejected for coverage by at least one authorized insurer and at  
802 least three surplus lines insurers. If such conditions are met,  
803 the dwelling may be insured by the corporation for up to 3  
804 years, after which time the dwelling is ineligible for coverage.  
805 The office shall approve the method used by the corporation for  
806 valuing the dwelling replacement cost for the purposes of this  
807 subparagraph. If a policyholder is insured by the corporation  
808 prior to being determined to be ineligible pursuant to this  
809 subparagraph and such policyholder files a lawsuit challenging  
810 the determination, the policyholder may remain insured by the  
811 corporation until the conclusion of the litigation.

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

818 7. It is the intent of the Legislature that policyholders,  
819 applicants, and agents of the corporation receive service and  
820 treatment of the highest possible level but never less than that  
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821 generally provided in the voluntary market. It also is intended  
822 that the corporation be held to service standards no less than  
823 those applied to insurers in the voluntary market by the office  
824 with respect to responsiveness, timeliness, customer courtesy,  
825 and overall dealings with policyholders, applicants, or agents  
826 of the corporation.

827 (b)1. All insurers authorized to write one or more subject  
828 lines of business in this state are subject to assessment by the  
829 corporation and, for the purposes of this subsection, are  
830 referred to collectively as "assessable insurers." Insurers  
831 writing one or more subject lines of business in this state  
832 pursuant to part VIII of chapter 626 are not assessable  
833 insurers, but insureds who procure one or more subject lines of  
834 business in this state pursuant to part VIII of chapter 626 are  
835 subject to assessment by the corporation and are referred to  
836 collectively as "assessable insureds." An authorized insurer's  
837 assessment liability shall begin on the first day of the  
838 calendar year following the year in which the insurer was issued  
839 a certificate of authority to transact insurance for subject  
840 lines of business in this state and shall terminate 1 year after  
841 the end of the first calendar year during which the insurer no  
842 longer holds a certificate of authority to transact insurance  
843 for subject lines of business in this state.

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

847 (I) A personal lines account for personal residential  
848 policies issued by the corporation or issued by the Residential  
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849 Property and Casualty Joint Underwriting Association and renewed  
850 by the corporation that provide comprehensive, multiperil  
851 coverage on risks that are not located in areas eligible for  
852 coverage in the Florida Windstorm Underwriting Association as  
853 those areas were defined on January 1, 2002, and for such  
854 policies that do not provide coverage for the peril of wind on  
855 risks that are located in such areas;

856 (II) A commercial lines account for commercial residential  
857 and commercial nonresidential policies issued by the corporation  
858 or issued by the Residential Property and Casualty Joint  
859 Underwriting Association and renewed by the corporation that  
860 provide coverage for basic property perils on risks that are not  
861 located in areas eligible for coverage in the Florida Windstorm  
862 Underwriting Association as those areas were defined on January  
863 1, 2002, and for such policies that do not provide coverage for  
864 the peril of wind on risks that are located in such areas; and

865 (III) A high-risk account for personal residential  
866 policies and commercial residential and commercial  
867 nonresidential property policies issued by the corporation or  
868 transferred to the corporation that provide coverage for the  
869 peril of wind on risks that are located in areas eligible for  
870 coverage in the Florida Windstorm Underwriting Association as  
871 those areas were defined on January 1, 2002. Subject to the  
872 approval of a business plan by the Financial Services Commission  
873 and Legislative Budget Commission as provided in this sub-sub-  
874 subparagraph, but no earlier than March 31, 2007, the  
875 corporation may offer policies that provide multiperil coverage  
876 and the corporation shall continue to offer policies that

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877 provide coverage only for the peril of wind for risks located in  
878 areas eligible for coverage in the high-risk account. In issuing  
879 multiperil coverage, the corporation may use its approved policy  
880 forms and rates for the personal lines account. An applicant or  
881 insured who is eligible to purchase a multiperil policy from the  
882 corporation may purchase a multiperil policy from an authorized  
883 insurer without prejudice to the applicant's or insured's  
884 eligibility to prospectively purchase a policy that provides  
885 coverage only for the peril of wind from the corporation. An  
886 applicant or insured who is eligible for a corporation policy  
887 that provides coverage only for the peril of wind may elect to  
888 purchase or retain such policy and also purchase or retain  
889 coverage excluding wind from an authorized insurer without  
890 prejudice to the applicant's or insured's eligibility to  
891 prospectively purchase a policy that provides multiperil  
892 coverage from the corporation. It is the goal of the Legislature  
893 that there would be an overall average savings of 10 percent or  
894 more for a policyholder who currently has a wind-only policy  
895 with the corporation, and an ex-wind policy with a voluntary  
896 insurer or the corporation, and who then obtains a multiperil  
897 policy from the corporation. It is the intent of the Legislature  
898 that the offer of multiperil coverage in the high-risk account  
899 be made and implemented in a manner that does not adversely  
900 affect the tax-exempt status of the corporation or  
901 creditworthiness of or security for currently outstanding  
902 financing obligations or credit facilities of the high-risk  
903 account, the personal lines account, or the commercial lines  
904 account. By March 1, 2007, the corporation shall prepare and  
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905 submit for approval by the Financial Services Commission and  
906 Legislative Budget Commission a report detailing the  
907 corporation's business plan for issuing multiperil coverage in  
908 the high-risk account. The business plan shall be approved or  
909 disapproved within 30 days after receipt, as submitted or  
910 modified and resubmitted by the corporation. The business plan  
911 must include: the impact of such multiperil coverage on the  
912 corporation's financial resources, the impact of such multiperil  
913 coverage on the corporation's tax-exempt status, the manner in  
914 which the corporation plans to implement the processing of  
915 applications and policy forms for new and existing  
916 policyholders, the impact of such multiperil coverage on the  
917 corporation's ability to deliver customer service at the high  
918 level required by this subsection, the ability of the  
919 corporation to process claims, the ability of the corporation to  
920 quote and issue policies, the impact of such multiperil coverage  
921 on the corporation's agents, the impact of such multiperil  
922 coverage on the corporation's existing policyholders, and the  
923 impact of such multiperil coverage on rates and premium. The  
924 high-risk account must also include quota share primary  
925 insurance under subparagraph (c)2. The area eligible for  
926 coverage under the high-risk account also includes the area  
927 within Port Canaveral, which is bordered on the south by the  
928 City of Cape Canaveral, bordered on the west by the Banana  
929 River, and bordered on the north by Federal Government property.

930 b. The three separate accounts must be maintained as long  
931 as financing obligations entered into by the Florida Windstorm  
932 Underwriting Association or Residential Property and Casualty  
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933 Joint Underwriting Association are outstanding, in accordance  
934 with the terms of the corresponding financing documents. When  
935 the financing obligations are no longer outstanding, in  
936 accordance with the terms of the corresponding financing  
937 documents, the corporation may use a single account for all  
938 revenues, assets, liabilities, losses, and expenses of the  
939 corporation. Consistent with the requirement of this  
940 subparagraph and prudent investment policies that minimize the  
941 cost of carrying debt, the board shall exercise its best efforts  
942 to retire existing debt or to obtain approval of necessary  
943 parties to amend the terms of existing debt, so as to structure  
944 the most efficient plan to consolidate the three separate  
945 accounts into a single account. By February 1, 2007, the board  
946 shall submit a report to the Financial Services Commission, the  
947 President of the Senate, and the Speaker of the House of  
948 Representatives which includes an analysis of consolidating the  
949 accounts, the actions the board has taken to minimize the cost  
950 of carrying debt, and its recommendations for executing the most  
951 efficient plan.

952 c. Creditors of the Residential Property and Casualty  
953 Joint Underwriting Association shall have a claim against, and  
954 recourse to, the accounts referred to in sub-sub-subparagraphs  
955 a.(I) and (II) and shall have no claim against, or recourse to,  
956 the account referred to in sub-sub-subparagraph a.(III).  
957 Creditors of the Florida Windstorm Underwriting Association  
958 shall have a claim against, and recourse to, the account  
959 referred to in sub-sub-subparagraph a.(III) and shall have no

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960 claim against, or recourse to, the accounts referred to in sub-  
961 sub-subparagraphs a.(I) and (II).

962 d. Revenues, assets, liabilities, losses, and expenses not  
963 attributable to particular accounts shall be prorated among the  
964 accounts.

965 e. The Legislature finds that the revenues of the  
966 corporation are revenues that are necessary to meet the  
967 requirements set forth in documents authorizing the issuance of  
968 bonds under this subsection.

969 f. No part of the income of the corporation may inure to  
970 the benefit of any private person.

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

972 a. When the deficit incurred in a particular calendar year  
973 is not greater than 10 percent of the aggregate statewide direct  
974 written premium for the subject lines of business for the prior  
975 calendar year, the entire deficit shall be recovered through  
976 regular assessments of assessable insurers under paragraph (p)  
977 and assessable insureds.

978 b. When the deficit incurred in a particular calendar year  
979 exceeds 10 percent of the aggregate statewide direct written  
980 premium for the subject lines of business for the prior calendar  
981 year, the corporation shall levy regular assessments on  
982 assessable insurers under paragraph (p) and on assessable  
983 insureds in an amount equal to the greater of 10 percent of the  
984 deficit or 10 percent of the aggregate statewide direct written  
985 premium for the subject lines of business for the prior calendar  
986 year. Any remaining deficit shall be recovered through emergency  
987 assessments under sub-subparagraph d.

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988           c. Each assessable insurer's share of the amount being  
989 assessed under sub-subparagraph a. or sub-subparagraph b. shall  
990 be in the proportion that the assessable insurer's direct  
991 written premium for the subject lines of business for the year  
992 preceding the assessment bears to the aggregate statewide direct  
993 written premium for the subject lines of business for that year.  
994 The assessment percentage applicable to each assessable insured  
995 is the ratio of the amount being assessed under sub-subparagraph  
996 a. or sub-subparagraph b. to the aggregate statewide direct  
997 written premium for the subject lines of business for the prior  
998 year. Assessments levied by the corporation on assessable  
999 insurers under sub-subparagraphs a. and b. shall be paid as  
1000 required by the corporation's plan of operation and paragraph  
1001 (p). Notwithstanding any other provision of this subsection, the  
1002 aggregate amount of a regular assessment for a deficit incurred  
1003 in a particular calendar year shall be reduced by the estimated  
1004 amount to be received by the corporation from the Citizens  
1005 policyholder surcharge under subparagraph (c) ~~10.11~~ and the  
1006 amount collected or estimated to be collected from the  
1007 assessment on Citizens policyholders pursuant to sub-  
1008 subparagraph i. Assessments levied by the corporation on  
1009 assessable insureds under sub-subparagraphs a. and b. shall be  
1010 collected by the surplus lines agent at the time the surplus  
1011 lines agent collects the surplus lines tax required by s.  
1012 626.932 and shall be paid to the Florida Surplus Lines Service  
1013 Office at the time the surplus lines agent pays the surplus  
1014 lines tax to the Florida Surplus Lines Service Office. Upon  
1015 receipt of regular assessments from surplus lines agents, the  
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1016 Florida Surplus Lines Service Office shall transfer the  
1017 assessments directly to the corporation as determined by the  
1018 corporation.

1019       d. Upon a determination by the board of governors that a  
1020 deficit in an account exceeds the amount that will be recovered  
1021 through regular assessments under sub-subparagraph a. or sub-  
1022 subparagraph b., the board shall levy, after verification by the  
1023 office, emergency assessments, for as many years as necessary to  
1024 cover the deficits, to be collected by assessable insurers and  
1025 the corporation and collected from assessable insureds upon  
1026 issuance or renewal of policies for subject lines of business,  
1027 excluding National Flood Insurance policies. The amount of the  
1028 emergency assessment collected in a particular year shall be a  
1029 uniform percentage of that year's direct written premium for  
1030 subject lines of business and all accounts of the corporation,  
1031 excluding National Flood Insurance Program policy premiums, as  
1032 annually determined by the board and verified by the office. The  
1033 office shall verify the arithmetic calculations involved in the  
1034 board's determination within 30 days after receipt of the  
1035 information on which the determination was based.

1036 Notwithstanding any other provision of law, the corporation and  
1037 each assessable insurer that writes subject lines of business  
1038 shall collect emergency assessments from its policyholders  
1039 without such obligation being affected by any credit,  
1040 limitation, exemption, or deferment. Emergency assessments  
1041 levied by the corporation on assessable insureds shall be  
1042 collected by the surplus lines agent at the time the surplus  
1043 lines agent collects the surplus lines tax required by s.

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1044 626.932 and shall be paid to the Florida Surplus Lines Service  
1045 Office at the time the surplus lines agent pays the surplus  
1046 lines tax to the Florida Surplus Lines Service Office. The  
1047 emergency assessments so collected shall be transferred directly  
1048 to the corporation on a periodic basis as determined by the  
1049 corporation and shall be held by the corporation solely in the  
1050 applicable account. The aggregate amount of emergency  
1051 assessments levied for an account under this sub-subparagraph in  
1052 any calendar year may not exceed the greater of 10 percent of  
1053 the amount needed to cover the original deficit, plus interest,  
1054 fees, commissions, required reserves, and other costs associated  
1055 with financing of the original deficit, or 10 percent of the  
1056 aggregate statewide direct written premium for subject lines of  
1057 business and for all accounts of the corporation for the prior  
1058 year, plus interest, fees, commissions, required reserves, and  
1059 other costs associated with financing the original deficit.

1060 e. The corporation may pledge the proceeds of assessments,  
1061 projected recoveries from the Florida Hurricane Catastrophe  
1062 Fund, other insurance and reinsurance recoverables, policyholder  
1063 surcharges and other surcharges, and other funds available to  
1064 the corporation as the source of revenue for and to secure bonds  
1065 issued under paragraph (p), bonds or other indebtedness issued  
1066 under subparagraph (c)3., or lines of credit or other financing  
1067 mechanisms issued or created under this subsection, or to retire  
1068 any other debt incurred as a result of deficits or events giving  
1069 rise to deficits, or in any other way that the board determines  
1070 will efficiently recover such deficits. The purpose of the lines  
1071 of credit or other financing mechanisms is to provide additional  
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1072 resources to assist the corporation in covering claims and  
1073 expenses attributable to a catastrophe. As used in this  
1074 subsection, the term "assessments" includes regular assessments  
1075 under sub-subparagraph a., sub-subparagraph b., or subparagraph  
1076 (p)1. and emergency assessments under sub-subparagraph d.  
1077 Emergency assessments collected under sub-subparagraph d. are  
1078 not part of an insurer's rates, are not premium, and are not  
1079 subject to premium tax, fees, or commissions; however, failure  
1080 to pay the emergency assessment shall be treated as failure to  
1081 pay premium. The emergency assessments under sub-subparagraph d.  
1082 shall continue as long as any bonds issued or other indebtedness  
1083 incurred with respect to a deficit for which the assessment was  
1084 imposed remain outstanding, unless adequate provision has been  
1085 made for the payment of such bonds or other indebtedness  
1086 pursuant to the documents governing such bonds or other  
1087 indebtedness.

1088 f. As used in this subsection for purposes of any deficit  
1089 incurred on or after January 25, 2007, the term "subject lines  
1090 of business" means insurance written by assessable insurers or  
1091 procured by assessable insureds for all property and casualty  
1092 lines of business in this state, but not including workers'  
1093 compensation or medical malpractice. As used in the sub-  
1094 subparagraph, the term "property and casualty lines of business"  
1095 includes all lines of business identified on Form 2, Exhibit of  
1096 Premiums and Losses, in the annual statement required of  
1097 authorized insurers by s. 624.424 and any rule adopted under  
1098 this section, except for those lines identified as accident and  
1099 health insurance and except for policies written under the  
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1100 National Flood Insurance Program or the Federal Crop Insurance  
1101 Program. For purposes of this sub-subparagraph, the term  
1102 "workers' compensation" includes both workers' compensation  
1103 insurance and excess workers' compensation insurance.

1104 g. The Florida Surplus Lines Service Office shall  
1105 determine annually the aggregate statewide written premium in  
1106 subject lines of business procured by assessable insureds and  
1107 shall report that information to the corporation in a form and  
1108 at a time the corporation specifies to ensure that the  
1109 corporation can meet the requirements of this subsection and the  
1110 corporation's financing obligations.

1111 h. The Florida Surplus Lines Service Office shall verify  
1112 the proper application by surplus lines agents of assessment  
1113 percentages for regular assessments and emergency assessments  
1114 levied under this subparagraph on assessable insureds and shall  
1115 assist the corporation in ensuring the accurate, timely  
1116 collection and payment of assessments by surplus lines agents as  
1117 required by the corporation.

1118 i. If a deficit is incurred in any account in 2008 or  
1119 thereafter, the board of governors shall levy an immediate  
1120 assessment against the premium of each nonhomestead property  
1121 policyholder in all accounts of the corporation, as a uniform  
1122 percentage of the premium of the policy of up to 10 percent of  
1123 such premium, which funds shall be used to offset the deficit.  
1124 If this assessment is insufficient to eliminate the deficit, the  
1125 board of governors shall levy an additional assessment against  
1126 all policyholders of the corporation, which shall be collected  
1127 at the time of issuance or renewal of a policy, as a uniform

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1128 percentage of the premium for the policy of up to 10 percent of  
1129 such premium, which funds shall be used to further offset the  
1130 deficit.

1131 j. The board of governors shall maintain separate  
1132 accounting records that consolidate data for nonhomestead  
1133 properties, including, but not limited to, number of policies,  
1134 insured values, premiums written, and losses. The board of  
1135 governors shall annually report to the office and the  
1136 Legislature a summary of such data.

1137 (c) The plan of operation of the corporation:

1138 1. Must provide for adoption of residential property and  
1139 casualty insurance policy forms and commercial residential and  
1140 nonresidential property insurance forms, which forms must be  
1141 approved by the office prior to use. The corporation shall adopt  
1142 the following policy forms:

1143 a. Standard personal lines policy forms that are  
1144 comprehensive multiperil policies providing full coverage of a  
1145 residential property equivalent to the coverage provided in the  
1146 private insurance market under an HO-3, HO-4, or HO-6 policy.

1147 b. Basic personal lines policy forms that are policies  
1148 similar to an HO-8 policy or a dwelling fire policy that provide  
1149 coverage meeting the requirements of the secondary mortgage  
1150 market, but which coverage is more limited than the coverage  
1151 under a standard policy.

1152 c. Commercial lines residential and nonresidential policy  
1153 forms that are generally similar to the basic perils of full  
1154 coverage obtainable for commercial residential structures and

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1155 commercial nonresidential structures in the admitted voluntary  
1156 market.

1157 d. Personal lines and commercial lines residential  
1158 property insurance forms that cover the peril of wind only. The  
1159 forms are applicable only to residential properties located in  
1160 areas eligible for coverage under the high-risk account referred  
1161 to in sub-subparagraph (b)2.a.

1162 e. Commercial lines nonresidential property insurance  
1163 forms that cover the peril of wind only. The forms are  
1164 applicable only to nonresidential properties located in areas  
1165 eligible for coverage under the high-risk account referred to in  
1166 sub-subparagraph (b)2.a.

1167 f. The corporation may adopt variations of the policy  
1168 forms listed in sub-subparagraphs a.-e. that contain more  
1169 restrictive coverage.

1170 2.a. Must provide that the corporation adopt a program in  
1171 which the corporation and authorized insurers enter into quota  
1172 share primary insurance agreements for hurricane coverage, as  
1173 defined in s. 627.4025(2)(a), for eligible risks, and adopt  
1174 property insurance forms for eligible risks which cover the  
1175 peril of wind only. As used in this subsection, the term:

1176 (I) "Quota share primary insurance" means an arrangement  
1177 in which the primary hurricane coverage of an eligible risk is  
1178 provided in specified percentages by the corporation and an  
1179 authorized insurer. The corporation and authorized insurer are  
1180 each solely responsible for a specified percentage of hurricane  
1181 coverage of an eligible risk as set forth in a quota share  
1182 primary insurance agreement between the corporation and an  
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1183 authorized insurer and the insurance contract. The  
1184 responsibility of the corporation or authorized insurer to pay  
1185 its specified percentage of hurricane losses of an eligible  
1186 risk, as set forth in the quota share primary insurance  
1187 agreement, may not be altered by the inability of the other  
1188 party to the agreement to pay its specified percentage of  
1189 hurricane losses. Eligible risks that are provided hurricane  
1190 coverage through a quota share primary insurance arrangement  
1191 must be provided policy forms that set forth the obligations of  
1192 the corporation and authorized insurer under the arrangement,  
1193 clearly specify the percentages of quota share primary insurance  
1194 provided by the corporation and authorized insurer, and  
1195 conspicuously and clearly state that neither the authorized  
1196 insurer nor the corporation may be held responsible beyond its  
1197 specified percentage of coverage of hurricane losses.

1198 (II) "Eligible risks" means personal lines residential and  
1199 commercial lines residential risks that meet the underwriting  
1200 criteria of the corporation and are located in areas that were  
1201 eligible for coverage by the Florida Windstorm Underwriting  
1202 Association on January 1, 2002.

1203 b. The corporation may enter into quota share primary  
1204 insurance agreements with authorized insurers at corporation  
1205 coverage levels of 90 percent and 50 percent.

1206 c. If the corporation determines that additional coverage  
1207 levels are necessary to maximize participation in quota share  
1208 primary insurance agreements by authorized insurers, the  
1209 corporation may establish additional coverage levels. However,

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1210 the corporation's quota share primary insurance coverage level  
1211 may not exceed 90 percent.

1212 d. Any quota share primary insurance agreement entered  
1213 into between an authorized insurer and the corporation must  
1214 provide for a uniform specified percentage of coverage of  
1215 hurricane losses, by county or territory as set forth by the  
1216 corporation board, for all eligible risks of the authorized  
1217 insurer covered under the quota share primary insurance  
1218 agreement.

1219 e. Any quota share primary insurance agreement entered  
1220 into between an authorized insurer and the corporation is  
1221 subject to review and approval by the office. However, such  
1222 agreement shall be authorized only as to insurance contracts  
1223 entered into between an authorized insurer and an insured who is  
1224 already insured by the corporation for wind coverage.

1225 f. For all eligible risks covered under quota share  
1226 primary insurance agreements, the exposure and coverage levels  
1227 for both the corporation and authorized insurers shall be  
1228 reported by the corporation to the Florida Hurricane Catastrophe  
1229 Fund. For all policies of eligible risks covered under quota  
1230 share primary insurance agreements, the corporation and the  
1231 authorized insurer shall maintain complete and accurate records  
1232 for the purpose of exposure and loss reimbursement audits as  
1233 required by Florida Hurricane Catastrophe Fund rules. The  
1234 corporation and the authorized insurer shall each maintain  
1235 duplicate copies of policy declaration pages and supporting  
1236 claims documents.

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1237 g. The corporation board shall establish in its plan of  
1238 operation standards for quota share agreements which ensure that  
1239 there is no discriminatory application among insurers as to the  
1240 terms of quota share agreements, pricing of quota share  
1241 agreements, incentive provisions if any, and consideration paid  
1242 for servicing policies or adjusting claims.

1243 h. The quota share primary insurance agreement between the  
1244 corporation and an authorized insurer must set forth the  
1245 specific terms under which coverage is provided, including, but  
1246 not limited to, the sale and servicing of policies issued under  
1247 the agreement by the insurance agent of the authorized insurer  
1248 producing the business, the reporting of information concerning  
1249 eligible risks, the payment of premium to the corporation, and  
1250 arrangements for the adjustment and payment of hurricane claims  
1251 incurred on eligible risks by the claims adjuster and personnel  
1252 of the authorized insurer. Entering into a quota sharing  
1253 insurance agreement between the corporation and an authorized  
1254 insurer shall be voluntary and at the discretion of the  
1255 authorized insurer.

1256 3. May provide that the corporation may employ or  
1257 otherwise contract with individuals or other entities to provide  
1258 administrative or professional services that may be appropriate  
1259 to effectuate the plan. The corporation shall have the power to  
1260 borrow funds, by issuing bonds or by incurring other  
1261 indebtedness, and shall have other powers reasonably necessary  
1262 to effectuate the requirements of this subsection, including,  
1263 without limitation, the power to issue bonds and incur other  
1264 indebtedness in order to refinance outstanding bonds or other

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1265 indebtedness. The corporation may, but is not required to, seek  
1266 judicial validation of its bonds or other indebtedness under  
1267 chapter 75. The corporation may issue bonds or incur other  
1268 indebtedness, or have bonds issued on its behalf by a unit of  
1269 local government pursuant to subparagraph (g)2., in the absence  
1270 of a hurricane or other weather-related event, upon a  
1271 determination by the corporation, subject to approval by the  
1272 office, that such action would enable it to efficiently meet the  
1273 financial obligations of the corporation and that such  
1274 financings are reasonably necessary to effectuate the  
1275 requirements of this subsection. The corporation is authorized  
1276 to take all actions needed to facilitate tax-free status for any  
1277 such bonds or indebtedness, including formation of trusts or  
1278 other affiliated entities. The corporation shall have the  
1279 authority to pledge assessments, projected recoveries from the  
1280 Florida Hurricane Catastrophe Fund, other reinsurance  
1281 recoverables, market equalization and other surcharges, and  
1282 other funds available to the corporation as security for bonds  
1283 or other indebtedness. In recognition of s. 10, Art. I of the  
1284 State Constitution, prohibiting the impairment of obligations of  
1285 contracts, it is the intent of the Legislature that no action be  
1286 taken whose purpose is to impair any bond indenture or financing  
1287 agreement or any revenue source committed by contract to such  
1288 bond or other indebtedness.

1289 4.a. Must require that the corporation operate subject to  
1290 the supervision and approval of a board of governors consisting  
1291 of eight individuals who are residents of this state, from  
1292 different geographical areas of this state. The Governor, the  
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1293 Chief Financial Officer, the President of the Senate, and the  
1294 Speaker of the House of Representatives shall each appoint two  
1295 members of the board. At least one of the two members appointed  
1296 by each appointing officer must have demonstrated expertise in  
1297 insurance. The Chief Financial Officer shall designate one of  
1298 the appointees as chair. All board members serve at the pleasure  
1299 of the appointing officer. All members of the board of governors  
1300 are subject to removal at will by the officers who appointed  
1301 them. All board members, including the chair, must be appointed  
1302 to serve for 3-year terms beginning annually on a date  
1303 designated by the plan. Any board vacancy shall be filled for  
1304 the unexpired term by the appointing officer. The Chief  
1305 Financial Officer shall appoint a technical advisory group to  
1306 provide information and advice to the board of governors in  
1307 connection with the board's duties under this subsection. The  
1308 executive director and senior managers of the corporation shall  
1309 be engaged by the board and serve at the pleasure of the board.  
1310 Any executive director appointed on or after July 1, 2006, is  
1311 subject to confirmation by the Senate. The executive director is  
1312 responsible for employing other staff as the corporation may  
1313 require, subject to review and concurrence by the board.

1314       b. The board shall create a Market Accountability Advisory  
1315 Committee to assist the corporation in developing awareness of  
1316 its rates and its customer and agent service levels in  
1317 relationship to the voluntary market insurers writing similar  
1318 coverage. The members of the advisory committee shall consist of  
1319 the following 11 persons, one of whom must be elected chair by  
1320 the members of the committee: four representatives, one

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1321 appointed by the Florida Association of Insurance Agents, one by  
1322 the Florida Association of Insurance and Financial Advisors, one  
1323 by the Professional Insurance Agents of Florida, and one by the  
1324 Latin American Association of Insurance Agencies; three  
1325 representatives appointed by the insurers with the three highest  
1326 voluntary market share of residential property insurance  
1327 business in the state; one representative from the Office of  
1328 Insurance Regulation; one consumer appointed by the board who is  
1329 insured by the corporation at the time of appointment to the  
1330 committee; one representative appointed by the Florida  
1331 Association of Realtors; and one representative appointed by the  
1332 Florida Bankers Association. All members must serve for 3-year  
1333 terms and may serve for consecutive terms. The committee shall  
1334 report to the corporation at each board meeting on insurance  
1335 market issues which may include rates and rate competition with  
1336 the voluntary market; service, including policy issuance, claims  
1337 processing, and general responsiveness to policyholders,  
1338 applicants, and agents; and matters relating to depopulation.

1339 5. Must provide a procedure for determining the  
1340 eligibility of a risk for coverage, as follows:

1341 a. Subject to the provisions of s. 627.3517, with respect  
1342 to personal lines residential risks, if the risk is offered  
1343 coverage from an authorized insurer at the insurer's approved  
1344 rate under either a standard policy including wind coverage or,  
1345 if consistent with the insurer's underwriting rules as filed  
1346 with the office, a basic policy including wind coverage, for a  
1347 new application to the corporation for coverage, the risk is not  
1348 eligible for any policy issued by the corporation unless the  
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1349 premium for coverage from the authorized insurer is more than 25  
1350 percent greater than the premium for comparable coverage from  
1351 the corporation. If the risk is not able to obtain any such  
1352 offer, the risk is eligible for either a standard policy  
1353 including wind coverage or a basic policy including wind  
1354 coverage issued by the corporation; however, if the risk could  
1355 not be insured under a standard policy including wind coverage  
1356 regardless of market conditions, the risk shall be eligible for  
1357 a basic policy including wind coverage unless rejected under  
1358 subparagraph 8. However, with regard to a policyholder of the  
1359 corporation or a policyholder removed from the corporation  
1360 through an assumption agreement until the end of the assumption  
1361 period, the policyholder remains eligible for coverage from the  
1362 corporation regardless of any offer of coverage from an  
1363 authorized insurer or surplus lines insurer. The corporation  
1364 shall determine the type of policy to be provided on the basis  
1365 of objective standards specified in the underwriting manual and  
1366 based on generally accepted underwriting practices.

1367 (I) If the risk accepts an offer of coverage through the  
1368 market assistance plan or an offer of coverage through a  
1369 mechanism established by the corporation before a policy is  
1370 issued to the risk by the corporation or during the first 30  
1371 days of coverage by the corporation, and the producing agent who  
1372 submitted the application to the plan or to the corporation is  
1373 not currently appointed by the insurer, the insurer shall:

1374 (A) Pay to the producing agent of record of the policy,  
1375 for the first year, an amount that is the greater of the  
1376 insurer's usual and customary commission for the type of policy

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1377 written or a fee equal to the usual and customary commission of  
1378 the corporation; or

1379 (B) Offer to allow the producing agent of record of the  
1380 policy to continue servicing the policy for a period of not less  
1381 than 1 year and offer to pay the agent the greater of the  
1382 insurer's or the corporation's usual and customary commission  
1383 for the type of policy written.

1384

1385 If the producing agent is unwilling or unable to accept  
1386 appointment, the new insurer shall pay the agent in accordance  
1387 with sub-sub-sub-subparagraph (A).

1388 (II) When the corporation enters into a contractual  
1389 agreement for a take-out plan, the producing agent of record of  
1390 the corporation policy is entitled to retain any unearned  
1391 commission on the policy, and the insurer shall:

1392 (A) Pay to the producing agent of record of the  
1393 corporation policy, for the first year, an amount that is the  
1394 greater of the insurer's usual and customary commission for the  
1395 type of policy written or a fee equal to the usual and customary  
1396 commission of the corporation; or

1397 (B) Offer to allow the producing agent of record of the  
1398 corporation policy to continue servicing the policy for a period  
1399 of not less than 1 year and offer to pay the agent the greater  
1400 of the insurer's or the corporation's usual and customary  
1401 commission for the type of policy written.

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1403 If the producing agent is unwilling or unable to accept  
1404 appointment, the new insurer shall pay the agent in accordance  
1405 with sub-sub-sub-subparagraph (A).

1406       b. With respect to commercial lines residential risks, for  
1407 a new application to the corporation for coverage, if the risk  
1408 is offered coverage under a policy including wind coverage from  
1409 an authorized insurer at its approved rate, the risk is not  
1410 eligible for any policy issued by the corporation unless the  
1411 premium for coverage from the authorized insurer is more than 25  
1412 percent greater than the premium for comparable coverage from  
1413 the corporation. If the risk is not able to obtain any such  
1414 offer, the risk is eligible for a policy including wind coverage  
1415 issued by the corporation. However, with regard to a  
1416 policyholder of the corporation or a policyholder removed from  
1417 the corporation through an assumption agreement until the end of  
1418 the assumption period, the policyholder remains eligible for  
1419 coverage from the corporation regardless of any offer of  
1420 coverage from an authorized insurer or surplus lines insurer.

1421       (I) If the risk accepts an offer of coverage through the  
1422 market assistance plan or an offer of coverage through a  
1423 mechanism established by the corporation before a policy is  
1424 issued to the risk by the corporation or during the first 30  
1425 days of coverage by the corporation, and the producing agent who  
1426 submitted the application to the plan or the corporation is not  
1427 currently appointed by the insurer, the insurer shall:

1428       (A) Pay to the producing agent of record of the policy,  
1429 for the first year, an amount that is the greater of the  
1430 insurer's usual and customary commission for the type of policy

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1431 written or a fee equal to the usual and customary commission of  
1432 the corporation; or

1433 (B) Offer to allow the producing agent of record of the  
1434 policy to continue servicing the policy for a period of not less  
1435 than 1 year and offer to pay the agent the greater of the  
1436 insurer's or the corporation's usual and customary commission  
1437 for the type of policy written.

1438

1439 If the producing agent is unwilling or unable to accept  
1440 appointment, the new insurer shall pay the agent in accordance  
1441 with sub-sub-sub-subparagraph (A).

1442 (II) When the corporation enters into a contractual  
1443 agreement for a take-out plan, the producing agent of record of  
1444 the corporation policy is entitled to retain any unearned  
1445 commission on the policy, and the insurer shall:

1446 (A) Pay to the producing agent of record of the  
1447 corporation policy, for the first year, an amount that is the  
1448 greater of the insurer's usual and customary commission for the  
1449 type of policy written or a fee equal to the usual and customary  
1450 commission of the corporation; or

1451 (B) Offer to allow the producing agent of record of the  
1452 corporation policy to continue servicing the policy for a period  
1453 of not less than 1 year and offer to pay the agent the greater  
1454 of the insurer's or the corporation's usual and customary  
1455 commission for the type of policy written.

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1457 If the producing agent is unwilling or unable to accept  
1458 appointment, the new insurer shall pay the agent in accordance  
1459 with sub-sub-sub-subparagraph (A).

1460 c. For purposes of determining comparable coverage under  
1461 sub-subparagraphs a. and b., the comparison shall be based on  
1462 those forms and coverages that are reasonably comparable. The  
1463 corporation may rely on a determination of comparable coverage  
1464 and premium made by the producing agent who submits the  
1465 application to the corporation, which determination shall be  
1466 presumed correct and deemed to be made in the agent's capacity  
1467 as the corporation's agent. A comparison may be made solely of  
1468 the premium with respect to the main building or structure only  
1469 on the following basis: the same coverage A or other building  
1470 limits; the same percentage hurricane deductible that applies on  
1471 an annual basis or that applies to each hurricane for commercial  
1472 residential property; the same percentage of ordinance and law  
1473 coverage, if the same limit is offered by both the corporation  
1474 and the authorized insurer; the same mitigation credits, to the  
1475 extent the same types of credits are offered both by the  
1476 corporation and the authorized insurer; the same method for loss  
1477 payment, such as replacement cost or actual cash value, if the  
1478 same method is offered both by the corporation and the  
1479 authorized insurer in accordance with underwriting rules; and  
1480 any other form or coverage that is reasonably comparable as  
1481 determined by the board. Any other differences in coverage may  
1482 be ignored. If an application is submitted to the corporation  
1483 for wind-only coverage in the high-risk account, the premium for  
1484 the corporation's wind-only policy plus the premium for the ex-  
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1485 wind policy that is offered by an authorized insurer to the  
1486 applicant shall be compared to the premium for multiperil  
1487 coverage offered by an authorized insurer, subject to the  
1488 standards for comparison specified in this subparagraph. If the  
1489 corporation or the applicant requests from the authorized  
1490 insurer a breakdown of the premium of the offer by types of  
1491 coverage so that a comparison may be made by the corporation or  
1492 its agent and the authorized insurer refuses or is unable to  
1493 provide such information, the corporation may treat the offer as  
1494 not being an offer of coverage from an authorized insurer at the  
1495 insurer's approved rate.

1496 ~~6. Must provide by July 1, 2007, that an application for~~  
1497 ~~coverage for a new policy is subject to a waiting period of 10~~  
1498 ~~days before coverage is effective, during which time the~~  
1499 ~~corporation shall make such application available for review by~~  
1500 ~~general lines agents and authorized property and casualty~~  
1501 ~~insurers. The board shall approve an exception that allows for~~  
1502 ~~coverage to be effective before the end of the 10-day waiting~~  
1503 ~~period, for coverage issued in conjunction with a real estate~~  
1504 ~~closing. The board may approve such other exceptions as the~~  
1505 ~~board determines are necessary to prevent lapses in coverage.~~

1506 ~~6.7. Must include rules for classifications of risks and~~  
1507 ~~rates therefor.~~

1508 ~~7.8. Must provide that if premium and investment income~~  
1509 ~~for an account attributable to a particular calendar year are in~~  
1510 ~~excess of projected losses and expenses for the account~~  
1511 ~~attributable to that year, such excess shall be held in surplus~~  
1512 ~~in the account. Such surplus shall be available to defray~~

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1513 deficits in that account as to future years and shall be used  
1514 for that purpose prior to assessing assessable insurers and  
1515 assessable insureds as to any calendar year.

1516 ~~8.9-~~ Must provide objective criteria and procedures to be  
1517 uniformly applied for all applicants in determining whether an  
1518 individual risk is so hazardous as to be uninsurable. In making  
1519 this determination and in establishing the criteria and  
1520 procedures, the following shall be considered:

1521 a. Whether the likelihood of a loss for the individual  
1522 risk is substantially higher than for other risks of the same  
1523 class; and

1524 b. Whether the uncertainty associated with the individual  
1525 risk is such that an appropriate premium cannot be determined.

1526

1527 The acceptance or rejection of a risk by the corporation shall  
1528 be construed as the private placement of insurance, and the  
1529 provisions of chapter 120 shall not apply.

1530 ~~9.10-~~ Must provide that the corporation shall make its  
1531 best efforts to procure catastrophe reinsurance at reasonable  
1532 rates, to cover its projected 100-year probable maximum loss as  
1533 determined by the board of governors.

1534 ~~10.11-~~ Must provide that in the event of regular deficit  
1535 assessments under sub-subparagraph (b)3.a. or sub-subparagraph  
1536 (b)3.b., in the personal lines account, the commercial lines  
1537 residential account, or the high-risk account, the corporation  
1538 shall levy upon corporation policyholders in its next rate  
1539 filing, or by a separate rate filing solely for this purpose, a  
1540 Citizens policyholder surcharge arising from a regular

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1541 assessment in such account in a percentage equal to the total  
1542 amount of such regular assessments divided by the aggregate  
1543 statewide direct written premium for subject lines of business  
1544 for the prior calendar year. For purposes of calculating the  
1545 Citizens policyholder surcharge to be levied under this  
1546 subparagraph, the total amount of the regular assessment to  
1547 which this surcharge is related shall be determined as set forth  
1548 in subparagraph (b)3., without deducting the estimated Citizens  
1549 policyholder surcharge. Citizens policyholder surcharges under  
1550 this subparagraph are not considered premium and are not subject  
1551 to commissions, fees, or premium taxes; however, failure to pay  
1552 a market equalization surcharge shall be treated as failure to  
1553 pay premium.

1554 ~~11.12.~~ The policies issued by the corporation must provide  
1555 that, if the corporation or the market assistance plan obtains  
1556 an offer from an authorized insurer to cover the risk at its  
1557 approved rates, the risk is no longer eligible for renewal  
1558 through the corporation, except as otherwise provided in this  
1559 subsection.

1560 ~~12.13.~~ Corporation policies and applications must include  
1561 a notice that the corporation policy could, under this section,  
1562 be replaced with a policy issued by an authorized insurer that  
1563 does not provide coverage identical to the coverage provided by  
1564 the corporation. The notice shall also specify that acceptance  
1565 of corporation coverage creates a conclusive presumption that  
1566 the applicant or policyholder is aware of this potential.

1567 ~~13.14.~~ May establish, subject to approval by the office,  
1568 different eligibility requirements and operational procedures  
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1569 for any line or type of coverage for any specified county or  
1570 area if the board determines that such changes to the  
1571 eligibility requirements and operational procedures are  
1572 justified due to the voluntary market being sufficiently stable  
1573 and competitive in such area or for such line or type of  
1574 coverage and that consumers who, in good faith, are unable to  
1575 obtain insurance through the voluntary market through ordinary  
1576 methods would continue to have access to coverage from the  
1577 corporation. When coverage is sought in connection with a real  
1578 property transfer, such requirements and procedures shall not  
1579 provide for an effective date of coverage later than the date of  
1580 the closing of the transfer as established by the transferor,  
1581 the transferee, and, if applicable, the lender.

1582 ~~14.15-~~ Must provide that, with respect to the high-risk  
1583 account, any assessable insurer with a surplus as to  
1584 policyholders of \$25 million or less writing 25 percent or more  
1585 of its total countrywide property insurance premiums in this  
1586 state may petition the office, within the first 90 days of each  
1587 calendar year, to qualify as a limited apportionment company. A  
1588 regular assessment levied by the corporation on a limited  
1589 apportionment company for a deficit incurred by the corporation  
1590 for the high-risk account in 2006 or thereafter may be paid to  
1591 the corporation on a monthly basis as the assessments are  
1592 collected by the limited apportionment company from its insureds  
1593 pursuant to s. 627.3512, but the regular assessment must be paid  
1594 in full within 12 months after being levied by the corporation.  
1595 A limited apportionment company shall collect from its  
1596 policyholders any emergency assessment imposed under sub-

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1597 subparagraph (b)3.d. The plan shall provide that, if the office  
1598 determines that any regular assessment will result in an  
1599 impairment of the surplus of a limited apportionment company,  
1600 the office may direct that all or part of such assessment be  
1601 deferred as provided in subparagraph (g)4. However, there shall  
1602 be no limitation or deferment of an emergency assessment to be  
1603 collected from policyholders under sub-subparagraph (b)3.d.

1604 ~~15.16.~~ Must provide that the corporation appoint as its  
1605 licensed agents only those agents who also hold an appointment  
1606 as defined in s. 626.015(3) with an insurer who at the time of  
1607 the agent's initial appointment by the corporation is authorized  
1608 to write and is actually writing personal lines residential  
1609 property coverage, commercial residential property coverage, or  
1610 commercial nonresidential property coverage within the state.

1611 ~~16.17.~~ Must provide, by July 1, 2007, a premium payment  
1612 plan option to its policyholders which allows at a minimum for  
1613 quarterly and semiannual payment of premiums. A monthly payment  
1614 plan may, but is not required to, be offered.

1615 ~~17.18.~~ Must provide, effective June 1, 2007, that the  
1616 corporation contract with each insurer providing the non-wind  
1617 coverage for risks insured by the corporation in the high-risk  
1618 account, requiring that the insurer provide claims adjusting  
1619 services for the wind coverage provided by the corporation for  
1620 such risks. An insurer is required to enter into this contract  
1621 as a condition of providing non-wind coverage for a risk that is  
1622 insured by the corporation in the high-risk account unless the  
1623 board approves an exemption for good cause ~~finds, after a~~  
1624 ~~hearing, that the insurer is not capable of providing adjusting~~  
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1625 ~~services at an acceptable level of quality to corporation~~  
1626 ~~policyholders~~. The terms and conditions of such contracts must  
1627 be substantially the same as the contracts that the corporation  
1628 executed with insurers under the "adjust-your-own" program in  
1629 2006, except as may be mutually agreed to by the parties and  
1630 except for such changes that the board determines are necessary  
1631 to ensure that claims are adjusted appropriately. The  
1632 corporation shall provide a process for neutral arbitration of  
1633 any dispute between the corporation and the insurer regarding  
1634 the terms of the contract. The corporation shall review and  
1635 monitor the performance of insurers under these contracts.

1636 ~~18.19.~~ Must limit coverage on mobile homes or manufactured  
1637 homes built prior to 1994 to actual cash value of the dwelling  
1638 rather than replacement costs of the dwelling.

1639 ~~19.20.~~ May provide such limits of coverage as the board  
1640 determines, consistent with the requirements of this subsection.

1641 ~~20.21.~~ May require commercial property to meet specified  
1642 hurricane mitigation construction features as a condition of  
1643 eligibility for coverage.

1644 (d)1. All prospective employees for senior management  
1645 positions, as defined by the plan of operation, are subject to  
1646 background checks as a prerequisite for employment. The office  
1647 shall conduct background checks on such prospective employees  
1648 pursuant to ss. 624.34, 624.404(3), and 628.261.

1649 2. On or before July 1 of each year, employees of the  
1650 corporation are required to sign and submit a statement  
1651 attesting that they do not have a conflict of interest, as  
1652 defined in part III of chapter 112. As a condition of

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1653 employment, all prospective employees are required to sign and  
1654 submit to the corporation a conflict-of-interest statement.

1655 3. Senior managers and members of the board of governors  
1656 are subject to the provisions of ss. 112.313, 112.3135,  
1657 112.3143, 112.3145, 112.316, and 112.317, which apply to  
1658 political subdivisions of the state ~~part III of chapter 112,~~  
1659 ~~including, but not limited to, the code of ethics and public~~  
1660 ~~disclosure and reporting of financial interests, pursuant to s.~~  
1661 ~~112.3145.~~ For purposes of the filing requirements in s.  
1662 112.3145, senior managers and board members are also required to  
1663 file such disclosures with the Commission on Ethics and the  
1664 Office of Insurance Regulation. The executive director of the  
1665 corporation or his or her designee shall notify each newly  
1666 appointed and existing appointed member of the board of  
1667 governors and senior managers of their duty to comply with the  
1668 reporting requirements of s. 112.3145 ~~part III of chapter 112.~~  
1669 At least quarterly, the executive director or his or her  
1670 designee shall submit to the Commission on Ethics a list of  
1671 names of the senior managers and members of the board of  
1672 governors who are subject to the public disclosure requirements  
1673 under s. 112.3145. Notwithstanding s. 112.313, if a member of  
1674 the board of governors has been appointed by his or her  
1675 appointing officer because of demonstrated expertise in  
1676 insurance, such member may be an employee, officer, owner, or  
1677 director of an insurance agency or insurance company or other  
1678 insurance entity that has a contractual relationship with the  
1679 corporation. Such board member may participate in and vote on a  
1680 matter if the applicable provisions of s. 112.3143 are met and  
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1681 if the insurance entity would not obtain a special or unique  
1682 benefit that would not apply to other similar insurance entities  
1683 that have a contractual relationship with the corporation. For  
1684 purposes of the applicable sections of chapter 112 cited in this  
1685 subparagraph, senior managers of the corporation are subject to  
1686 those provisions applicable to employees of political  
1687 subdivisions of the state and board members are subject to those  
1688 provisions applicable to appointed public officers or public  
1689 officials of political subdivisions of the state and, for  
1690 purposes of s. 112.3143(2), board members are considered state  
1691 public officers.

1692 4. Notwithstanding s. 112.3148 or s. 112.3149, or any  
1693 other provision of law, an employee or board member may not  
1694 knowingly accept, directly or indirectly, any gift or  
1695 expenditure from a person or entity, or an employee or  
1696 representative of such person or entity, that has a contractual  
1697 relationship with the corporation or who is under consideration  
1698 for a contract. An employee or board member who fails to comply  
1699 with subparagraph 3. or this subparagraph is subject to  
1700 penalties provided under s. ~~ss.~~ 112.317 and ~~112.3173.~~

1701 5. Any senior manager of the corporation who is employed  
1702 on or after January 1, 2007, regardless of the date of hire, who  
1703 subsequently retires or terminates employment is prohibited from  
1704 representing another person or entity before the corporation for  
1705 2 years after retirement or termination of employment from the  
1706 corporation.

1707 6. Any senior manager ~~employee~~ of the corporation who is  
1708 employed on or after January 1, 2007, regardless of the date of

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1709 hire, who subsequently retires or terminates employment is  
1710 prohibited from having any employment or contractual  
1711 relationship for 2 years with an insurer that has entered into  
1712 ~~received~~ a take-out bonus agreement with ~~from~~ the corporation.

1713 (j)1. The corporation shall establish and maintain a unit  
1714 or division to investigate possible fraudulent claims by  
1715 insureds or by persons making claims for services or repairs  
1716 against policies held by insureds; or it may contract with  
1717 others to investigate possible fraudulent claims for services or  
1718 repairs against policies held by the corporation pursuant to s.  
1719 626.9891. The corporation must comply with reporting  
1720 requirements of s. 626.9891. An employee of the corporation  
1721 shall notify the corporation's Office of the Internal Auditor  
1722 ~~Division of Insurance Fraud~~ within 48 hours after having  
1723 information that would lead a reasonable person to suspect that  
1724 fraud may have been committed by any employee of the  
1725 corporation.

1726 2. The corporation shall establish a unit or division  
1727 responsible for receiving and responding to consumer complaints,  
1728 which unit or division is the sole responsibility of a senior  
1729 manager of the corporation.

1730 (m)1. Rates for coverage provided by the corporation shall  
1731 be actuarially sound and subject to the requirements of s.  
1732 627.062, except as otherwise provided in this paragraph. The  
1733 corporation shall file its recommended rates with the office at  
1734 least annually. The corporation shall provide any additional  
1735 information regarding the rates which the office requires. The  
1736 office shall consider the recommendations of the board and issue

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1737 a final order establishing the rates for the corporation within  
1738 45 days after the recommended rates are filed. The corporation  
1739 may not pursue an administrative challenge or judicial review of  
1740 the final order of the office.

1741 2. In addition to the rates otherwise determined pursuant  
1742 to this paragraph, the corporation shall impose and collect an  
1743 amount equal to the premium tax provided for in s. 624.509 to  
1744 augment the financial resources of the corporation.

1745 3. After the public hurricane loss-projection model under  
1746 s. 627.06281 has been found to be accurate and reliable by the  
1747 Florida Commission on Hurricane Loss Projection Methodology,  
1748 that model shall serve as the minimum benchmark for determining  
1749 the windstorm portion of the corporation's rates. This  
1750 subparagraph does not require or allow the corporation to adopt  
1751 rates lower than the rates otherwise required or allowed by this  
1752 paragraph.

1753 4. The rate filings for the corporation which were  
1754 approved by the office and which took effect January 1, 2007,  
1755 are rescinded, except for those rates that were lowered. As soon  
1756 as possible, the corporation shall begin using the lower rates  
1757 that were in effect on December 31, 2006, and shall provide  
1758 refunds to policyholders who have paid higher rates as a result  
1759 of that rate filing. The rates in effect on December 31, 2006,  
1760 shall remain in effect through at least December 31, 2007, ~~for~~  
1761 ~~the 2007 calendar year~~ except for any rate change that results  
1762 in a lower rate. The next rate change that may increase rates  
1763 shall be filed with the office by take effect January 1, 2008,  
1764 ~~pursuant to a new rate filing recommended by the corporation and~~  
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1765 ~~established by the office,~~ subject to the requirements of this  
1766 paragraph.

1767 (n) If coverage in an account is deactivated pursuant to  
1768 paragraph (f), coverage through the corporation shall be  
1769 reactivated by order of the office only under one of the  
1770 following circumstances:

1771 1. If the market assistance plan receives a minimum of 100  
1772 applications for coverage within a 3-month period, or 200  
1773 applications for coverage within a 1-year period or less for  
1774 residential coverage, unless the market assistance plan provides  
1775 a quotation from admitted carriers at their filed rates for at  
1776 least 90 percent of such applicants. Any market assistance plan  
1777 application that is rejected because an individual risk is so  
1778 hazardous as to be uninsurable using the criteria specified in  
1779 subparagraph (c) ~~7.8~~ shall not be included in the minimum  
1780 percentage calculation provided herein. In the event that there  
1781 is a legal or administrative challenge to a determination by the  
1782 office that the conditions of this subparagraph have been met  
1783 for eligibility for coverage in the corporation, any eligible  
1784 risk may obtain coverage during the pendency of such challenge.

1785 2. In response to a state of emergency declared by the  
1786 Governor under s. 252.36, the office may activate coverage by  
1787 order for the period of the emergency upon a finding by the  
1788 office that the emergency significantly affects the availability  
1789 of residential property insurance.

1790 (v) Notwithstanding any other provision of law:

1791 1. The pledge or sale of, the lien upon, and the security  
1792 interest in any rights, revenues, or other assets of the

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1793 corporation created or purported to be created pursuant to any  
1794 financing documents to secure any bonds or other indebtedness of  
1795 the corporation shall be and remain valid and enforceable,  
1796 notwithstanding the commencement of and during the continuation  
1797 of, and after, any rehabilitation, insolvency, liquidation,  
1798 bankruptcy, receivership, conservatorship, reorganization, or  
1799 similar proceeding against the corporation under the laws of  
1800 this state.

1801         2. No such proceeding shall relieve the corporation of its  
1802 obligation, or otherwise affect its ability to perform its  
1803 obligation, to continue to collect, or levy and collect,  
1804 assessments, market equalization or other surcharges under  
1805 subparagraph (c) ~~9.10-~~, or any other rights, revenues, or other  
1806 assets of the corporation pledged pursuant to any financing  
1807 documents.

1808         3. Each such pledge or sale of, lien upon, and security  
1809 interest in, including the priority of such pledge, lien, or  
1810 security interest, any such assessments, market equalization or  
1811 other surcharges, or other rights, revenues, or other assets  
1812 which are collected, or levied and collected, after the  
1813 commencement of and during the pendency of, or after, any such  
1814 proceeding shall continue unaffected by such proceeding. As used  
1815 in this subsection, the term "financing documents" means any  
1816 agreement or agreements, instrument or instruments, or other  
1817 document or documents now existing or hereafter created  
1818 evidencing any bonds or other indebtedness of the corporation or  
1819 pursuant to which any such bonds or other indebtedness has been  
1820 or may be issued and pursuant to which any rights, revenues, or

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1821 other assets of the corporation are pledged or sold to secure  
1822 the repayment of such bonds or indebtedness, together with the  
1823 payment of interest on such bonds or such indebtedness, or the  
1824 payment of any other obligation or financial product, as defined  
1825 in the plan of operation of the corporation related to such  
1826 bonds or indebtedness.

1827 4. Any such pledge or sale of assessments, revenues,  
1828 contract rights, or other rights or assets of the corporation  
1829 shall constitute a lien and security interest, or sale, as the  
1830 case may be, that is immediately effective and attaches to such  
1831 assessments, revenues, or contract rights or other rights or  
1832 assets, whether or not imposed or collected at the time the  
1833 pledge or sale is made. Any such pledge or sale is effective,  
1834 valid, binding, and enforceable against the corporation or other  
1835 entity making such pledge or sale, and valid and binding against  
1836 and superior to any competing claims or obligations owed to any  
1837 other person or entity, including policyholders in this state,  
1838 asserting rights in any such assessments, revenues, or contract  
1839 rights or other rights or assets to the extent set forth in and  
1840 in accordance with the terms of the pledge or sale contained in  
1841 the applicable financing documents, whether or not any such  
1842 person or entity has notice of such pledge or sale and without  
1843 the need for any physical delivery, recordation, filing, or  
1844 other action.

1845 5. As long as the corporation has any bonds outstanding,  
1846 the corporation may not file a voluntary petition under chapter  
1847 9 of the federal Bankruptcy Code or such corresponding chapter  
1848 or sections as may be in effect, from time to time, and a public  
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1849 officer or any organization, entity, or other person may not  
1850 authorize the corporation to be or become a debtor under chapter  
1851 9 of the federal Bankruptcy Code or such corresponding chapter  
1852 or sections as may be in effect, from time to time, during any  
1853 such period.

1854 6. If ordered by a court of competent jurisdiction, the  
1855 corporation may assume policies or otherwise provide coverage  
1856 for policyholders of an insurer placed in liquidation under  
1857 chapter 631, under such forms, rates, terms, and conditions as  
1858 the corporation deems appropriate, subject to approval by the  
1859 office.

1860 Section 11. Subsection (4) of section 627.3511, Florida  
1861 Statutes, is amended to read:

1862 627.3511 Depopulation of Citizens Property Insurance  
1863 Corporation.--

1864 (4) AGENT BONUS.--When the corporation enters into a  
1865 contractual agreement for a take-out plan that provides a bonus  
1866 to the insurer, the producing agent of record of the corporation  
1867 policy is entitled to retain any unearned commission on such  
1868 policy, and the insurer shall either:

1869 (a) Pay to the producing agent of record of the  
1870 association policy, for the first year, an amount that is the  
1871 greater of the insurer's usual and customary commission for the  
1872 type of policy written or a fee equal to the usual and customary  
1873 commission of the corporation; or

1874 (b) Offer to allow the producing agent of record of the  
1875 corporation policy to continue servicing the policy for a period  
1876 of not less than 1 year and offer to pay the agent the greater  
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1877 of the insurer's or the corporation's usual and customary  
1878 commission for the type of policy written.

1879  
1880 If the producing agent is unwilling or unable to accept  
1881 appointment, the new insurer shall pay the agent in accordance  
1882 with paragraph (a). The requirement of this subsection that the  
1883 producing agent of record is entitled to retain the unearned  
1884 commission on an association policy does not apply to a policy  
1885 for which coverage has been provided in the association for 30  
1886 days or less or for which a cancellation notice has been issued  
1887 pursuant to s. 627.351(6)(c) ~~10.11~~ during the first 30 days of  
1888 coverage.

1889 Section 12. Paragraph (a) of subsection (3) of section  
1890 627.3515, Florida Statutes, as amended by chapter 2007-1, Laws  
1891 of Florida, is amended to read:

1892 627.3515 Market assistance plan; property and casualty  
1893 risks.--

1894 (3)(a) The plan and the corporation shall develop a  
1895 business plan and present it to the Financial Services  
1896 Commission for approval by September 1, 2007, to provide for the  
1897 implementation of an electronic database for the purpose of  
1898 confirming eligibility pursuant to s. 627.351(6). The business  
1899 plan may provide that authorized insurers or agents of  
1900 authorized insurers may submit to the plan or the corporation in  
1901 electronic form, as determined by the plan or the corporation,  
1902 information determined necessary by the plan or the corporation  
1903 to deny coverage to risks ineligible for coverage by the  
1904 corporation. Any authorized insurer submitting such information

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1905 that results in a risk being denied coverage by the corporation  
1906 is required to provide coverage to the risk at its approved  
1907 rates, for the coverage and premium quoted, for at least 1 year.

1908 Section 13. Section 627.3517, Florida Statutes, is amended  
1909 to read:

1910 627.3517 Consumer choice.--

1911 ~~(1) Except as provided in subsection (2),~~ No provision of  
1912 s. 627.351, s. 627.3511, or s. 627.3515 shall be construed to  
1913 impair the right of any insurance risk apportionment plan  
1914 policyholder, upon receipt of any keepout or take-out offer, to  
1915 retain his or her current agent, so long as that agent is duly  
1916 licensed and appointed by the insurance risk apportionment plan  
1917 or otherwise authorized to place business with the insurance  
1918 risk apportionment plan. This right shall not be canceled,  
1919 suspended, impeded, abridged, or otherwise compromised by any  
1920 rule, plan of operation, or depopulation plan, whether through  
1921 keepout, take-out, midterm assumption, or any other means, of  
1922 any insurance risk apportionment plan or depopulation plan,  
1923 including, but not limited to, those described in s. 627.351, s.  
1924 627.3511, or s. 627.3515. The commission shall adopt any rules  
1925 necessary to cause any insurance risk apportionment plan or  
1926 market assistance plan under such sections to demonstrate that  
1927 the operations of the plan do not interfere with, promote, or  
1928 allow interference with the rights created under this section.  
1929 If the policyholder's current agent is unable or unwilling to be  
1930 appointed with the insurer making the take-out or keepout offer,  
1931 the policyholder shall not be disqualified from participation in  
1932 the appropriate insurance risk apportionment plan because of an  
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1933 offer of coverage in the voluntary market. An offer of full  
1934 property insurance coverage by the insurer currently insuring  
1935 either the ex-wind or wind-only coverage on the policy to which  
1936 the offer applies shall not be considered a take-out or keepout  
1937 offer. Any rule, plan of operation, or plan of depopulation,  
1938 through keepout, take-out, midterm assumption, or any other  
1939 means, of any property insurance risk apportionment plan under  
1940 s. 627.351(2) or (6) is subject to ss. 627.351(2)(b) and (6)(c)  
1941 and 627.3511(4).

1942 ~~(2) This section does not apply during the first 10 days~~  
1943 ~~after a new application for coverage has been submitted to~~  
1944 ~~Citizens Property Insurance Corporation under s. 627.351(6),~~  
1945 ~~whether or not coverage is bound during this period.~~

1946 Section 14. Subsection (1) of section 627.4035, Florida  
1947 Statutes, as amended by chapter 2007-1, Laws of Florida, is  
1948 amended to read:

1949 627.4035 Cash payment of premiums; claims.--

1950 (1) The premiums for insurance contracts issued in this  
1951 state or covering risk located in this state shall be paid in  
1952 cash consisting of coins, currency, checks, or money orders or  
1953 by using a debit card, credit card, automatic electronic funds  
1954 transfer, or payroll deduction plan. By July 1, 2007, insurers  
1955 issuing personal lines residential and commercial property  
1956 policies shall provide a premium payment plan option to their  
1957 policyholders which allows for a minimum of quarterly and  
1958 semiannual payment of premiums. Insurers may, but are not  
1959 required to, offer monthly payment plans. Insurers issuing such

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1960 policies must submit their premium payment plan option to the  
1961 office for approval before use.

1962 Section 15. Subsection (7) is added to section 627.4133,  
1963 Florida Statutes, to read:

1964 627.4133 Notice of cancellation, nonrenewal, or renewal  
1965 premium.--

1966 (7) (a) Effective August 1, 2007, with respect to any  
1967 residential property insurance policy, every notice of renewal  
1968 premium must specify:

1969 1. The dollar amounts recouped for assessments by the  
1970 Florida Hurricane Catastrophe Fund, the Citizens Property  
1971 Insurance Corporation, and the Florida Insurance Guaranty  
1972 Association. The actual names of the entities must appear next  
1973 to the dollar amounts.

1974 2. The dollar amount of any premium increase that is due  
1975 to an approved rate increase and the dollar amounts that are due  
1976 to coverage changes.

1977 (b) The Financial Services Commission may adopt rules  
1978 pursuant to ss. 120.536(1) and 120.54 to implement this  
1979 subsection.

1980 Section 16. Paragraphs (a) and (c) of subsection (3) and  
1981 paragraph (d) of subsection (4) of section 627.701, Florida  
1982 Statutes, as amended by chapter 2007-1, Laws of Florida, are  
1983 amended to read:

1984 627.701 Liability of insureds; coinsurance; deductibles.--

1985 (3) (a) Except as otherwise provided in this subsection,  
1986 prior to issuing a personal lines residential property insurance  
1987 policy, the insurer must offer alternative deductible amounts  
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1988 applicable to hurricane losses equal to \$500, 2 percent, 5  
1989 percent, and 10 percent of the policy dwelling limits, unless  
1990 the specific percentage deductible is less than \$500. The  
1991 written notice of the offer shall specify the hurricane ~~or wind~~  
1992 deductible to be applied in the event that the applicant or  
1993 policyholder fails to affirmatively choose a hurricane  
1994 deductible. The insurer must provide such policyholder with  
1995 notice of the availability of the deductible amounts specified  
1996 in this paragraph in a form approved by the office in  
1997 conjunction with each renewal of the policy. The failure to  
1998 provide such notice constitutes a violation of this code but  
1999 does not affect the coverage provided under the policy.

2000 (c) With respect to a policy covering a risk with dwelling  
2001 limits of at least \$100,000, but less than \$250,000, the insurer  
2002 may, in lieu of offering a policy with a \$500 hurricane ~~or wind~~  
2003 deductible as required by paragraph (a), offer a policy that the  
2004 insurer guarantees it will not nonrenew for reasons of reducing  
2005 hurricane loss for one renewal period and that contains up to a  
2006 2 percent hurricane ~~or wind~~ deductible as required by paragraph  
2007 (a).

2008 (4)

2009 (d)1. A personal lines residential property insurance  
2010 policy covering a risk valued at less than \$500,000 may not have  
2011 a hurricane deductible in excess of 10 percent of the policy  
2012 dwelling limits, unless the following conditions are met:

2013 a. The policyholder must personally write and provide to  
2014 the insurer the following statement in his or her own  
2015 handwriting and sign his or her name, which must also be signed  
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2016 by every other named insured on the policy, and dated: "I do not  
2017 want the insurance on my home to pay for the first (specify  
2018 dollar value) of damage from hurricanes. I will pay those costs.  
2019 My insurance will not."

2020 b. If the structure insured by the policy is subject to a  
2021 mortgage or lien, the policyholder must provide the insurer with  
2022 a written statement from the mortgageholder or lienholder  
2023 indicating that the mortgageholder or lienholder approves the  
2024 policyholder electing to have the specified deductible.

2025 2. A deductible subject to the requirements of this  
2026 paragraph applies for the term of the policy and for each  
2027 renewal thereafter ~~unless the policyholder elects otherwise.~~  
2028 Changes to the deductible percentage may be implemented only as  
2029 of the date of renewal.

2030 3. An insurer shall keep the original copy of the signed  
2031 statement required by this paragraph, electronically or  
2032 otherwise, and provide a copy to the policyholder providing the  
2033 signed statement. A signed statement meeting the requirements of  
2034 this paragraph creates a presumption that there was an informed,  
2035 knowing election of coverage.

2036 4. The commission shall adopt rules providing appropriate  
2037 alternative methods for providing the statements required by  
2038 this section for policyholders who have a handicapping or  
2039 disabling condition that prevents them from providing a  
2040 handwritten statement.

2041 Section 17. Subsection (5) of section 627.70131, Florida  
2042 Statutes, as amended by chapter 2007-1, Laws of Florida, is  
2043 amended to read:

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2044 627.70131 Insurer's duty to acknowledge communications  
2045 regarding claims; investigation.--

2046 (5) Within 90 days after an insurer receives notice of  
2047 loss of a residential property insurance claim from a  
2048 policyholder, the insurer shall pay or deny such claim unless  
2049 the failure to pay such claim is caused by factors beyond the  
2050 control of the insurer which reasonably prevent such payment.  
2051 Within 90 days after an insurer receives notice of loss of a  
2052 commercial property insurance claim from a policyholder, the  
2053 insurer shall pay or deny such claim unless the insurer provides  
2054 specific reasons to the policyholder why the claim cannot be  
2055 paid within the 90-day period. Any overdue payment of a claim  
2056 shall bear interest at the rate as set forth in s. 55.03.  
2057 Interest on an overdue payment for a claim begins to accrue from  
2058 the date the insurer receives notice of the claim. The interest  
2059 is payable with the payment of the claim. The provisions of this  
2060 subsection may not be waived, voided, or nullified by contract.  
2061 The exclusive remedy for a violation of this subsection is a  
2062 regulatory action under this code. ~~Failure to comply with this~~  
2063 ~~subsection constitutes a violation of this code.~~

2064 Section 18. Subsections (2), (4), and (5) of section  
2065 627.712, Florida Statutes, as created by chapter 2007-1, Laws of  
2066 Florida, are amended to read:

2067 627.712 Residential hurricane coverage required;  
2068 availability of exclusions for windstorm or contents.--

2069 (1) An insurer issuing a residential property insurance  
2070 policy must provide hurricane or windstorm coverage as defined  
2071 in s. 627.4025. This subsection does not apply with respect to  
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2072 risks that are eligible for wind-only coverage from Citizens  
2073 Property Insurance Corporation under s. 627.351(6).

2074 (2) A property ~~An insurer that is subject to subsection~~  
2075 ~~(1)~~ must make available, at the option of the policyholder, an  
2076 exclusion of hurricane coverage or windstorm coverage as  
2077 provided within the applicable policy. The coverage may be  
2078 excluded only if:

2079 (a) 1. When the policyholder is a natural person, the  
2080 policyholder personally writes and provides to the insurer the  
2081 following statement in his or her own handwriting and signs his  
2082 or her name, which must also be signed by every other named  
2083 insured on the policy, and dated: "I do not want the insurance  
2084 on my (home/mobile home/condominium unit) to pay for damage from  
2085 windstorms or hurricanes. I will pay those costs. My insurance  
2086 will not."

2087 2. When the policyholder is other than a natural person,  
2088 the policyholder provides to the insurer on the policyholder's  
2089 letterhead the following statement that must be signed by the  
2090 policyholder's authorized representative and dated: "(Name of  
2091 entity) does not want the insurance on its (type of structure)  
2092 to pay for damage from windstorms or hurricanes. (Name of  
2093 entity) will be responsible for these costs. (Name of entity)'s  
2094 insurance will not."

2095 (b) If the structure insured by the policy is subject to a  
2096 mortgage or lien, the policyholder must provide the insurer with  
2097 a written statement from the mortgageholder or lienholder  
2098 indicating that the mortgageholder or lienholder approves the  
2099 policyholder electing to exclude windstorm coverage or hurricane  
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2100 coverage from his or her or its ~~residential~~ property insurance  
2101 policy.

2102 (4) An insurer shall keep the original copy of a signed  
2103 statement required by this section, electronically or otherwise,  
2104 and provide a copy to the policyholder providing the signed  
2105 statement. A signed statement meeting the requirements of this  
2106 section creates a presumption that there was an informed,  
2107 knowing rejection of coverage.

2108 (5) The exclusions authorized by this section apply for  
2109 the term of the policy and for each renewal thereafter. Changes  
2110 to the exclusions authorized by this section may be implemented  
2111 only as of the date of renewal. ~~The exclusions authorized by~~  
2112 ~~this section are valid for the term of the contract and for each~~  
2113 ~~renewal unless the policyholder elects otherwise.~~

2114 Section 19. Section 627.713, Florida Statutes, as created  
2115 by chapter 2007-1, Laws of Florida, is amended to read:

2116 627.713 Report of hurricane loss data.--

2117 (1) The office may require property insurers to report  
2118 data regarding hurricane claims and underwriting costs,  
2119 including, but not limited to:

2120 (a) ~~(1)~~ Number of claims.

2121 (b) ~~(2)~~ Amount of claim payments made.

2122 (c) ~~(3)~~ Number and amount of total-loss claims.

2123 (d) ~~(4)~~ Amount and percentage of losses covered by  
2124 reinsurance or other loss-transfer agreements.

2125 (e) ~~(5)~~ Amount of losses covered under specified  
2126 deductibles.

2127 (f) ~~(6)~~ Claims and payments for specified insured values.

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2128 (g)~~(7)~~ Claims and payments for specified dollar values.

2129 (h)~~(8)~~ Claims and payments for specified types of  
2130 construction or mitigation features.

2131 (i)~~(9)~~ Claims and payments for policies under specified  
2132 underwriting criteria.

2133 (j)~~(10)~~ Claims and payments for contents, additional  
2134 living expense, and other specified coverages.

2135 (k)~~(11)~~ Claims and payments by county for the information  
2136 specified in this section.

2137 (l)~~(12)~~ Any other data that the office requires.

2138 (2) The office may not require a property insurer to  
2139 report the data specified in paragraph (1) (f), paragraph (1) (g),  
2140 paragraph (1) (h), paragraph (1) (i), or paragraph (1) (j) for a  
2141 particular year until January of the following year or later.

2142 Section 20. Subsections (4) and (5) of section 627.7277,  
2143 Florida Statutes, as amended by chapter 2007-1, Laws of Florida,  
2144 are amended to read:

2145 627.7277 Notice of renewal premium.--

2146 ~~(4) Every notice of renewal premium must specify:~~

2147 ~~(a) The dollar amounts recouped for assessments by the~~  
2148 ~~Florida Hurricane Catastrophe Fund, the Citizens Property~~  
2149 ~~Insurance Corporation, and the Florida Insurance Guaranty~~  
2150 ~~Association. The actual names of the entities must appear next~~  
2151 ~~to the dollar amounts.~~

2152 ~~(b) The dollar amount of any premium increase that is due~~  
2153 ~~to a rate increase and the dollar amounts that are due to~~  
2154 ~~coverage changes.~~

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2155 ~~(5) The Financial Services Commission may adopt rules~~  
2156 ~~pursuant to ss. 120.536(1) and 120.54 to implement this section.~~

2157 Section 21. Subsection (11) of section 631.52, Florida  
2158 Statutes, is amended to read:

2159 631.52 Scope.--This part shall apply to all kinds of  
2160 direct insurance, except:

2161 (11) Self-insurance and any kind of self-insurance fund,  
2162 liability pool, or risk management fund;

2163 Section 22. Paragraph (e) of subsection (3) of section  
2164 631.57, Florida Statutes, as amended by chapter 2007-1, Laws of  
2165 Florida, is amended to read:

2166 631.57 Powers and duties of the association.--

2167 (3)

2168 (e)1.a. In addition to assessments otherwise authorized in  
2169 paragraph (a) and to the extent necessary to secure the funds  
2170 for the account specified in s. 631.55(2)(c) for the direct  
2171 payment of covered claims of insurers rendered insolvent by the  
2172 effects of a hurricane homeowners' insurers and to pay the  
2173 reasonable costs to administer such claims, or to retire  
2174 indebtedness, including, without limitation, the principal,  
2175 redemption premium, if any, and interest on, and related costs  
2176 of issuance of, bonds issued under s. 631.695 and the funding of  
2177 any reserves and other payments required under the bond  
2178 resolution or trust indenture pursuant to which such bonds have  
2179 been issued, the office, upon certification of the board of  
2180 directors, shall levy emergency assessments upon insurers  
2181 holding a certificate of authority. The emergency assessments  
2182 payable under this paragraph by any insurer shall not exceed in  
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2183 any single year more than 2 percent of that insurer's direct  
2184 written premiums, net of refunds, in this state during the  
2185 preceding calendar year for the kinds of insurance within the  
2186 account specified in s. 631.55(2)(c).

2187 b. Any emergency assessments authorized under this  
2188 paragraph shall be levied by the office upon insurers referred  
2189 to in sub-subparagraph a., upon certification as to the need for  
2190 such assessments by the board of directors. In the event the  
2191 board of directors participates in the issuance of bonds in  
2192 accordance with s. 631.695, emergency assessments shall be  
2193 levied in each year that bonds issued under s. 631.695 and  
2194 secured by such emergency assessments are outstanding, in such  
2195 amounts up to such 2-percent limit as required in order to  
2196 provide for the full and timely payment of the principal of,  
2197 redemption premium, if any, and interest on, and related costs  
2198 of issuance of, such bonds. The emergency assessments provided  
2199 for in this paragraph are assigned and pledged to the  
2200 municipality, county, or legal entity issuing bonds under s.  
2201 631.695 for the benefit of the holders of such bonds, in order  
2202 to enable such municipality, county, or legal entity to provide  
2203 for the payment of the principal of, redemption premium, if any,  
2204 and interest on such bonds, the cost of issuance of such bonds,  
2205 and the funding of any reserves and other payments required  
2206 under the bond resolution or trust indenture pursuant to which  
2207 such bonds have been issued, without the necessity of any  
2208 further action by the association, the office, or any other  
2209 party. To the extent bonds are issued under s. 631.695 and the  
2210 association determines to secure such bonds by a pledge of  
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2211 revenues received from the emergency assessments, such bonds,  
2212 upon such pledge of revenues, shall be secured by and payable  
2213 from the proceeds of such emergency assessments, and the  
2214 proceeds of emergency assessments levied under this paragraph  
2215 shall be remitted directly to and administered by the trustee or  
2216 custodian appointed for such bonds.

2217 c. Emergency assessments under this paragraph may be  
2218 payable in a single payment or, at the option of the  
2219 association, may be payable in 12 monthly installments with the  
2220 first installment being due and payable at the end of the month  
2221 after an emergency assessment is levied and subsequent  
2222 installments being due not later than the end of each succeeding  
2223 month.

2224 d. If emergency assessments are imposed, the report  
2225 required by s. 631.695(7) shall include an analysis of the  
2226 revenues generated from the emergency assessments imposed under  
2227 this paragraph.

2228 e. If emergency assessments are imposed, the references in  
2229 sub-subparagraph (1)(a)3.b. and s. 631.695(2) and (7) to  
2230 assessments levied under paragraph (a) shall include emergency  
2231 assessments imposed under this paragraph.

2232 2. In order to ensure that insurers paying emergency  
2233 assessments levied under this paragraph continue to charge rates  
2234 that are neither inadequate nor excessive, within 90 days after  
2235 being notified of such assessments, each insurer that is to be  
2236 assessed pursuant to this paragraph shall submit a rate filing  
2237 for coverage included within the account specified in s.  
2238 631.55(2)(c) and for which rates are required to be filed under  
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2239 s. 627.062. If the filing reflects a rate change that, as a  
2240 percentage, is equal to the difference between the rate of such  
2241 assessment and the rate of the previous year's assessment under  
2242 this paragraph, the filing shall consist of a certification so  
2243 stating and shall be deemed approved when made. Any rate change  
2244 of a different percentage shall be subject to the standards and  
2245 procedures of s. 627.062.

2246 3. In the event the board of directors participates in the  
2247 issuance of bonds in accordance with s. 631.695, an annual  
2248 assessment under this paragraph shall continue while the bonds  
2249 issued with respect to which the assessment was imposed are  
2250 outstanding, including any bonds the proceeds of which were used  
2251 to refund bonds issued pursuant to s. 631.695, unless adequate  
2252 provision has been made for the payment of the bonds in the  
2253 documents authorizing the issuance of such bonds.

2254 4. Emergency assessments under this paragraph are not  
2255 premium and are not subject to the premium tax, to any fees, or  
2256 to any commissions. An insurer is liable for all emergency  
2257 assessments that the insurer collects and shall treat the  
2258 failure of an insured to pay an emergency assessment as a  
2259 failure to pay the premium. An insurer is not liable for  
2260 uncollectible emergency assessments.

2261 Section 23. Paragraphs (g), (h), and (i) of subsection (1)  
2262 and subsections (2) and (6) of section 631.695, Florida  
2263 Statutes, are amended to read:

2264 631.695 Revenue bond issuance through counties or  
2265 municipalities.--

2266 (1) The Legislature finds:

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2267 (g) To achieve the foregoing purposes, it is proper to  
2268 authorize municipalities and counties of this state  
2269 ~~substantially affected by the landfall of a hurricane~~ to issue  
2270 bonds to assist the Florida Insurance Guaranty Association in  
2271 expediting the handling and payment of covered claims of  
2272 insolvent insurers.

2273 (h) In order to avoid the needless and indiscriminate  
2274 proliferation, duplication, and fragmentation of such assistance  
2275 programs, it is in the best interests of the residents of this  
2276 state to authorize municipalities and counties ~~severely affected~~  
2277 ~~by a hurricane~~ to provide for the payment of covered claims  
2278 beyond their territorial limits in the implementation of such  
2279 programs.

2280 (i) It is a paramount public purpose for municipalities  
2281 and counties ~~substantially affected by the landfall of a~~  
2282 ~~hurricane~~ to be able to issue bonds for the purposes described  
2283 in this section. Such issuance shall provide assistance to  
2284 residents of those municipalities and counties as well as to  
2285 other residents of this state.

2286 (2) The governing body of any municipality or county, ~~the~~  
2287 ~~residents of which have been substantially affected by a~~  
2288 ~~hurricane,~~ may issue bonds to fund an assistance program in  
2289 conjunction with, and with the consent of, the Florida Insurance  
2290 Guaranty Association for the purpose of paying claimants' or  
2291 policyholders' covered claims, as defined in s. 631.54, arising  
2292 through the insolvency of an insurer, which insolvency is  
2293 determined by the Florida Insurance Guaranty Association to have  
2294 been a result of a hurricane, regardless of whether the

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2295 claimants or policyholders are residents of such municipality or  
2296 county or the property to which the claim relates is located  
2297 within or outside the territorial jurisdiction of the  
2298 municipality or county. The power of a municipality or county to  
2299 issue bonds, as described in this section, is in addition to any  
2300 powers granted by law and may not be abrogated or restricted by  
2301 any provisions in such municipality's or county's charter. A  
2302 municipality or county issuing bonds for this purpose shall  
2303 enter into such contracts with the Florida Insurance Guaranty  
2304 Association or any entity acting on behalf of the Florida  
2305 Insurance Guaranty Association as are necessary to implement the  
2306 assistance program. Any bonds issued by a municipality or county  
2307 or a combination thereof under this subsection shall be payable  
2308 from and secured by moneys received by or on behalf of the  
2309 municipality or county from assessments levied under s.  
2310 631.57(3) (a) and assigned and pledged to or on behalf of the  
2311 municipality or county for the benefit of the holders of the  
2312 bonds in connection with the assistance program. The funds,  
2313 credit, property, and taxing power of the state or any  
2314 municipality or county shall not be pledged for the payment of  
2315 such bonds.

2316 (6) Two or more municipalities or counties, ~~the residents~~  
2317 ~~of which have been substantially affected by a hurricane,~~ may  
2318 create a legal entity pursuant to s. 163.01(7) (g) to exercise  
2319 the powers described in this section as well as those powers  
2320 granted in s. 163.01(7) (g). References in this section to a  
2321 municipality or county includes such legal entity.

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2322 Section 24. (1) Notwithstanding section 9 of chapter  
2323 2007-1, Laws of Florida, the internal design option provided in  
2324 s. 1609.1.4.1. of the Florida Building Code shall remain in  
2325 effect until June 1, 2007, for a building permit application  
2326 made prior to that date.

2327 (2) This section shall take effect upon this act becoming  
2328 a law and shall apply retroactively to January 25, 2007. This  
2329 section shall apply to any actions taken on any building permit  
2330 affected by section 9 of chapter 2007-1, Laws of Florida,  
2331 including any actions, legal or ministerial, pertaining to the  
2332 issuance, revocation, or modifications of any building permit  
2333 initiated or issued prior to, on, after, or pending as of  
2334 January 25, 2007. If the retroactive application of any  
2335 provision of this section is held invalid, the invalidity shall  
2336 not affect the retroactive application of other provisions of  
2337 this section.

2338 Section 25. Except as otherwise expressly provided in this  
2339 act, this act shall take effect July 1, 2007.

2340  
2341 ===== T I T L E A M E N D M E N T =====

2342 Remove the entire title, and insert:  
2343 A bill to be entitled  
2344 An act relating to insurance; amending s. 163.01, F.S.;  
2345 correcting a cross-reference; amending s. 215.555, F.S.;  
2346 revising certain reimbursement contract requirements;  
2347 deleting an expiration provision relating to obtaining  
2348 coverage for liquidated insurers; delaying repeal of an  
2349 exemption of medical malpractice insurance premiums from

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2350 emergency assessments; revising criteria, requirements,  
2351 and limitations on temporary emergency options for  
2352 additional coverage under the Florida Hurricane  
2353 Catastrophe Fund; amending s. 215.5595, F.S.; providing an  
2354 exception to certain surplus note limitations for certain  
2355 manufactured housing insurers; amending s. 624.407, F.S.;  
2356 revising an insurer criterion for capital funds  
2357 requirements for new insurers; amending s. 624.408, F.S.;  
2358 specifying an additional surplus to policyholder amount  
2359 requirement for certain insurers; amending s. 626.9201,  
2360 F.S.; defining the term "nonpayment of premium"; providing  
2361 additional criterion for cancellation for nonpayment of  
2362 premium; amending s. 627.0613, F.S.; limiting application  
2363 of certain annual report card preparation powers of the  
2364 consumer advocate to personal residential property  
2365 insurers; amending s. 627.062, F.S.; specifying  
2366 application of certain "file and use" requirements to  
2367 property insurance only; excluding certain motor vehicle  
2368 coverages; amending s. 627.0655, F.S.; revising criteria  
2369 for certain inclusion of discounts in certain premiums;  
2370 amending s. 627.351, F.S.; revising legislative findings  
2371 and intent; limiting application of the term "subject  
2372 lines of business" to deficit assessments; revising a  
2373 provision for determining eligibility of a risk for  
2374 coverage; providing requirements for determining  
2375 comparable coverage; revising requirements relating to  
2376 senior management employees and members of the board of  
2377 governors; revising provisions requiring the corporation

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2378 to establish and maintain a fraudulent claims unit or  
2379 division; revising rate filings provisions; amending s.  
2380 627.3511, F.S.; correcting a cross-reference; amending s.  
2381 627.3515, F.S.; revising criteria for an electronic  
2382 database for a business plan; amending s. 627.3517, F.S.;  
2383 deleting a provision specifying nonapplication for a  
2384 certain period; amending s. 627.4035, F.S.; revising a  
2385 premium payment plan option provision for certain  
2386 insurers; amending s. 627.4133, F.S.; specifying  
2387 requirements for notices of renewal premium of property  
2388 insurance policies; authorizing the Financial Services  
2389 Commission to adopt rules; amending s. 627.701, F.S.;  
2390 revising requirements for deductibles for certain personal  
2391 lines residential property insurance policies; amending s.  
2392 627.70131, F.S.; revising certain payment or denial of  
2393 claim requirements; requiring an insurer to pay or deny a  
2394 claim within a certain time period; providing requirements  
2395 for payment of interest on overdue claims; prohibiting  
2396 contractual waivers, voidances, or nullifications;  
2397 specifying regulatory action as an exclusive remedy for  
2398 certain violations; amending s. 627.712, F.S.; limiting  
2399 application of certain residential hurricane coverage  
2400 requirements to property insurance policies; specifying  
2401 separate coverage exclusion statements for policyholders  
2402 that are natural persons and other than natural persons;  
2403 specifying a period of application of certain exclusions;  
2404 providing for implementation of changes to certain  
2405 exclusions; amending s. 627.713, F.S.; prohibiting the

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2406 office from requiring property insurers to report certain  
2407 claims and payment data for a particular year until the  
2408 following year; amending s. 627.7277, F.S.; deleting  
2409 certain notice of renewal premium requirements; deleting  
2410 authority of the commission to adopt rules; amending s.  
2411 631.52, F.S.; expanding an exception to application to  
2412 self insurance of provisions relating to Florida Insurance  
2413 Guaranty of Payment; amending s. 631.57, F.S.; revising  
2414 certain emergency assessment provisions relating to  
2415 insurers rendered insolvent by the effects of hurricanes;  
2416 amending s. 631.695, F.S.; deleting provisions limiting  
2417 application of certain revenue bond issuance authority to  
2418 certain counties; preserving certain Florida Building Code  
2419 internal design options for certain building permits for a  
2420 certain time; providing for retroactive application;  
2421 providing severability; providing effective dates.