

Bill No. HB 7077, 2nd Eng.

Barcode 935572

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

Floor: 1/AD/3R  
05/03/2007 02:04 PM

.  
. .  
. .  
. .  
. .  
. .

---

Senator Posey moved the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

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

163.01 Florida Interlocal Cooperation Act of 1969.--

(7)

(h)1. Notwithstanding the provisions of paragraph (c), any separate legal entity consisting of an alliance, as defined in s. 395.106(2)(a), created pursuant to this paragraph and controlled by and whose members consist of eligible entities comprised of special districts created pursuant to a special act and having the authority to own or operate one or more hospitals licensed in this state or hospitals licensed in this state that are owned, operated, or funded by a county or municipality, for the purpose of providing property insurance coverage as defined in s.

Barcode 935572

1 395.106(2)(b) ~~s. 395.106(2)(c)~~, for such eligible entities,  
 2 may exercise all powers under this subsection in connection  
 3 with borrowing funds for such purposes, including, without  
 4 limitation, the authorization, issuance, and sale of bonds,  
 5 notes, or other obligations of indebtedness. Borrowed funds,  
 6 including, but not limited to, bonds issued by such alliance  
 7 shall be deemed issued on behalf of such eligible entities  
 8 that enter into loan agreements with such separate legal  
 9 entity as provided in this paragraph.

10         2. Any such separate legal entity shall have all the  
 11 powers that are provided by the interlocal agreement under  
 12 which the entity is created or that are necessary to finance,  
 13 operate, or manage the alliance's property insurance coverage  
 14 program. Proceeds of bonds, notes, or other obligations issued  
 15 by such an entity may be loaned to any one or more eligible  
 16 entities. Such eligible entities are authorized to enter into  
 17 loan agreements with any separate legal entity created  
 18 pursuant to this paragraph for the purpose of obtaining moneys  
 19 with which to finance property insurance coverage or claims.  
 20 Obligations of any eligible entity pursuant to a loan  
 21 agreement as described in this paragraph may be validated as  
 22 provided in chapter 75.

23         3. Any bonds, notes, or other obligations to be issued  
 24 or incurred by a separate legal entity created pursuant to  
 25 this paragraph shall be authorized by resolution of the  
 26 governing body of such entity and bear the date or dates;  
 27 mature at the time or times, not exceeding 30 years from their  
 28 respective dates; bear interest at the rate or rates, which  
 29 may be fixed or vary at such time or times and in accordance  
 30 with a specified formula or method of determination; be  
 31 payable at the time or times; be in the denomination; be in

Barcode 935572

1 the form; carry the registration privileges; be executed in  
2 the manner; be payable from the sources and in the medium of  
3 payment and at the place; and be subject to redemption,  
4 including redemption prior to maturity, as the resolution may  
5 provide. The bonds, notes, or other obligations may be sold at  
6 public or private sale for such price as the governing body of  
7 the separate legal entity shall determine. The bonds may be  
8 secured by such credit enhancement, if any, as the governing  
9 body of the separate legal entity deems appropriate. The bonds  
10 may be secured by an indenture of trust or trust agreement. In  
11 addition, the governing body of the separate legal entity may  
12 delegate, to such officer or official of such entity as the  
13 governing body may select, the power to determine the time;  
14 manner of sale, public or private; maturities; rate or rates  
15 of interest, which may be fixed or may vary at such time or  
16 times and in accordance with a specified formula or method of  
17 determination; and other terms and conditions as may be deemed  
18 appropriate by the officer or official so designated by the  
19 governing body of such separate legal entity. However, the  
20 amounts and maturities of such bonds, the interest rate or  
21 rates, and the purchase price of such bonds shall be within  
22 the limits prescribed by the governing body of such separate  
23 legal entity in its resolution delegating to such officer or  
24 official the power to authorize the issuance and sale of such  
25 bonds.

26           4. Bonds issued pursuant to this paragraph may be  
27 validated as provided in chapter 75. The complaint in any  
28 action to validate such bonds shall be filed only in the  
29 Circuit Court for Leon County. The notice required to be  
30 published by s. 75.06 shall be published in Leon County and in  
31 each county in which an eligible entity that is a member of an

Barcode 935572

1 alliance is located. The complaint and order of the circuit  
 2 court shall be served only on the State Attorney of the Second  
 3 Judicial Circuit and on the state attorney of each circuit in  
 4 each county in which an eligible entity receiving bond  
 5 proceeds is located.

6           5. The accomplishment of the authorized purposes of a  
 7 separate legal entity created under this paragraph is deemed  
 8 in all respects for the benefit, increase of the commerce and  
 9 prosperity, and improvement of the health and living  
 10 conditions of the people of this state. Inasmuch as the  
 11 separate legal entity performs essential public functions in  
 12 accomplishing its purposes, the separate legal entity is not  
 13 required to pay any taxes or assessments of any kind upon any  
 14 property acquired or used by the entity for such purposes or  
 15 upon any revenues at any time received by the entity. The  
 16 bonds, notes, and other obligations of such separate legal  
 17 entity, the transfer of and income from such bonds, notes, and  
 18 other obligations, including any profits made on the sale of  
 19 such bonds, notes, and other obligations, are at all times  
 20 free from taxation of any kind of the state or by any  
 21 political subdivision or other agency or instrumentality of  
 22 the state. The exemption granted in this paragraph does not  
 23 apply to any tax imposed by chapter 220 on interest, income,  
 24 or profits on debt obligations owned by corporations.

25           6. The participation by any eligible entity in an  
 26 alliance or a separate legal entity created pursuant to this  
 27 paragraph may not be deemed a waiver of immunity to the extent  
 28 of liability or any other coverage, and a contract entered  
 29 regarding such alliance is not required to contain any  
 30 provision for waiver.

31           Section 2. Paragraph (b) of subsection (4), paragraph

Barcode 935572

1 (e) of subsection (5), paragraph (b) of subsection (6), and  
2 subsection (16) of section 215.555, Florida Statutes, as  
3 amended by chapter 2007-1, Laws of Florida, are amended to  
4 read:

5 215.555 Florida Hurricane Catastrophe Fund.--

6 (4) REIMBURSEMENT CONTRACTS.--

7 (b)1. The contract shall contain a promise by the  
8 board to reimburse the insurer for 45 percent, 75 percent, or  
9 90 percent of its losses from each covered event in excess of  
10 the insurer's retention, plus 5 percent of the reimbursed  
11 losses to cover loss adjustment expenses.

12 2. The insurer must elect one of the percentage  
13 coverage levels specified in this paragraph and may, upon  
14 renewal of a reimbursement contract, elect a lower percentage  
15 coverage level if no revenue bonds issued under subsection (6)  
16 after a covered event are outstanding, or elect a higher  
17 percentage coverage level, regardless of whether or not  
18 revenue bonds are outstanding. All members of an insurer group  
19 must elect the same percentage coverage level. Any joint  
20 underwriting association, risk apportionment plan, or other  
21 entity created under s. 627.351 must elect the 90-percent  
22 coverage level.

23 3. The contract shall provide that reimbursement  
24 amounts shall not be reduced by reinsurance paid or payable to  
25 the insurer from other sources.

26 4. Notwithstanding any other provision contained in  
27 this section, the board shall make available to insurers that  
28 purchased coverage provided by this subparagraph ~~participated~~  
29 in 2006, insurers qualifying as limited apportionment  
30 companies under s. 627.351(6)(c) ~~which began writing property~~  
31 ~~insurance in 2007~~, and insurers that were approved to

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 participate in 2006 or that are approved in 2007 for the  
 2 Insurance Capital Build-Up Incentive Program pursuant to s.  
 3 215.5595, a contract or contract addendum that provides an  
 4 additional amount of reimbursement coverage of up to \$10  
 5 million. The premium to be charged for this additional  
 6 reimbursement coverage shall be 50 percent of the additional  
 7 reimbursement coverage provided, which shall include one  
 8 prepaid reinstatement. The minimum retention level that an  
 9 eligible participating insurer must retain associated with  
 10 this additional coverage layer is 30 percent of the insurer's  
 11 surplus as of December 31, 2006. This coverage shall be in  
 12 addition to all other coverage that may be provided under this  
 13 section. The coverage provided by the fund under this  
 14 subparagraph ~~subsection~~ shall be in addition to the  
 15 claims-paying capacity as defined in subparagraph (c)1., but  
 16 only with respect to those insurers that select the additional  
 17 coverage option and meet the requirements of this subparagraph  
 18 ~~subsection~~. The claims-paying capacity with respect to all  
 19 other participating insurers and limited apportionment  
 20 companies that do not select the additional coverage option  
 21 shall be limited to their reimbursement premium's  
 22 proportionate share of the actual claims-paying capacity  
 23 otherwise defined in subparagraph (c)1. and as provided for  
 24 under the terms of the reimbursement contract. Coverage  
 25 provided in the reimbursement contract will not be affected by  
 26 the additional premiums paid by participating insurers  
 27 exercising the additional coverage option allowed in this  
 28 subparagraph. This subparagraph expires on May 31, 2008.

29 (5) REIMBURSEMENT PREMIUMS.--

30 (e) If Citizens Property Insurance Corporation assumes  
 31 or otherwise provides coverage for policies of an insurer

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 placed in liquidation under chapter 631 pursuant to s.  
2 627.351(6), the corporation may, pursuant to conditions  
3 mutually agreed to between the corporation and the State Board  
4 of Administration, obtain coverage for such policies under its  
5 contract with the fund or accept an assignment of the  
6 liquidated insurer's contract with the fund. If Citizens  
7 Property Insurance Corporation elects to cover these policies  
8 under the corporation's contract with the fund, it shall  
9 notify the board of its insured values with respect to such  
10 policies within a specified time mutually agreed to between  
11 the corporation and the board, after such assumption or other  
12 coverage transaction, and the fund shall treat such policies  
13 as having been in effect as of June 30 of that year. In the  
14 event of an assignment, the fund shall apply that contract to  
15 such policies and treat Citizens Property Insurance  
16 Corporation as if the corporation were the liquidated insurer  
17 for the remaining term of the contract, and the corporation  
18 shall have all rights and duties of the liquidated insurer  
19 beginning on the date it provides coverage for such policies,  
20 but the corporation is not subject to any preexisting rights,  
21 liabilities, or duties of the liquidated insurer. The  
22 assignment, including any unresolved issues between the  
23 liquidated insurer and Citizens Property Insurance Corporation  
24 under the contract, shall be provided for in the liquidation  
25 order or otherwise determined by the court. However, if a  
26 covered event occurs before the effective date of the  
27 assignment, the corporation may not obtain coverage for such  
28 policies under its contract with the fund and shall accept an  
29 assignment of the liquidated insurer's contract as provided in  
30 this paragraph. ~~This paragraph expires on June 1, 2007.~~

31 (6) REVENUE BONDS.--

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 (b) Emergency assessments.--

2 1. If the board determines that the amount of revenue  
3 produced under subsection (5) is insufficient to fund the  
4 obligations, costs, and expenses of the fund and the  
5 corporation, including repayment of revenue bonds and that  
6 portion of the debt service coverage not met by reimbursement  
7 premiums, the board shall direct the Office of Insurance  
8 Regulation to levy, by order, an emergency assessment on  
9 direct premiums for all property and casualty lines of  
10 business in this state, including property and casualty  
11 business of surplus lines insurers regulated under part VIII  
12 of chapter 626, but not including any workers' compensation  
13 premiums or medical malpractice premiums. As used in this  
14 subsection, the term "property and casualty business" includes  
15 all lines of business identified on Form 2, Exhibit of  
16 Premiums and Losses, in the annual statement required of  
17 authorized insurers by s. 624.424 and any rule adopted under  
18 this section, except for those lines identified as accident  
19 and health insurance and except for policies written under the  
20 National Flood Insurance Program. The assessment shall be  
21 specified as a percentage of direct written premium and is  
22 subject to annual adjustments by the board in order to meet  
23 debt obligations. The same percentage shall apply to all  
24 policies in lines of business subject to the assessment issued  
25 or renewed during the 12-month period beginning on the  
26 effective date of the assessment.

27 2. A premium is not subject to an annual assessment  
28 under this paragraph in excess of 6 percent of premium with  
29 respect to obligations arising out of losses attributable to  
30 any one contract year, and a premium is not subject to an  
31 aggregate annual assessment under this paragraph in excess of



Barcode 935572

1 | 10 percent of premium. An annual assessment under this  
 2 | paragraph shall continue as long as the revenue bonds issued  
 3 | with respect to which the assessment was imposed are  
 4 | outstanding, including any bonds the proceeds of which were  
 5 | used to refund the revenue bonds, unless adequate provision  
 6 | has been made for the payment of the bonds under the documents  
 7 | authorizing issuance of the bonds.

8 |         3. Emergency assessments shall be collected from  
 9 | policyholders. Emergency assessments shall be remitted by  
 10 | insurers as a percentage of direct written premium for the  
 11 | preceding calendar quarter as specified in the order from the  
 12 | Office of Insurance Regulation. The office shall verify the  
 13 | accurate and timely collection and remittance of emergency  
 14 | assessments and shall report the information to the board in a  
 15 | form and at a time specified by the board. Each insurer  
 16 | collecting assessments shall provide the information with  
 17 | respect to premiums and collections as may be required by the  
 18 | office to enable the office to monitor and verify compliance  
 19 | with this paragraph.

20 |         4. With respect to assessments of surplus lines  
 21 | premiums, each surplus lines agent shall collect the  
 22 | assessment at the same time as the agent collects the surplus  
 23 | lines tax required by s. 626.932, and the surplus lines agent  
 24 | shall remit the assessment to the Florida Surplus Lines  
 25 | Service Office created by s. 626.921 at the same time as the  
 26 | agent remits the surplus lines tax to the Florida Surplus  
 27 | Lines Service Office. The emergency assessment on each insured  
 28 | procuring coverage and filing under s. 626.938 shall be  
 29 | remitted by the insured to the Florida Surplus Lines Service  
 30 | Office at the time the insured pays the surplus lines tax to  
 31 | the Florida Surplus Lines Service Office. The Florida Surplus

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 Lines Service Office shall remit the collected assessments to  
 2 the fund or corporation as provided in the order levied by the  
 3 Office of Insurance Regulation. The Florida Surplus Lines  
 4 Service Office shall verify the proper application of such  
 5 emergency assessments and shall assist the board in ensuring  
 6 the accurate and timely collection and remittance of  
 7 assessments as required by the board. The Florida Surplus  
 8 Lines Service Office shall annually calculate the aggregate  
 9 written premium on property and casualty business, other than  
 10 workers' compensation and medical malpractice, procured  
 11 through surplus lines agents and insureds procuring coverage  
 12 and filing under s. 626.938 and shall report the information  
 13 to the board in a form and at a time specified by the board.

14         5. Any assessment authority not used for a particular  
 15 contract year may be used for a subsequent contract year. If,  
 16 for a subsequent contract year, the board determines that the  
 17 amount of revenue produced under subsection (5) is  
 18 insufficient to fund the obligations, costs, and expenses of  
 19 the fund and the corporation, including repayment of revenue  
 20 bonds and that portion of the debt service coverage not met by  
 21 reimbursement premiums, the board shall direct the Office of  
 22 Insurance Regulation to levy an emergency assessment up to an  
 23 amount not exceeding the amount of unused assessment authority  
 24 from a previous contract year or years, plus an additional 4  
 25 percent provided that the assessments in the aggregate do not  
 26 exceed the limits specified in subparagraph 2.

27         6. The assessments otherwise payable to the  
 28 corporation under this paragraph shall be paid to the fund  
 29 unless and until the Office of Insurance Regulation and the  
 30 Florida Surplus Lines Service Office have received from the  
 31 corporation and the fund a notice, which shall be conclusive

Barcode 935572

1 and upon which they may rely without further inquiry, that the  
 2 corporation has issued bonds and the fund has no agreements in  
 3 effect with local governments under paragraph (c). On or after  
 4 the date of the notice and until the date the corporation has  
 5 no bonds outstanding, the fund shall have no right, title, or  
 6 interest in or to the assessments, except as provided in the  
 7 fund's agreement with the corporation.

8           7. Emergency assessments are not premium and are not  
 9 subject to the premium tax, to the surplus lines tax, to any  
 10 fees, or to any commissions. An insurer is liable for all  
 11 assessments that it collects and must treat the failure of an  
 12 insured to pay an assessment as a failure to pay the premium.  
 13 An insurer is not liable for uncollectible assessments.

14           8. When an insurer is required to return an unearned  
 15 premium, it shall also return any collected assessment  
 16 attributable to the unearned premium. A credit adjustment to  
 17 the collected assessment may be made by the insurer with  
 18 regard to future remittances that are payable to the fund or  
 19 corporation, but the insurer is not entitled to a refund.

20           9. When a surplus lines insured or an insured who has  
 21 procured coverage and filed under s. 626.938 is entitled to  
 22 the return of an unearned premium, the Florida Surplus Lines  
 23 Service Office shall provide a credit or refund to the agent  
 24 or such insured for the collected assessment attributable to  
 25 the unearned premium prior to remitting the emergency  
 26 assessment collected to the fund or corporation.

27           10. The exemption of medical malpractice insurance  
 28 premiums from emergency assessments under this paragraph is  
 29 repealed May 31, 2010 ~~2007~~, and medical malpractice insurance  
 30 premiums shall be subject to emergency assessments  
 31 attributable to loss events occurring in the contract years

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 commencing on June 1, 2010 ~~2007~~.

2 (16) TEMPORARY EMERGENCY OPTIONS FOR ADDITIONAL  
3 COVERAGE.--

4 (a) Findings and intent.--

5 1. The Legislature finds that:

6 a. Because of temporary disruptions in the market for  
7 catastrophic reinsurance, many property insurers were unable  
8 to procure reinsurance for the 2006 hurricane season with an  
9 attachment point below the insurers' respective Florida  
10 Hurricane Catastrophe Fund attachment points, were unable to  
11 procure sufficient amounts of such reinsurance, or were able  
12 to procure such reinsurance only by incurring substantially  
13 higher costs than in prior years.

14 b. The reinsurance market problems were responsible,  
15 at least in part, for substantial premium increases to many  
16 consumers and increases in the number of policies issued by  
17 the Citizens Property Insurance Corporation.

18 c. It is likely that the reinsurance market  
19 disruptions will not significantly abate prior to the 2007  
20 hurricane season.

21 2. It is the intent of the Legislature to create a  
22 temporary emergency program, applicable to the 2007, 2008, and  
23 2009 hurricane seasons, to address these market disruptions  
24 and enable insurers, at their option, to procure additional  
25 coverage from the Florida Hurricane Catastrophe Fund.

26 (b) Applicability of other provisions of this  
27 section.--All provisions of this section and the rules adopted  
28 under this section apply to the program created by this  
29 subsection unless specifically superseded by this subsection.

30 (c) Optional coverage.--For the contract year  
31 commencing June 1, 2007, and ending May 31, 2008, the contract

Barcode 935572

1 year commencing June 1, 2008, and ending May 31, 2009, and the  
2 contract year commencing June 1, 2009, and ending May 31,  
3 2010, the board shall offer for each of such years the  
4 optional coverage as provided in this subsection.

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

7 1. "TEACO options" means the temporary emergency  
8 additional coverage options created under this subsection.

9 2. "TEACO insurer" means an insurer that has opted to  
10 obtain coverage under the TEACO options in addition to the  
11 coverage provided to the insurer under its reimbursement  
12 contract.

13 3. "TEACO reimbursement premium" means the premium  
14 charged by the fund for coverage provided under the TEACO  
15 options.

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

20 a. The board shall calculate and report to each TEACO  
21 insurer the TEACO retention multiples. There shall be three  
22 TEACO retention multiples for defining coverage. Each multiple  
23 shall be calculated by dividing \$3 billion, \$4 billion, or \$5  
24 billion by the total estimated mandatory FHCF ~~TEACO~~  
25 reimbursement premium assuming all insurers ~~selected that~~  
26 ~~option. Total estimated TEACO reimbursement premium for~~  
27 ~~purposes of the calculation under this sub-subparagraph shall~~  
28 ~~be calculated using the assumption that all insurers have~~  
29 ~~selected a specific TEACO retention multiple option and have~~  
30 selected the 90-percent coverage level.

31 b. The TEACO retention multiples as determined under

Barcode 935572

1 sub-subparagraph a. shall be adjusted to reflect the coverage  
 2 level elected by the insurer. For insurers electing the  
 3 90-percent coverage level, the adjusted retention multiple is  
 4 100 percent of the amount determined under sub-subparagraph a.  
 5 For insurers electing the 75-percent coverage level, the  
 6 retention multiple is 120 percent of the amount determined  
 7 under sub-subparagraph a. For insurers electing the 45-percent  
 8 coverage level, the adjusted retention multiple is 200 percent  
 9 of the amount determined under sub-subparagraph a.

10 c. An insurer shall determine its provisional TEACO  
 11 retention by multiplying its estimated mandatory FHCF  
 12 ~~provisional TEACO~~ reimbursement premium by the applicable  
 13 adjusted TEACO retention multiple and shall determine its  
 14 actual TEACO retention by multiplying its actual mandatory  
 15 FHCF ~~TEACO~~ reimbursement premium by the applicable adjusted  
 16 TEACO retention multiple.

17 d. For TEACO insurers who experience multiple covered  
 18 events causing loss during the contract year, the insurer's  
 19 full TEACO retention shall be applied to each of the covered  
 20 events causing the two largest losses for that insurer. For  
 21 other covered events resulting in losses, the TEACO option  
 22 does not apply and the insurer's retention shall be one-third  
 23 of the full retention as calculated under paragraph (2)(e).

24 5. "TEACO addendum" means an addendum to the  
 25 reimbursement contract reflecting the obligations of the fund  
 26 and TEACO insurers under the program created by this  
 27 subsection.

28 6. "FHCF" means the Florida Hurricane Catastrophe  
 29 Fund.

30 (e) TEACO addendum.--

31 1. The TEACO addendum shall provide for reimbursement

Barcode 935572

1 of TEACO insurers for covered events occurring during the  
 2 contract year, in exchange for the TEACO reimbursement premium  
 3 paid into the fund under paragraph (f). Any insurer writing  
 4 covered policies has the option of choosing to accept the  
 5 TEACO addendum for any of the 3 contract years that the  
 6 coverage is offered.

7           2. The TEACO addendum shall contain a promise by the  
 8 board to reimburse the TEACO insurer for 45 percent, 75  
 9 percent, or 90 percent of its losses from each covered event  
 10 in excess of the insurer's TEACO retention, plus 5 percent of  
 11 the reimbursed losses to cover loss adjustment expenses. The  
 12 percentage shall be the same as the coverage level selected by  
 13 the insurer under paragraph (4)(b).

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

17           4. The TEACO addendum shall also provide that the  
 18 obligation of the board with respect to all TEACO addenda  
 19 shall not exceed an amount equal to two times the difference  
 20 between the industry retention level calculated under  
 21 paragraph (2)(e) and the \$3 billion, \$4 billion, or \$5 billion  
 22 industry TEACO retention level options actually selected, but  
 23 in no event may the board's obligation exceed the actual  
 24 claims-paying capacity of the fund plus the additional  
 25 capacity created in paragraph (g). If the actual claims-paying  
 26 capacity and the additional capacity created under paragraph  
 27 (g) fall short of the board's obligations under the  
 28 reimbursement contract, each insurer's share of the fund's  
 29 capacity shall be prorated based on the premium an insurer  
 30 pays for its mandatory ~~normal~~ reimbursement coverage and the  
 31 premium paid for its optional TEACO coverage as each such

Barcode 935572

1 premium bears to the total premiums paid to the fund times the  
2 available capacity.

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

6           6. A TEACO insurer's maximum reimbursement for a  
7 single event shall be equal to the product of multiplying its  
8 mandatory FHCF premium by the difference between its FHCF  
9 retention multiple and its TEACO retention multiple under the  
10 TEACO option selected and by the coverage selected under  
11 paragraph (4)(b), plus an additional 5 percent for loss  
12 adjustment expenses. A TEACO insurer's maximum reimbursement  
13 under the TEACO option selected for a TEACO insurer's two  
14 largest events addendum shall be twice its maximum  
15 reimbursement for a single event calculated by multiplying the  
16 insurer's share of the estimated total TEACO reimbursement  
17 premium as calculated under sub-subparagraph (d)4.a. by an  
18 amount equal to two times the difference between the industry  
19 retention level calculated under paragraph (2)(e) and the \$3  
20 billion, \$4 billion, or \$5 billion industry TEACO retention  
21 level specified in sub-subparagraph (d)4.a. as selected by the  
22 TEACO insurer.

23           (f) TEACO reimbursement premiums.--

24           1. Each TEACO insurer shall pay to the fund, in the  
25 manner and at the time provided in the reimbursement contract  
26 for payment of reimbursement premiums, a TEACO reimbursement  
27 premium calculated as specified in this paragraph.

28           2. ~~The TEACO reimbursement premiums shall be~~  
29 ~~calculated based on the assumption that, if all insurers~~  
30 ~~entering into reimbursement contracts under subsection (4)~~  
31 ~~also accepted the TEACO option:~~



Barcode 935572

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

8           ~~b.~~ The TEACO reimbursement premium associated with the  
9 \$4 billion retention option shall ~~would~~ be equal to 80 percent  
10 of a TEACO insurer's maximum reimbursement for a single event  
11 as calculated under subparagraph (e)6. ~~the difference between~~  
12 ~~the industry retention level calculated under paragraph (2)(e)~~  
13 ~~and the \$4 billion industry TEACO retention level.~~

14           ~~c.~~ The TEACO premium associated with the \$5 billion  
15 retention option shall ~~would~~ be equal to 75 percent of a TEACO  
16 insurer's maximum reimbursement for a single event as  
17 calculated under subparagraph (e)6. ~~the difference between the~~  
18 ~~industry retention level calculated under paragraph (2)(e) and~~  
19 ~~the \$5 billion industry TEACO retention level.~~

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

23           (g) Effect on claims-paying capacity of the fund.--For  
24 the contract term commencing June 1, 2007, the contract year  
25 commencing June 1, 2008, and the contract term beginning June  
26 1, 2009, the program created by this subsection shall increase  
27 the claims-paying capacity of the fund as provided in  
28 subparagraph (4)(c)1. by an amount equal to two times the  
29 difference between the industry retention level calculated  
30 under paragraph (2)(e) and the \$3 billion industry TEACO  
31 retention level specified in sub-subparagraph (d)4.a. The

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 additional capacity shall apply only to the additional  
2 coverage provided by the TEACO option and shall not otherwise  
3 affect any insurer's reimbursement from the fund.

4 Section 3. Paragraphs (b), (c), and (g) of subsection  
5 (2) of section 215.5595, Florida Statutes, as amended by  
6 chapter 2007-1, Laws of Florida, are amended, and paragraph  
7 (j) of that subsection is added, to read:

8 215.5595 Insurance Capital Build-Up Incentive  
9 Program.--

10 (2) The purpose of this section is to provide surplus  
11 notes to new or existing authorized residential property  
12 insurers under the Insurance Capital Build-Up Incentive  
13 Program administered by the State Board of Administration,  
14 under the following conditions:

15 (b) The insurer must contribute an amount of new  
16 capital to its surplus which is at least equal to the amount  
17 of the surplus note and must apply to the board by July 1,  
18 2006. If an insurer applies after July 1, 2006, but before  
19 June 1, 2007, the amount of the surplus note is limited to  
20 one-half of the new capital that the insurer contributes to  
21 its surplus, except for an insurer writing only manufactured  
22 housing policies or a domestic mutual insurer, for which the  
23 amount of the surplus note is equal to the amount of the new  
24 capital that the insurer contributes to its surplus. For  
25 purposes of this section, new capital must be in the form of  
26 cash or cash equivalents as specified in s. 625.012(1).

27 (c) The insurer's surplus, new capital, and the  
28 surplus note must total at least \$50 million, except for  
29 insurers writing residential property insurance covering only  
30 manufactured housing or a domestic mutual insurer. The  
31 insurer's surplus, new capital, and the surplus note must

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 total at least \$14 million for insurers writing only  
 2 residential property insurance covering manufactured housing  
 3 policies as provided in paragraph (a). The surplus, new  
 4 capital, and the surplus note for a domestic mutual insurer  
 5 must total at least \$25 million.

6 (g) The total amount of funds available for the  
 7 program is limited to the amount appropriated by the  
 8 Legislature for this purpose. If the amount of surplus notes  
 9 requested by insurers exceeds the amount of funds available,  
 10 the board may prioritize insurers that are eligible and  
 11 approved, with priority for funding given to insurers writing  
 12 only manufactured housing policies, regardless of the date of  
 13 application, based on the financial strength of the insurer,  
 14 the viability of its proposed business plan for writing  
 15 additional residential property insurance in the state, and  
 16 the effect on competition in the residential property  
 17 insurance market. Between insurers writing residential  
 18 property insurance covering manufactured housing, priority  
 19 shall be given to the insurer writing the highest percentage  
 20 of its policies covering manufactured housing.

21 (j) As used in this section, "an insurer writing only  
 22 manufactured housing policies" also includes:

- 23 1. A Florida domiciled insurer that begins writing  
 24 personal lines residential manufactured housing policies in  
 25 Florida after March 1, 2007, and which removes a minimum of  
 26 50,000 policies from Citizens Property Insurance Corporation  
 27 without accepting a bonus, and if at least 25 percent of its  
 28 policies cover manufactured housing. Such an insurer may count  
 29 any funds above the minimum capital and surplus requirement  
 30 that were contributed into the insurer after March 1, 2007, as  
 31 new capital under this section.

Barcode 935572

1           2. A Florida domiciled insurer that writes at least 40  
2 percent of its policies covering manufactured housing in  
3 Florida.

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

7           624.407 Capital funds required; new insurers.--

8           (1) To receive authority to transact any one kind or  
9 combinations of kinds of insurance, as defined in part V of  
10 this chapter, an insurer applying for its original certificate  
11 of authority in this state after the effective date of this  
12 section shall possess surplus as to policyholders not less  
13 than the greater of:

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

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

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

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

24  
25 however, a domestic insurer that transacts residential  
26 property insurance and is a wholly owned subsidiary of an  
27 insurer domiciled ~~authorized to do business~~ in any other state  
28 shall possess surplus as to policyholders of at least \$50  
29 million, but no insurer shall be required under this  
30 subsection to have surplus as to policyholders greater than  
31 \$100 million.

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 Section 5. Paragraph (f) of subsection (3) of section  
2 626.2815, Florida Statutes, as amended by chapter 2007-1, Laws  
3 of Florida, is amended to read:

4 626.2815 Continuing education required; application;  
5 exceptions; requirements; penalties.--

6 (3)

7 (f) Compliance with continuing education requirements  
8 is a condition precedent to the issuance, continuation,  
9 reinstatement, or renewal of any appointment subject to this  
10 section. An insurance licensee taking a continuing education  
11 course, regardless of whether it is a classroom, online, or  
12 home study course, may take the required final examination in  
13 a proctored location, via the online provider, or by open book  
14 if the course offered meets all requirements for continuing  
15 education.

16 Section 6. Subsection (4) of section 626.914, Florida  
17 Statutes, is amended to read:

18 626.914 Definitions.--As used in this Surplus Lines  
19 Law, the term:

20 (4) "Diligent effort" means seeking coverage from and  
21 having been rejected by at least three authorized insurers  
22 currently writing this type of coverage and documenting these  
23 rejections. However, in the event that the residential  
24 structure has a dwelling replacement cost of \$1 million or  
25 more, "diligent effort" means seeking coverage from and having  
26 been rejected by at least one authorized insurer currently  
27 writing this type of coverage and documenting this rejection.

28 Section 7. Paragraph (e) is added to subsection (1) of  
29 section 626.916, Florida Statutes, to read:

30 626.916 Eligibility for export.--

31 (1) No insurance coverage shall be eligible for export

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 unless it meets all of the following conditions:

2       (e) For personal residential property risks, the  
3 retail or producing agent must advise the insured in writing  
4 that coverage may be available and may be less expensive from  
5 Citizens Property Insurance Corporation. The notice must  
6 include other information that states that Citizens'  
7 assessments are higher and the coverage provided by Citizens  
8 may be less than the property's existing coverage. If the  
9 notice is signed by the insured, it is presumed that the  
10 insured has been informed and knows that policies from  
11 Citizens Property Insurance Corporation may be less expensive,  
12 may provide less coverage, and will be accompanied by higher  
13 assessments.

14           Section 8. Subsection (2) of section 626.9201, Florida  
15 Statutes, is amended to read:

16           626.9201 Notice of cancellation or nonrenewal.--

17           (2) An insurer issuing a policy providing coverage for  
18 property, casualty, surety, or marine insurance shall give the  
19 named insured written notice of cancellation or termination  
20 other than nonrenewal at least 45 days prior to the effective  
21 date of the cancellation or termination, including in the  
22 written notice the reason or reasons for the cancellation or  
23 termination, except that:

24           (a) When cancellation is for nonpayment of premium, at  
25 least 10 days' written notice of cancellation accompanied by  
26 the reason therefor shall be given. As used in this paragraph,  
27 the term "nonpayment of premium" means failure of the named  
28 insured to discharge when due any of his or her obligations in  
29 connection with the payment of premiums on a policy or any  
30 installment of such premium, whether the premium is payable  
31 directly to the insurer or its agent or indirectly under any

1 premium finance plan or extension of credit, or failure to  
 2 maintain membership in an organization if such membership is a  
 3 condition precedent to insurance coverage. The term  
 4 "nonpayment of premium" also means the failure of a financial  
 5 institution to honor an insurance applicant's check after  
 6 delivery to a licensed agent for payment of a premium, even if  
 7 the agent has previously delivered or transferred the premium  
 8 to the insurer. If a correctly dishonored check represents the  
 9 initial premium payment, the contract and all contractual  
 10 obligations shall be void ab initio unless the nonpayment is  
 11 cured within the earlier of 5 days after actual notice by  
 12 certified mail is received by the applicant or 15 days after  
 13 notice is sent to the applicant by certified mail or  
 14 registered mail, and, if the contract is void, any premium  
 15 received by the insurer from a third party shall be refunded  
 16 to that party in full; and

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

25           Section 9. Paragraph (i) of subsection (1) of section  
 26 626.9541, Florida Statutes, is amended to read:

27           626.9541 Unfair methods of competition and unfair or  
 28 deceptive acts or practices defined.--

29           (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR  
 30 DECEPTIVE ACTS.--The following are defined as unfair methods  
 31 of competition and unfair or deceptive acts or practices:

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 (i) Unfair claim settlement practices.--

2 1. Attempting to settle claims on the basis of an  
3 application, when serving as a binder or intended to become a  
4 part of the policy, or any other material document which was  
5 altered without notice to, or knowledge or consent of, the  
6 insured;

7 2. A material misrepresentation made to an insured or  
8 any other person having an interest in the proceeds payable  
9 under such contract or policy, for the purpose and with the  
10 intent of effecting settlement of such claims, loss, or damage  
11 under such contract or policy on less favorable terms than  
12 those provided in, and contemplated by, such contract or  
13 policy; ~~or~~

14 3. A violation of s. 627.70131(5), if the insurer's  
15 handling of the claim is found to be dishonest or in reckless  
16 disregard for the rights of any insured;

17 4. Failing to pay undisputed amounts of partial or  
18 full benefits under first-party property insurance policies  
19 within 30 days after determining the amounts of partial or  
20 full benefits and agreeing to coverage; or

21 ~~5.3-~~ Committing or performing with such frequency as  
22 to indicate a general business practice any of the following:

23 a. Failing to adopt and implement standards for the  
24 proper investigation of claims;

25 b. Misrepresenting pertinent facts or insurance policy  
26 provisions relating to coverages at issue;

27 c. Failing to acknowledge and act promptly upon  
28 communications with respect to claims;

29 d. Denying claims without conducting reasonable  
30 investigations based upon available information;

31 e. Failing to affirm or deny full or partial coverage



Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 of claims, and, as to partial coverage, the dollar amount or  
2 extent of coverage, or failing to provide a written statement  
3 that the claim is being investigated, upon the written request  
4 of the insured within 30 days after proof-of-loss statements  
5 have been completed;

6 f. Failing to promptly provide a reasonable  
7 explanation in writing to the insured of the basis in the  
8 insurance policy, in relation to the facts or applicable law,  
9 for denial of a claim or for the offer of a compromise  
10 settlement;

11 g. Failing to promptly notify the insured of any  
12 additional information necessary for the processing of a  
13 claim; or

14 h. Failing to clearly explain the nature of the  
15 requested information and the reasons why such information is  
16 necessary.

17 Section 10. Subsection (4) of section 627.0613,  
18 Florida Statutes, as amended by chapter 2007-1, Laws of  
19 Florida, is amended to read:

20 627.0613 Consumer advocate.--The Chief Financial  
21 Officer must appoint a consumer advocate who must represent  
22 the general public of the state before the department and the  
23 office. The consumer advocate must report directly to the  
24 Chief Financial Officer, but is not otherwise under the  
25 authority of the department or of any employee of the  
26 department. The consumer advocate has such powers as are  
27 necessary to carry out the duties of the office of consumer  
28 advocate, including, but not limited to, the powers to:

29 (4) Prepare an annual report card for each authorized  
30 personal residential property insurer, on a form and using a  
31 letter-grade scale developed by the commission by rule, which

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 grades each insurer based on the following factors:

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

4 (b) The disposition of all complaints received by the  
5 department.

6 (c) The average length of time for payment of claims  
7 by the insurer.

8 (d) Any other factors the commission identifies as  
9 assisting policyholders in making informed choices about  
10 homeowner's insurance.

11 Section 11. Paragraph (a) of subsection (2) of section  
12 627.062, Florida Statutes, as amended by chapter 2007-1, Laws  
13 of Florida, is amended, and subsection (10) is added to that  
14 section, to read:

15 627.062 Rate standards.--

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

17 (a) Insurers or rating organizations shall establish  
18 and use rates, rating schedules, or rating manuals to allow  
19 the insurer a reasonable rate of return on such classes of  
20 insurance written in this state. A copy of rates, rating  
21 schedules, rating manuals, premium credits or discount  
22 schedules, and surcharge schedules, and changes thereto, shall  
23 be filed with the office under one of the following procedures  
24 except as provided in subparagraph 3.:

25 1. If the filing is made at least 90 days before the  
26 proposed effective date and the filing is not implemented  
27 during the office's review of the filing and any proceeding  
28 and judicial review, then such filing shall be considered a  
29 "file and use" filing. In such case, the office shall finalize  
30 its review by issuance of a notice of intent to approve or a  
31 notice of intent to disapprove within 90 days after receipt of

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 the filing. The notice of intent to approve and the notice of  
2 intent to disapprove constitute agency action for purposes of  
3 the Administrative Procedure Act. Requests for supporting  
4 information, requests for mathematical or mechanical  
5 corrections, or notification to the insurer by the office of  
6 its preliminary findings shall not toll the 90-day period  
7 during any such proceedings and subsequent judicial review.  
8 The rate shall be deemed approved if the office does not issue  
9 a notice of intent to approve or a notice of intent to  
10 disapprove within 90 days after receipt of the filing.

11         2. If the filing is not made in accordance with the  
12 provisions of subparagraph 1., such filing shall be made as  
13 soon as practicable, but no later than 30 days after the  
14 effective date, and shall be considered a "use and file"  
15 filing. An insurer making a "use and file" filing is  
16 potentially subject to an order by the office to return to  
17 policyholders portions of rates found to be excessive, as  
18 provided in paragraph (h).

19         3. For all filings made or submitted on or after  
20 January 25, 2007, but on or before December 31, 2008, an  
21 insurer seeking a rate that is greater than the rate most  
22 recently approved by the office shall make a "file and use"  
23 filing. This subparagraph applies to property insurance only.  
24 For purposes of this subparagraph, automobile collision and  
25 comprehensive coverages are not considered to be property  
26 coverages.

27  
28 The provisions of this subsection shall not apply to workers'  
29 compensation and employer's liability insurance and to motor  
30 vehicle insurance.

31         (10) Any interest paid pursuant to s. 627.70131(5) may

1 not be included in the insurer's rate base and may not be used  
2 to justify a rate or rate change.

3 Section 12. Section 627.0655, Florida Statutes, as  
4 created by chapter 2007-1, Laws of Florida, is amended, to  
5 read:

6 627.0655 Policyholder loss or expense-related premium  
7 discounts.--An insurer or person authorized to engage in the  
8 business of insurance in this state may include, in the  
9 premium charged an insured for any policy, contract, or  
10 certificate of insurance, a discount based on the fact that  
11 another policy, contract, or certificate of any type has been  
12 purchased by the insured from the same insurer or insurer  
13 group.

14 Section 13. Paragraphs (a), (b), (c), (d), (j), (m),  
15 (n), (r), and (v) of subsection (6) of section 627.351,  
16 Florida Statutes, as amended by chapter 2007-1, Laws of  
17 Florida, are amended, and paragraph (ff) is added to that  
18 subsection, to read:

19 627.351 Insurance risk apportionment plans.--

20 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

21 (a)1. It is the public purpose of this subsection to  
22 ensure the existence of an orderly market for property  
23 insurance for Florida's residents and businesses. The  
24 Legislature finds that ~~actual and threatened catastrophic~~  
25 losses to property in this state from hurricanes have caused  
26 insurers ~~are to be~~ unwilling or unable to provide affordable  
27 property insurance coverage in this state to the extent sought  
28 and needed. The absence of affordable property insurance  
29 threatens the public health, safety, and welfare and likewise  
30 threatens the economic health of this state. The state  
31 therefore has a compelling ~~It is in the~~ public interest and a

Barcode 935572

1 public purpose to assist in assuring that property in the  
2 state is insured so as to facilitate the remediation,  
3 reconstruction, and replacement of damaged or destroyed  
4 property in order to reduce or avoid the negative effects  
5 otherwise resulting to the public health, safety, and welfare;  
6 to the economy of the state; and to the revenues of the state  
7 and local governments needed to provide for the public  
8 welfare. It is necessary, therefore, to provide affordable  
9 property insurance to applicants who are in good faith  
10 entitled to procure insurance through the voluntary market but  
11 are unable to do so. The Legislature intends by this  
12 subsection that property insurance be provided and that it  
13 continues to be provided, as long as necessary, through  
14 Citizens Property Insurance Corporation, a government entity  
15 that is an integral part of the state and that is not a  
16 private insurance company. To that end, the corporation shall  
17 strive to increase the availability and affordability of  
18 property insurance in this state while achieving an entity  
19 ~~organized to achieve~~ efficiencies and economies, and while  
20 providing service to policyholders, applicants, and agents  
21 which that is no less than the quality generally provided in  
22 the voluntary market, for ~~all toward~~ the achievement of the  
23 foregoing public purposes. Because it is essential for this  
24 government entity ~~the corporation~~ to have the maximum  
25 financial resources to pay claims following a catastrophic  
26 hurricane, it is the intent of the Legislature that Citizens  
27 Property Insurance Corporation continues to be an integral  
28 part of the state and that the income of the corporation be  
29 exempt from federal income taxation and that interest on the  
30 debt obligations issued by the corporation be exempt from  
31 federal income taxation.

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1           2. The Residential Property and Casualty Joint  
2 Underwriting Association originally created by this statute  
3 shall be known, as of July 1, 2002, as the Citizens Property  
4 Insurance Corporation. The corporation shall provide insurance  
5 for residential and commercial property, for applicants who  
6 are in good faith entitled, but are unable, to procure  
7 insurance through the voluntary market. The corporation shall  
8 operate pursuant to a plan of operation approved by order of  
9 the Financial Services Commission. The plan is subject to  
10 continuous review by the commission. The commission may, by  
11 order, withdraw approval of all or part of a plan if the  
12 commission determines that conditions have changed since  
13 approval was granted and that the purposes of the plan require  
14 changes in the plan. The corporation shall continue to operate  
15 pursuant to the plan of operation approved by the Office of  
16 Insurance Regulation until October 1, 2006. For the purposes  
17 of this subsection, residential coverage includes both  
18 personal lines residential coverage, which consists of the  
19 type of coverage provided by homeowner's, mobile home owner's,  
20 dwelling, tenant's, condominium unit owner's, and similar  
21 policies, and commercial lines residential coverage, which  
22 consists of the type of coverage provided by condominium  
23 association, apartment building, and similar policies.

24           3. For the purposes of this subsection, the term  
25 "homestead property" means:

- 26           a. Property that has been granted a homestead  
27 exemption under chapter 196;
- 28           b. Property for which the owner has a current, written  
29 lease with a renter for a term of at least 7 months and for  
30 which the dwelling is insured by the corporation for \$200,000  
31 or less;

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1           c. An owner-occupied mobile home or manufactured home,  
 2 as defined in s. 320.01, which is permanently affixed to real  
 3 property, is owned by a Florida resident, and has been granted  
 4 a homestead exemption under chapter 196 or, if the owner does  
 5 not own the real property, the owner certifies that the mobile  
 6 home or manufactured home is his or her principal place of  
 7 residence;

8           d. Tenant's coverage;

9           e. Commercial lines residential property; or

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

16          4. For the purposes of this subsection, the term  
 17 "nonhomestead property" means property that is not homestead  
 18 property.

19          5. Effective July 1, 2008, a personal lines  
 20 residential structure that has a dwelling replacement cost of  
 21 \$1 million or more, or a single condominium unit that has a  
 22 combined dwelling and content replacement cost of \$1 million  
 23 or more is not eligible for coverage by the corporation. Such  
 24 dwellings insured by the corporation on June 30, 2008, may  
 25 continue to be covered by the corporation until the end of the  
 26 policy term. However, such dwellings that are insured by the  
 27 corporation and become ineligible for coverage due to the  
 28 provisions of this subparagraph may reapply and obtain  
 29 coverage in the high-risk account and be considered  
 30 "nonhomestead property" if the property owner provides the  
 31 corporation with a sworn affidavit from one or more insurance

Barcode 935572

1 agents, on a form provided by the corporation, stating that  
 2 the agents have made their best efforts to obtain coverage and  
 3 that the property has been rejected for coverage by at least  
 4 one authorized insurer and at least three surplus lines  
 5 insurers. If such conditions are met, the dwelling may be  
 6 insured by the corporation for up to 3 years, after which time  
 7 the dwelling is ineligible for coverage. The office shall  
 8 approve the method used by the corporation for valuing the  
 9 dwelling replacement cost for the purposes of this  
 10 subparagraph. If a policyholder is insured by the corporation  
 11 prior to being determined to be ineligible pursuant to this  
 12 subparagraph and such policyholder files a lawsuit challenging  
 13 the determination, the policyholder may remain insured by the  
 14 corporation until the conclusion of the litigation.

15           6. For properties constructed on or after January 1,  
 16 2009, the corporation may not insure any property located  
 17 within 2,500 feet landward of the coastal construction control  
 18 line created pursuant to s. 161.053 unless the property meets  
 19 the requirements of the code-plus building standards developed  
 20 by the Florida Building Commission.

21           7. It is the intent of the Legislature that  
 22 policyholders, applicants, and agents of the corporation  
 23 receive service and treatment of the highest possible level  
 24 but never less than that generally provided in the voluntary  
 25 market. It also is intended that the corporation be held to  
 26 service standards no less than those applied to insurers in  
 27 the voluntary market by the office with respect to  
 28 responsiveness, timeliness, customer courtesy, and overall  
 29 dealings with policyholders, applicants, or agents of the  
 30 corporation.

31           (b)1. All insurers authorized to write one or more



Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 subject lines of business in this state are subject to  
2 assessment by the corporation and, for the purposes of this  
3 subsection, are referred to collectively as "assessable  
4 insurers." Insurers writing one or more subject lines of  
5 business in this state pursuant to part VIII of chapter 626  
6 are not assessable insurers, but insureds who procure one or  
7 more subject lines of business in this state pursuant to part  
8 VIII of chapter 626 are subject to assessment by the  
9 corporation and are referred to collectively as "assessable  
10 insureds." An authorized insurer's assessment liability shall  
11 begin on the first day of the calendar year following the year  
12 in which the insurer was issued a certificate of authority to  
13 transact insurance for subject lines of business in this state  
14 and shall terminate 1 year after the end of the first calendar  
15 year during which the insurer no longer holds a certificate of  
16 authority to transact insurance for subject lines of business  
17 in this state.

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

21           (I) A personal lines account for personal residential  
22 policies issued by the corporation or issued by the  
23 Residential Property and Casualty Joint Underwriting  
24 Association and renewed by the corporation that provide  
25 comprehensive, multiperil coverage on risks that are not  
26 located in areas eligible for coverage in the Florida  
27 Windstorm Underwriting Association as those areas were defined  
28 on January 1, 2002, and for such policies that do not provide  
29 coverage for the peril of wind on risks that are located in  
30 such areas;

31           (II) A commercial lines account for commercial

Barcode 935572

1 residential and commercial nonresidential policies issued by  
 2 the corporation or issued by the Residential Property and  
 3 Casualty Joint Underwriting Association and renewed by the  
 4 corporation that provide coverage for basic property perils on  
 5 risks that are not located in areas eligible for coverage in  
 6 the Florida Windstorm Underwriting Association as those areas  
 7 were defined on January 1, 2002, and for such policies that do  
 8 not provide coverage for the peril of wind on risks that are  
 9 located in such areas; and

10 (III) A high-risk account for personal residential  
 11 policies and commercial residential and commercial  
 12 nonresidential property policies issued by the corporation or  
 13 transferred to the corporation that provide coverage for the  
 14 peril of wind on risks that are located in areas eligible for  
 15 coverage in the Florida Windstorm Underwriting Association as  
 16 those areas were defined on January 1, 2002. Subject to the  
 17 approval of a business plan by the Financial Services  
 18 Commission and Legislative Budget Commission as provided in  
 19 this sub-sub-subparagraph, but no earlier than March 31, 2007,  
 20 the corporation may offer policies that provide multiperil  
 21 coverage and the corporation shall continue to offer policies  
 22 that provide coverage only for the peril of wind for risks  
 23 located in areas eligible for coverage in the high-risk  
 24 account. In issuing multiperil coverage, the corporation may  
 25 use its approved policy forms and rates for the personal lines  
 26 account. An applicant or insured who is eligible to purchase a  
 27 multiperil policy from the corporation may purchase a  
 28 multiperil policy from an authorized insurer without prejudice  
 29 to the applicant's or insured's eligibility to prospectively  
 30 purchase a policy that provides coverage only for the peril of  
 31 wind from the corporation. An applicant or insured who is

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 eligible for a corporation policy that provides coverage only  
2 for the peril of wind may elect to purchase or retain such  
3 policy and also purchase or retain coverage excluding wind  
4 from an authorized insurer without prejudice to the  
5 applicant's or insured's eligibility to prospectively purchase  
6 a policy that provides multiperil coverage from the  
7 corporation. It is the goal of the Legislature that there  
8 would be an overall average savings of 10 percent or more for  
9 a policyholder who currently has a wind-only policy with the  
10 corporation, and an ex-wind policy with a voluntary insurer or  
11 the corporation, and who then obtains a multiperil policy from  
12 the corporation. It is the intent of the Legislature that the  
13 offer of multiperil coverage in the high-risk account be made  
14 and implemented in a manner that does not adversely affect the  
15 tax-exempt status of the corporation or creditworthiness of or  
16 security for currently outstanding financing obligations or  
17 credit facilities of the high-risk account, the personal lines  
18 account, or the commercial lines account. By March 1, 2007,  
19 the corporation shall prepare and submit for approval by the  
20 Financial Services Commission and Legislative Budget  
21 Commission a report detailing the corporation's business plan  
22 for issuing multiperil coverage in the high-risk account. The  
23 business plan shall be approved or disapproved within 30 days  
24 after receipt, as submitted or modified and resubmitted by the  
25 corporation. The business plan must include: the impact of  
26 such multiperil coverage on the corporation's financial  
27 resources, the impact of such multiperil coverage on the  
28 corporation's tax-exempt status, the manner in which the  
29 corporation plans to implement the processing of applications  
30 and policy forms for new and existing policyholders, the  
31 impact of such multiperil coverage on the corporation's

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 ability to deliver customer service at the high level required  
2 by this subsection, the ability of the corporation to process  
3 claims, the ability of the corporation to quote and issue  
4 policies, the impact of such multiperil coverage on the  
5 corporation's agents, the impact of such multiperil coverage  
6 on the corporation's existing policyholders, and the impact of  
7 such multiperil coverage on rates and premium. The high-risk  
8 account must also include quota share primary insurance under  
9 subparagraph (c)2. The area eligible for coverage under the  
10 high-risk account also includes the area within Port  
11 Canaveral, which is bordered on the south by the City of Cape  
12 Canaveral, bordered on the west by the Banana River, and  
13 bordered on the north by Federal Government property.

14       b. The three separate accounts must be maintained as  
15 long as financing obligations entered into by the Florida  
16 Windstorm Underwriting Association or Residential Property and  
17 Casualty Joint Underwriting Association are outstanding, in  
18 accordance with the terms of the corresponding financing  
19 documents. When the financing obligations are no longer  
20 outstanding, in accordance with the terms of the corresponding  
21 financing documents, the corporation may use a single account  
22 for all revenues, assets, liabilities, losses, and expenses of  
23 the corporation. Consistent with the requirement of this  
24 subparagraph and prudent investment policies that minimize the  
25 cost of carrying debt, the board shall exercise its best  
26 efforts to retire existing debt or to obtain approval of  
27 necessary parties to amend the terms of existing debt, so as  
28 to structure the most efficient plan to consolidate the three  
29 separate accounts into a single account. By February 1, 2007,  
30 the board shall submit a report to the Financial Services  
31 Commission, the President of the Senate, and the Speaker of

Barcode 935572

1 the House of Representatives which includes an analysis of  
2 consolidating the accounts, the actions the board has taken to  
3 minimize the cost of carrying debt, and its recommendations  
4 for executing the most efficient plan.

5 c. Creditors of the Residential Property and Casualty  
6 Joint Underwriting Association and of the accounts referenced  
7 in sub-sub-subparagraph a.(I) and (II) may ~~shall~~ have a claim  
8 against, and recourse to, the accounts referred to in  
9 sub-sub-subparagraphs a.(I) and (II) and shall have no claim  
10 against, or recourse to, the account referred to in  
11 sub-sub-subparagraph a.(III). Creditors of the Florida  
12 Windstorm Underwriting Association shall have a claim against,  
13 and recourse to, the account referred to in  
14 sub-sub-subparagraph a.(III) and shall have no claim against,  
15 or recourse to, the accounts referred to in  
16 sub-sub-subparagraphs a.(I) and (II).

17 d. Revenues, assets, liabilities, losses, and expenses  
18 not attributable to particular accounts shall be prorated  
19 among the accounts.

20 e. The Legislature finds that the revenues of the  
21 corporation are revenues that are necessary to meet the  
22 requirements set forth in documents authorizing the issuance  
23 of bonds under this subsection.

24 f. No part of the income of the corporation may inure  
25 to the benefit of any private person.

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

27 a. When the deficit incurred in a particular calendar  
28 year is not greater than 10 percent of the aggregate statewide  
29 direct written premium for the subject lines of business for  
30 the prior calendar year, the entire deficit shall be recovered  
31 through regular assessments of assessable insurers under

Barcode 935572

1 paragraph (p) and assessable insureds.

2           b. When the deficit incurred in a particular calendar  
3 year exceeds 10 percent of the aggregate statewide direct  
4 written premium for the subject lines of business for the  
5 prior calendar year, the corporation shall levy regular  
6 assessments on assessable insurers under paragraph (p) and on  
7 assessable insureds in an amount equal to the greater of 10  
8 percent of the deficit or 10 percent of the aggregate  
9 statewide direct written premium for the subject lines of  
10 business for the prior calendar year. Any remaining deficit  
11 shall be recovered through emergency assessments under  
12 sub-subparagraph d.

13           c. Each assessable insurer's share of the amount being  
14 assessed under sub-subparagraph a. or sub-subparagraph b.  
15 shall be in the proportion that the assessable insurer's  
16 direct written premium for the subject lines of business for  
17 the year preceding the assessment bears to the aggregate  
18 statewide direct written premium for the subject lines of  
19 business for that year. The assessment percentage applicable  
20 to each assessable insured is the ratio of the amount being  
21 assessed under sub-subparagraph a. or sub-subparagraph b. to  
22 the aggregate statewide direct written premium for the subject  
23 lines of business for the prior year. Assessments levied by  
24 the corporation on assessable insurers under sub-subparagraphs  
25 a. and b. shall be paid as required by the corporation's plan  
26 of operation and paragraph (p). Notwithstanding any other  
27 provision of this subsection, the aggregate amount of a  
28 regular assessment for a deficit incurred in a particular  
29 calendar year shall be reduced by the estimated amount to be  
30 received by the corporation from the Citizens policyholder  
31 surcharge under subparagraph (c)11. and the amount collected

Barcode 935572

1 or estimated to be collected from the assessment on Citizens  
 2 policyholders pursuant to sub-subparagraph i. Assessments  
 3 levied by the corporation on assessable insureds under  
 4 sub-subparagraphs a. and b. shall be collected by the surplus  
 5 lines agent at the time the surplus lines agent collects the  
 6 surplus lines tax required by s. 626.932 and shall be paid to  
 7 the Florida Surplus Lines Service Office at the time the  
 8 surplus lines agent pays the surplus lines tax to the Florida  
 9 Surplus Lines Service Office. Upon receipt of regular  
 10 assessments from surplus lines agents, the Florida Surplus  
 11 Lines Service Office shall transfer the assessments directly  
 12 to the corporation as determined by the corporation.

13         d. Upon a determination by the board of governors that  
 14 a deficit in an account exceeds the amount that will be  
 15 recovered through regular assessments under sub-subparagraph  
 16 a. or sub-subparagraph b., the board shall levy, after  
 17 verification by the office, emergency assessments, for as many  
 18 years as necessary to cover the deficits, to be collected by  
 19 assessable insurers and the corporation and collected from  
 20 assessable insureds upon issuance or renewal of policies for  
 21 subject lines of business, excluding National Flood Insurance  
 22 policies. The amount of the emergency assessment collected in  
 23 a particular year shall be a uniform percentage of that year's  
 24 direct written premium for subject lines of business and all  
 25 accounts of the corporation, excluding National Flood  
 26 Insurance Program policy premiums, as annually determined by  
 27 the board and verified by the office. The office shall verify  
 28 the arithmetic calculations involved in the board's  
 29 determination within 30 days after receipt of the information  
 30 on which the determination was based. Notwithstanding any  
 31 other provision of law, the corporation and each assessable

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 insurer that writes subject lines of business shall collect  
2 emergency assessments from its policyholders without such  
3 obligation being affected by any credit, limitation,  
4 exemption, or deferment. Emergency assessments levied by the  
5 corporation on assessable insureds shall be collected by the  
6 surplus lines agent at the time the surplus lines agent  
7 collects the surplus lines tax required by s. 626.932 and  
8 shall be paid to the Florida Surplus Lines Service Office at  
9 the time the surplus lines agent pays the surplus lines tax to  
10 the Florida Surplus Lines Service Office. The emergency  
11 assessments so collected shall be transferred directly to the  
12 corporation on a periodic basis as determined by the  
13 corporation and shall be held by the corporation solely in the  
14 applicable account. The aggregate amount of emergency  
15 assessments levied for an account under this sub-subparagraph  
16 in any calendar year may not exceed the greater of 10 percent  
17 of the amount needed to cover the original deficit, plus  
18 interest, fees, commissions, required reserves, and other  
19 costs associated with financing of the original deficit, or 10  
20 percent of the aggregate statewide direct written premium for  
21 subject lines of business and for all accounts of the  
22 corporation for the prior year, plus interest, fees,  
23 commissions, required reserves, and other costs associated  
24 with financing the original deficit.

25 e. The corporation may pledge the proceeds of  
26 assessments, projected recoveries from the Florida Hurricane  
27 Catastrophe Fund, other insurance and reinsurance  
28 recoverables, policyholder surcharges and other surcharges,  
29 and other funds available to the corporation as the source of  
30 revenue for and to secure bonds issued under paragraph (p),  
31 bonds or other indebtedness issued under subparagraph (c)3.,



Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 or lines of credit or other financing mechanisms issued or  
2 created under this subsection, or to retire any other debt  
3 incurred as a result of deficits or events giving rise to  
4 deficits, or in any other way that the board determines will  
5 efficiently recover such deficits. The purpose of the lines of  
6 credit or other financing mechanisms is to provide additional  
7 resources to assist the corporation in covering claims and  
8 expenses attributable to a catastrophe. As used in this  
9 subsection, the term "assessments" includes regular  
10 assessments under sub-subparagraph a., sub-subparagraph b., or  
11 subparagraph (p)1. and emergency assessments under  
12 sub-subparagraph d. Emergency assessments collected under  
13 sub-subparagraph d. are not part of an insurer's rates, are  
14 not premium, and are not subject to premium tax, fees, or  
15 commissions; however, failure to pay the emergency assessment  
16 shall be treated as failure to pay premium. The emergency  
17 assessments under sub-subparagraph d. shall continue as long  
18 as any bonds issued or other indebtedness incurred with  
19 respect to a deficit for which the assessment was imposed  
20 remain outstanding, unless adequate provision has been made  
21 for the payment of such bonds or other indebtedness pursuant  
22 to the documents governing such bonds or other indebtedness.

23 f. As used in this subsection for purposes of any  
24 deficit incurred on or after January 25, 2007, the term  
25 "subject lines of business" means insurance written by  
26 assessable insurers or procured by assessable insureds for all  
27 property and casualty lines of business in this state, but not  
28 including workers' compensation or medical malpractice. As  
29 used in the sub-subparagraph, the term "property and casualty  
30 lines of business" includes all lines of business identified  
31 on Form 2, Exhibit of Premiums and Losses, in the annual

Barcode 935572

1 statement required of authorized insurers by s. 624.424 and  
 2 any rule adopted under this section, except for those lines  
 3 identified as accident and health insurance and except for  
 4 policies written under the National Flood Insurance Program or  
 5 the Federal Crop Insurance Program. For purposes of this  
 6 sub-subparagraph, the term "workers' compensation" includes  
 7 both workers' compensation insurance and excess workers'  
 8 compensation insurance.

9           g. The Florida Surplus Lines Service Office shall  
 10 determine annually the aggregate statewide written premium in  
 11 subject lines of business procured by assessable insureds and  
 12 shall report that information to the corporation in a form and  
 13 at a time the corporation specifies to ensure that the  
 14 corporation can meet the requirements of this subsection and  
 15 the corporation's financing obligations.

16           h. The Florida Surplus Lines Service Office shall  
 17 verify the proper application by surplus lines agents of  
 18 assessment percentages for regular assessments and emergency  
 19 assessments levied under this subparagraph on assessable  
 20 insureds and shall assist the corporation in ensuring the  
 21 accurate, timely collection and payment of assessments by  
 22 surplus lines agents as required by the corporation.

23           i. If a deficit is incurred in any account in 2008 or  
 24 thereafter, the board of governors shall levy an immediate  
 25 assessment against the premium of each nonhomestead property  
 26 policyholder in all accounts of the corporation, as a uniform  
 27 percentage of the premium of the policy of up to 10 percent of  
 28 such premium, which funds shall be used to offset the deficit.  
 29 If this assessment is insufficient to eliminate the deficit,  
 30 the board of governors shall levy an additional assessment  
 31 against all policyholders of the corporation, which shall be

Barcode 935572

1 collected at the time of issuance or renewal of a policy, as a  
2 uniform percentage of the premium for the policy of up to 10  
3 percent of such premium, which funds shall be used to further  
4 offset the deficit.

5 j. The board of governors shall maintain separate  
6 accounting records that consolidate data for nonhomestead  
7 properties, including, but not limited to, number of policies,  
8 insured values, premiums written, and losses. The board of  
9 governors shall annually report to the office and the  
10 Legislature a summary of such data.

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

12 1. Must provide for adoption of residential property  
13 and casualty insurance policy forms and commercial residential  
14 and nonresidential property insurance forms, which forms must  
15 be approved by the office prior to use. The corporation shall  
16 adopt the following policy forms:

17 a. Standard personal lines policy forms that are  
18 comprehensive multiperil policies providing full coverage of a  
19 residential property equivalent to the coverage provided in  
20 the private insurance market under an HO-3, HO-4, or HO-6  
21 policy.

22 b. Basic personal lines policy forms that are policies  
23 similar to an HO-8 policy or a dwelling fire policy that  
24 provide coverage meeting the requirements of the secondary  
25 mortgage market, but which coverage is more limited than the  
26 coverage under a standard policy.

27 c. Commercial lines residential and nonresidential  
28 policy forms that are generally similar to the basic perils of  
29 full coverage obtainable for commercial residential structures  
30 and commercial nonresidential structures in the admitted  
31 voluntary market.

Bill No. HB 7077, 2nd Eng.

Barcode 935572

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

6           e. Commercial lines nonresidential property insurance  
 7 forms that cover the peril of wind only. The forms are  
 8 applicable only to nonresidential properties located in areas  
 9 eligible for coverage under the high-risk account referred to  
 10 in sub-subparagraph (b)2.a.

11           f. The corporation may adopt variations of the policy  
 12 forms listed in sub-subparagraphs a.-e. that contain more  
 13 restrictive coverage.

14           2.a. Must provide that the corporation adopt a program  
 15 in which the corporation and authorized insurers enter into  
 16 quota share primary insurance agreements for hurricane  
 17 coverage, as defined in s. 627.4025(2)(a), for eligible risks,  
 18 and adopt property insurance forms for eligible risks which  
 19 cover the peril of wind only. As used in this subsection, the  
 20 term:

21           (I) "Quota share primary insurance" means an  
 22 arrangement in which the primary hurricane coverage of an  
 23 eligible risk is provided in specified percentages by the  
 24 corporation and an authorized insurer. The corporation and  
 25 authorized insurer are each solely responsible for a specified  
 26 percentage of hurricane coverage of an eligible risk as set  
 27 forth in a quota share primary insurance agreement between the  
 28 corporation and an authorized insurer and the insurance  
 29 contract. The responsibility of the corporation or authorized  
 30 insurer to pay its specified percentage of hurricane losses of  
 31 an eligible risk, as set forth in the quota share primary

Barcode 935572

1 insurance agreement, may not be altered by the inability of  
 2 the other party to the agreement to pay its specified  
 3 percentage of hurricane losses. Eligible risks that are  
 4 provided hurricane coverage through a quota share primary  
 5 insurance arrangement must be provided policy forms that set  
 6 forth the obligations of the corporation and authorized  
 7 insurer under the arrangement, clearly specify the percentages  
 8 of quota share primary insurance provided by the corporation  
 9 and authorized insurer, and conspicuously and clearly state  
 10 that neither the authorized insurer nor the corporation may be  
 11 held responsible beyond its specified percentage of coverage  
 12 of hurricane losses.

13 (II) "Eligible risks" means personal lines residential  
 14 and commercial lines residential risks that meet the  
 15 underwriting criteria of the corporation and are located in  
 16 areas that were eligible for coverage by the Florida Windstorm  
 17 Underwriting Association on January 1, 2002.

18 b. The corporation may enter into quota share primary  
 19 insurance agreements with authorized insurers at corporation  
 20 coverage levels of 90 percent and 50 percent.

21 c. If the corporation determines that additional  
 22 coverage levels are necessary to maximize participation in  
 23 quota share primary insurance agreements by authorized  
 24 insurers, the corporation may establish additional coverage  
 25 levels. However, the corporation's quota share primary  
 26 insurance coverage level may not exceed 90 percent.

27 d. Any quota share primary insurance agreement entered  
 28 into between an authorized insurer and the corporation must  
 29 provide for a uniform specified percentage of coverage of  
 30 hurricane losses, by county or territory as set forth by the  
 31 corporation board, for all eligible risks of the authorized

Barcode 935572

1 insurer covered under the quota share primary insurance  
2 agreement.

3 e. Any quota share primary insurance agreement entered  
4 into between an authorized insurer and the corporation is  
5 subject to review and approval by the office. However, such  
6 agreement shall be authorized only as to insurance contracts  
7 entered into between an authorized insurer and an insured who  
8 is already insured by the corporation for wind coverage.

9 f. For all eligible risks covered under quota share  
10 primary insurance agreements, the exposure and coverage levels  
11 for both the corporation and authorized insurers shall be  
12 reported by the corporation to the Florida Hurricane  
13 Catastrophe Fund. For all policies of eligible risks covered  
14 under quota share primary insurance agreements, the  
15 corporation and the authorized insurer shall maintain complete  
16 and accurate records for the purpose of exposure and loss  
17 reimbursement audits as required by Florida Hurricane  
18 Catastrophe Fund rules. The corporation and the authorized  
19 insurer shall each maintain duplicate copies of policy  
20 declaration pages and supporting claims documents.

21 g. The corporation board shall establish in its plan  
22 of operation standards for quota share agreements which ensure  
23 that there is no discriminatory application among insurers as  
24 to the terms of quota share agreements, pricing of quota share  
25 agreements, incentive provisions if any, and consideration  
26 paid for servicing policies or adjusting claims.

27 h. The quota share primary insurance agreement between  
28 the corporation and an authorized insurer must set forth the  
29 specific terms under which coverage is provided, including,  
30 but not limited to, the sale and servicing of policies issued  
31 under the agreement by the insurance agent of the authorized

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 insurer producing the business, the reporting of information  
2 concerning eligible risks, the payment of premium to the  
3 corporation, and arrangements for the adjustment and payment  
4 of hurricane claims incurred on eligible risks by the claims  
5 adjuster and personnel of the authorized insurer. Entering  
6 into a quota sharing insurance agreement between the  
7 corporation and an authorized insurer shall be voluntary and  
8 at the discretion of the authorized insurer.

9           3. May provide that the corporation may employ or  
10 otherwise contract with individuals or other entities to  
11 provide administrative or professional services that may be  
12 appropriate to effectuate the plan. The corporation shall have  
13 the power to borrow funds, by issuing bonds or by incurring  
14 other indebtedness, and shall have other powers reasonably  
15 necessary to effectuate the requirements of this subsection,  
16 including, without limitation, the power to issue bonds and  
17 incur other indebtedness in order to refinance outstanding  
18 bonds or other indebtedness. The corporation may, but is not  
19 required to, seek judicial validation of its bonds or other  
20 indebtedness under chapter 75. The corporation may issue bonds  
21 or incur other indebtedness, or have bonds issued on its  
22 behalf by a unit of local government pursuant to subparagraph  
23 (g)2., in the absence of a hurricane or other weather-related  
24 event, upon a determination by the corporation, subject to  
25 approval by the office, that such action would enable it to  
26 efficiently meet the financial obligations of the corporation  
27 and that such financings are reasonably necessary to  
28 effectuate the requirements of this subsection. The  
29 corporation is authorized to take all actions needed to  
30 facilitate tax-free status for any such bonds or indebtedness,  
31 including formation of trusts or other affiliated entities.

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 The corporation shall have the authority to pledge  
2 assessments, projected recoveries from the Florida Hurricane  
3 Catastrophe Fund, other reinsurance recoverables, market  
4 equalization and other surcharges, and other funds available  
5 to the corporation as security for bonds or other  
6 indebtedness. In recognition of s. 10, Art. I of the State  
7 Constitution, prohibiting the impairment of obligations of  
8 contracts, it is the intent of the Legislature that no action  
9 be taken whose purpose is to impair any bond indenture or  
10 financing agreement or any revenue source committed by  
11 contract to such bond or other indebtedness.

12 4.a. Must require that the corporation operate subject  
13 to the supervision and approval of a board of governors  
14 consisting of eight individuals who are residents of this  
15 state, from different geographical areas of this state. The  
16 Governor, the Chief Financial Officer, the President of the  
17 Senate, and the Speaker of the House of Representatives shall  
18 each appoint two members of the board. At least one of the two  
19 members appointed by each appointing officer must have  
20 demonstrated expertise in insurance. The Chief Financial  
21 Officer shall designate one of the appointees as chair. All  
22 board members serve at the pleasure of the appointing officer.  
23 All members of the board of governors are subject to removal  
24 at will by the officers who appointed them. All board members,  
25 including the chair, must be appointed to serve for 3-year  
26 terms beginning annually on a date designated by the plan. Any  
27 board vacancy shall be filled for the unexpired term by the  
28 appointing officer. The Chief Financial Officer shall appoint  
29 a technical advisory group to provide information and advice  
30 to the board of governors in connection with the board's  
31 duties under this subsection. The executive director and



Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 senior managers of the corporation shall be engaged by the  
2 board and serve at the pleasure of the board. Any executive  
3 director appointed on or after July 1, 2006, is subject to  
4 confirmation by the Senate. The executive director is  
5 responsible for employing other staff as the corporation may  
6 require, subject to review and concurrence by the board.

7       b. The board shall create a Market Accountability  
8 Advisory Committee to assist the corporation in developing  
9 awareness of its rates and its customer and agent service  
10 levels in relationship to the voluntary market insurers  
11 writing similar coverage. The members of the advisory  
12 committee shall consist of the following 11 persons, one of  
13 whom must be elected chair by the members of the committee:  
14 four representatives, one appointed by the Florida Association  
15 of Insurance Agents, one by the Florida Association of  
16 Insurance and Financial Advisors, one by the Professional  
17 Insurance Agents of Florida, and one by the Latin American  
18 Association of Insurance Agencies; three representatives  
19 appointed by the insurers with the three highest voluntary  
20 market share of residential property insurance business in the  
21 state; one representative from the Office of Insurance  
22 Regulation; one consumer appointed by the board who is insured  
23 by the corporation at the time of appointment to the  
24 committee; one representative appointed by the Florida  
25 Association of Realtors; and one representative appointed by  
26 the Florida Bankers Association. All members must serve for  
27 3-year terms and may serve for consecutive terms. The  
28 committee shall report to the corporation at each board  
29 meeting on insurance market issues which may include rates and  
30 rate competition with the voluntary market; service, including  
31 policy issuance, claims processing, and general responsiveness

Barcode 935572

1 to policyholders, applicants, and agents; and matters relating  
2 to depopulation.

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

5 a. Subject to the provisions of s. 627.3517, with  
6 respect to personal lines residential risks, if the risk is  
7 offered coverage from an authorized insurer at the insurer's  
8 approved rate under either a standard policy including wind  
9 coverage or, if consistent with the insurer's underwriting  
10 rules as filed with the office, a basic policy including wind  
11 coverage, for a new application to the corporation for  
12 coverage, the risk is not eligible for any policy issued by  
13 the corporation unless the premium for coverage from the  
14 authorized insurer is more than 25 percent greater than the  
15 premium for comparable coverage from the corporation. If the  
16 risk is not able to obtain any such offer, the risk is  
17 eligible for either a standard policy including wind coverage  
18 or a basic policy including wind coverage issued by the  
19 corporation; however, if the risk could not be insured under a  
20 standard policy including wind coverage regardless of market  
21 conditions, the risk shall be eligible for a basic policy  
22 including wind coverage unless rejected under subparagraph 8.  
23 However, with regard to a policyholder of the corporation or a  
24 policyholder removed from the corporation through an  
25 assumption agreement until the end of the assumption period,  
26 the policyholder remains eligible for coverage from the  
27 corporation regardless of any offer of coverage from an  
28 authorized insurer or surplus lines insurer. The corporation  
29 shall determine the type of policy to be provided on the basis  
30 of objective standards specified in the underwriting manual  
31 and based on generally accepted underwriting practices.

Barcode 935572

1 (I) If the risk accepts an offer of coverage through  
 2 the market assistance plan or an offer of coverage through a  
 3 mechanism established by the corporation before a policy is  
 4 issued to the risk by the corporation or during the first 30  
 5 days of coverage by the corporation, and the producing agent  
 6 who submitted the application to the plan or to the  
 7 corporation is not currently appointed by the insurer, the  
 8 insurer shall:

9 (A) Pay to the producing agent of record of the  
 10 policy, for the first year, an amount that is the greater of  
 11 the insurer's usual and customary commission for the type of  
 12 policy written or a fee equal to the usual and customary  
 13 commission of the corporation; or

14 (B) Offer to allow the producing agent of record of  
 15 the policy to continue servicing the policy for a period of  
 16 not less than 1 year and offer to pay the agent the greater of  
 17 the insurer's or the corporation's usual and customary  
 18 commission for the type of policy written.

19  
 20 If the producing agent is unwilling or unable to accept  
 21 appointment, the new insurer shall pay the agent in accordance  
 22 with sub-sub-sub-subparagraph (A).

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

27 (A) Pay to the producing agent of record of the  
 28 corporation policy, for the first year, an amount that is the  
 29 greater of the insurer's usual and customary commission for  
 30 the type of policy written or a fee equal to the usual and  
 31 customary commission of the corporation; or

Bill No. HB 7077, 2nd Eng.

Barcode 935572

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

6  
 7 If the producing agent is unwilling or unable to accept  
 8 appointment, the new insurer shall pay the agent in accordance  
 9 with sub-sub-sub-subparagraph (A).

10 b. With respect to commercial lines residential risks,  
 11 for a new application to the corporation for coverage, if the  
 12 risk is offered coverage under a policy including wind  
 13 coverage from an authorized insurer at its approved rate, the  
 14 risk is not eligible for any policy issued by the corporation  
 15 unless the premium for coverage from the authorized insurer is  
 16 more than 25 percent greater than the premium for comparable  
 17 coverage from the corporation. If the risk is not able to  
 18 obtain any such offer, the risk is eligible for a policy  
 19 including wind coverage issued by the corporation. However,  
 20 with regard to a policyholder of the corporation or a  
 21 policyholder removed from the corporation through an  
 22 assumption agreement until the end of the assumption period,  
 23 the policyholder remains eligible for coverage from the  
 24 corporation regardless of any offer of coverage from an  
 25 authorized insurer or surplus lines insurer.

26 (I) If the risk accepts an offer of coverage through  
 27 the market assistance plan or an offer of coverage through a  
 28 mechanism established by the corporation before a policy is  
 29 issued to the risk by the corporation or during the first 30  
 30 days of coverage by the corporation, and the producing agent  
 31 who submitted the application to the plan or the corporation

Barcode 935572

1 is not currently appointed by the insurer, the insurer shall:

2 (A) Pay to the producing agent of record of the  
3 policy, for the first year, an amount that is the greater of  
4 the insurer's usual and customary commission for the type of  
5 policy written or a fee equal to the usual and customary  
6 commission of the corporation; or

7 (B) Offer to allow the producing agent of record of  
8 the policy to continue servicing the policy for a period of  
9 not less than 1 year and offer to pay the agent the greater of  
10 the insurer's or the corporation's usual and customary  
11 commission for the type of policy written.

12

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

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

20 (A) Pay to the producing agent of record of the  
21 corporation policy, for the first year, an amount that is the  
22 greater of the insurer's usual and customary commission for  
23 the type of policy written or a fee equal to the usual and  
24 customary commission of the corporation; or

25 (B) Offer to allow the producing agent of record of  
26 the corporation policy to continue servicing the policy for a  
27 period of not less than 1 year and offer to pay the agent the  
28 greater of the insurer's or the corporation's usual and  
29 customary commission for the type of policy written.

30

31 If the producing agent is unwilling or unable to accept

Barcode 935572

1 appointment, the new insurer shall pay the agent in accordance  
2 with sub-sub-sub-subparagraph (A).

3 c. For purposes of determining comparable coverage  
4 under sub-subparagraphs a. and b., the comparison shall be  
5 based on those forms and coverages that are reasonably  
6 comparable. The corporation may rely on a determination of  
7 comparable coverage and premium made by the producing agent  
8 who submits the application to the corporation made in its  
9 capacity as the corporation's agent. It is acceptable to make  
10 a comparison solely of the premium with respect to the main  
11 building or structure only, on the following basis: the same  
12 coverage A or other building limits; the same percentage  
13 hurricane deductible that applies on an annual basis or that  
14 applies to each hurricane for commercial residential property;  
15 the same percentage of ordinance and law coverage, if the same  
16 limit is offered by both the corporation and the authorized  
17 insurer; the same mitigation credits, to the extent the same  
18 types of credits are offered both by the corporation and the  
19 authorized insurer; the same method for loss payment, such as  
20 replacement cost or actual cash value, if the same method is  
21 offered both by the corporation and the authorized insurer in  
22 accordance with underwriting rules; and any other form or  
23 coverage that is reasonably comparable as determined by the  
24 board. If an application is submitted to the corporation for  
25 wind-only coverage in the high-risk account, the premium for  
26 the corporation's wind-only policy plus the premium for the  
27 ex-wind policy that is offered by an authorized insurer to the  
28 applicant shall be compared to the premium for multi-peril  
29 coverage offered by an authorized insurer, subject to the  
30 standards for comparison specified in this subparagraph. If  
31 the corporation or the applicant requests from the authorized

1 insurer a breakdown of the premium of the offer by types of  
 2 coverage so that a comparison may be made by the corporation  
 3 or its agent and the authorized insurer refuses or is unable  
 4 to provide such information, the corporation may treat the  
 5 offer as not being an offer of coverage from an authorized  
 6 insurer at the insurer's approved rate.

7 ~~6. Must provide by July 1, 2007, that an application~~  
 8 ~~for coverage for a new policy is subject to a waiting period~~  
 9 ~~of 10 days before coverage is effective, during which time the~~  
 10 ~~corporation shall make such application available for review~~  
 11 ~~by general lines agents and authorized property and casualty~~  
 12 ~~insurers. The board shall approve an exception that allows for~~  
 13 ~~coverage to be effective before the end of the 10-day waiting~~  
 14 ~~period, for coverage issued in conjunction with a real estate~~  
 15 ~~closing. The board may approve such other exceptions as the~~  
 16 ~~board determines are necessary to prevent lapses in coverage.~~

17 ~~6.7. Must include rules for classifications of risks~~  
 18 ~~and rates therefor.~~

19 ~~7.8. Must provide that if premium and investment~~  
 20 ~~income for an account attributable to a particular calendar~~  
 21 ~~year are in excess of projected losses and expenses for the~~  
 22 ~~account attributable to that year, such excess shall be held~~  
 23 ~~in surplus in the account. Such surplus shall be available to~~  
 24 ~~defray deficits in that account as to future years and shall~~  
 25 ~~be used for that purpose prior to assessing assessable~~  
 26 ~~insurers and assessable insureds as to any calendar year.~~

27 ~~8.9. Must provide objective criteria and procedures to~~  
 28 ~~be uniformly applied for all applicants in determining whether~~  
 29 ~~an individual risk is so hazardous as to be uninsurable. In~~  
 30 ~~making this determination and in establishing the criteria and~~  
 31 ~~procedures, the following shall be considered:~~

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 a. Whether the likelihood of a loss for the individual  
2 risk is substantially higher than for other risks of the same  
3 class; and

4 b. Whether the uncertainty associated with the  
5 individual risk is such that an appropriate premium cannot be  
6 determined.

7  
8 The acceptance or rejection of a risk by the corporation shall  
9 be construed as the private placement of insurance, and the  
10 provisions of chapter 120 shall not apply.

11 ~~9.10.~~ Must provide that the corporation shall make its  
12 best efforts to procure catastrophe reinsurance at reasonable  
13 rates, to cover its projected 100-year probable maximum loss  
14 as determined by the board of governors.

15 ~~10.11.~~ Must provide that in the event of regular  
16 deficit assessments under sub-subparagraph (b)3.a. or  
17 sub-subparagraph (b)3.b., in the personal lines account, the  
18 commercial lines residential account, or the high-risk  
19 account, the corporation shall levy upon corporation  
20 policyholders in its next rate filing, or by a separate rate  
21 filing solely for this purpose, a Citizens policyholder  
22 surcharge arising from a regular assessment in such account in  
23 a percentage equal to the total amount of such regular  
24 assessments divided by the aggregate statewide direct written  
25 premium for subject lines of business for the prior calendar  
26 year. For purposes of calculating the Citizens policyholder  
27 surcharge to be levied under this subparagraph, the total  
28 amount of the regular assessment to which this surcharge is  
29 related shall be determined as set forth in subparagraph  
30 (b)3., without deducting the estimated Citizens policyholder  
31 surcharge. Citizens policyholder surcharges under this



Barcode 935572

1 subparagraph are not considered premium and are not subject to  
2 commissions, fees, or premium taxes; however, failure to pay a  
3 market equalization surcharge shall be treated as failure to  
4 pay premium.

5 ~~11.12.~~ The policies issued by the corporation must  
6 provide that, if the corporation or the market assistance plan  
7 obtains an offer from an authorized insurer to cover the risk  
8 at its approved rates, the risk is no longer eligible for  
9 renewal through the corporation, except as otherwise provided  
10 in this subsection.

11 ~~12.13.~~ Corporation policies and applications must  
12 include a notice that the corporation policy could, under this  
13 section, be replaced with a policy issued by an authorized  
14 insurer that does not provide coverage identical to the  
15 coverage provided by the corporation. The notice shall also  
16 specify that acceptance of corporation coverage creates a  
17 conclusive presumption that the applicant or policyholder is  
18 aware of this potential.

19 ~~13.14.~~ May establish, subject to approval by the  
20 office, different eligibility requirements and operational  
21 procedures for any line or type of coverage for any specified  
22 county or area if the board determines that such changes to  
23 the eligibility requirements and operational procedures are  
24 justified due to the voluntary market being sufficiently  
25 stable and competitive in such area or for such line or type  
26 of coverage and that consumers who, in good faith, are unable  
27 to obtain insurance through the voluntary market through  
28 ordinary methods would continue to have access to coverage  
29 from the corporation. When coverage is sought in connection  
30 with a real property transfer, such requirements and  
31 procedures shall not provide for an effective date of coverage

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 later than the date of the closing of the transfer as  
2 established by the transferor, the transferee, and, if  
3 applicable, the lender.

4 ~~14.15.~~ Must provide that, with respect to the  
5 high-risk account, any assessable insurer with a surplus as to  
6 policyholders of \$25 million or less writing 25 percent or  
7 more of its total countrywide property insurance premiums in  
8 this state may petition the office, within the first 90 days  
9 of each calendar year, to qualify as a limited apportionment  
10 company. A regular assessment levied by the corporation on a  
11 limited apportionment company for a deficit incurred by the  
12 corporation for the high-risk account in 2006 or thereafter  
13 may be paid to the corporation on a monthly basis as the  
14 assessments are collected by the limited apportionment company  
15 from its insureds pursuant to s. 627.3512, but the regular  
16 assessment must be paid in full within 12 months after being  
17 levied by the corporation. A limited apportionment company  
18 shall collect from its policyholders any emergency assessment  
19 imposed under sub-subparagraph (b)3.d. The plan shall provide  
20 that, if the office determines that any regular assessment  
21 will result in an impairment of the surplus of a limited  
22 apportionment company, the office may direct that all or part  
23 of such assessment be deferred as provided in subparagraph  
24 (g)4. However, there shall be no limitation or deferment of an  
25 emergency assessment to be collected from policyholders under  
26 sub-subparagraph (b)3.d.

27 ~~15.16.~~ Must provide that the corporation appoint as  
28 its licensed agents only those agents who also hold an  
29 appointment as defined in s. 626.015(3) with an insurer who at  
30 the time of the agent's initial appointment by the corporation  
31 is authorized to write and is actually writing personal lines

Barcode 935572

1 residential property coverage, commercial residential property  
2 coverage, or commercial nonresidential property coverage  
3 within the state.

4 ~~16.17.~~ Must provide, by July 1, 2007, a premium  
5 payment plan option to its policyholders which allows at a  
6 minimum for quarterly and semiannual payment of premiums. A  
7 monthly payment plan may, but is not required to, be offered.

8 ~~17.18.~~ Must provide, effective June 1, 2007, that the  
9 corporation contract with each insurer providing the non-wind  
10 coverage for risks insured by the corporation in the high-risk  
11 account, requiring that the insurer provide claims adjusting  
12 services for the wind coverage provided by the corporation for  
13 such risks. An insurer is required to enter into this contract  
14 as a condition of providing non-wind coverage for a risk that  
15 is insured by the corporation in the high-risk account unless  
16 the board approves an exemption for good cause ~~finds, after a~~  
17 ~~hearing, that the insurer is not capable of providing~~  
18 ~~adjusting services at an acceptable level of quality to~~  
19 ~~corporation policyholders.~~ The terms and conditions of such  
20 contracts must be substantially the same as the contracts that  
21 the corporation executed with insurers under the  
22 "adjust-your-own" program in 2006, except as may be mutually  
23 agreed to by the parties and except for such changes that the  
24 board determines are necessary to ensure that claims are  
25 adjusted appropriately. The corporation shall provide a  
26 process for neutral arbitration of any dispute between the  
27 corporation and the insurer regarding the terms of the  
28 contract. The corporation shall review and monitor the  
29 performance of insurers under these contracts.

30 ~~18.19.~~ Must limit coverage on mobile homes or  
31 manufactured homes built prior to 1994 to actual cash value of

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 the dwelling rather than replacement costs of the dwelling.

2 ~~19.20.~~ May provide such limits of coverage as the  
3 board determines, consistent with the requirements of this  
4 subsection.

5 ~~20.21.~~ May require commercial property to meet  
6 specified hurricane mitigation construction features as a  
7 condition of eligibility for coverage.

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

13 2. On or before July 1 of each year, employees of the  
14 corporation are required to sign and submit a statement  
15 attesting that they do not have a conflict of interest, as  
16 defined in part III of chapter 112. As a condition of  
17 employment, all prospective employees are required to sign and  
18 submit to the corporation a conflict-of-interest statement.

19 3. Senior managers and members of the board of  
20 governors are subject to the provisions of ss. 112.313,  
21 112.3135, 112,3143, 112.3145, 112.316, and 112.317 which apply  
22 to political subdivisions of the state ~~part III of chapter~~  
23 ~~112, including, but not limited to, the code of ethics and~~  
24 ~~public disclosure and reporting of financial interests,~~  
25 ~~pursuant to s. 112.3145. For purposes of the filing~~  
26 requirements in s. 112.3145, senior managers and board members  
27 are ~~also~~ required to file such disclosures with the Commission  
28 on Ethics and the Office of Insurance Regulation. The  
29 executive director of the corporation or his or her designee  
30 shall notify each newly appointed and existing appointed

31 member of the board of governors and senior managers of their

Barcode 935572

1 duty to comply with the reporting requirements of s. 112.3145  
2 ~~part III of chapter 112~~. At least quarterly, the executive  
3 director or his or her designee shall submit to the Commission  
4 on Ethics a list of names of the senior managers and members  
5 of the board of governors who are subject to the public  
6 disclosure requirements under s. 112.3145. Notwithstanding s.  
7 112.313, if a member of the board of governors has been  
8 appointed by his or her appointing officer because of  
9 demonstrated expertise in insurance, such member may be an  
10 employee, officer, owner, or director of an insurance agency  
11 or insurance company or other insurance entity that has a  
12 contractual relationship with the corporation. Such board  
13 member may participate in and vote on a matter if the  
14 applicable provisions of s. 112.3143 are met and if the  
15 insurance entity would not obtain a special or unique benefit  
16 that would not apply to other similar insurance entities that  
17 have a contractual relationship with the corporation. For  
18 purposes of the applicable sections of chapter 112 cited in  
19 this subparagraph, senior managers of the corporation are  
20 subject to those provisions applicable to employees of  
21 political subdivisions of the state and board members are  
22 subject to those provisions applicable to appointed public  
23 officers or public officials of political subdivisions of the  
24 state and, for purposes of s. 112.3143(2), board members are  
25 considered state public officers.

26           4. Notwithstanding s. 112.3148 or s. 112.3149, or any  
27 other provision of law, an employee or board member may not  
28 knowingly accept, directly or indirectly, any gift or  
29 expenditure from a person or entity, or an employee or  
30 representative of such person or entity, that has a  
31 contractual relationship with the corporation or who is under

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 consideration for a contract. An employee or board member who  
2 fails to comply with subparagraph 3. or this subparagraph is  
3 subject to penalties provided under s. ~~ss.~~ 112.317 and  
4 ~~112.3173.~~

5           5. Any senior manager of the corporation who is  
6 employed on or after January 1, 2007, regardless of the date  
7 of hire, who subsequently retires or terminates employment is  
8 prohibited from representing another person or entity before  
9 the corporation for 2 years after retirement or termination of  
10 employment from the corporation.

11           6. Any senior manager ~~employee~~ of the corporation who  
12 is employed on or after January 1, 2007, regardless of the  
13 date of hire, who subsequently retires or terminates  
14 employment is prohibited from having any employment or  
15 contractual relationship for 2 years with an insurer that has  
16 ~~received~~ a take-out bonus agreement with ~~from~~ the corporation.

17           (j)1. The corporation shall establish and maintain a  
18 unit or division to investigate possible fraudulent claims by  
19 insureds or by persons making claims for services or repairs  
20 against policies held by insureds; or it may contract with  
21 others to investigate possible fraudulent claims for services  
22 or repairs against policies held by the corporation pursuant  
23 to s. 626.9891. The corporation must comply with reporting  
24 requirements of s. 626.9891. An employee of the corporation  
25 shall notify the Corporation's Office of the Internal Auditor  
26 and the Division of Insurance Fraud within 48 hours after  
27 having information that would lead a reasonable person to  
28 suspect that fraud may have been committed by any employee of  
29 the corporation.

30           2. The corporation shall establish a unit or division  
31 responsible for receiving and responding to consumer

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 | complaints, which unit or division is the sole responsibility  
2 | of a senior manager of the corporation.

3 |         (m)1. Rates for coverage provided by the corporation  
4 | shall be actuarially sound and subject to the requirements of  
5 | s. 627.062, except as otherwise provided in this paragraph.  
6 | The corporation shall file its recommended rates with the  
7 | office at least annually. The corporation shall provide any  
8 | additional information regarding the rates which the office  
9 | requires. The office shall consider the recommendations of the  
10 | board and issue a final order establishing the rates for the  
11 | corporation within 45 days after the recommended rates are  
12 | filed. The corporation may not pursue an administrative  
13 | challenge or judicial review of the final order of the office.

14 |         2. In addition to the rates otherwise determined  
15 | pursuant to this paragraph, the corporation shall impose and  
16 | collect an amount equal to the premium tax provided for in s.  
17 | 624.509 to augment the financial resources of the corporation.

18 |         3. After the public hurricane loss-projection model  
19 | under s. 627.06281 has been found to be accurate and reliable  
20 | by the Florida Commission on Hurricane Loss Projection  
21 | Methodology, that model shall serve as the minimum benchmark  
22 | for determining the windstorm portion of the corporation's  
23 | rates. This subparagraph does not require or allow the  
24 | corporation to adopt rates lower than the rates otherwise  
25 | required or allowed by this paragraph.

26 |         4. The rate filings for the corporation which were  
27 | approved by the office and which took effect January 1, 2007,  
28 | are rescinded, except for those rates that were lowered. As  
29 | soon as possible, the corporation shall begin using the lower  
30 | rates that were in effect on December 31, 2006, and shall  
31 | provide refunds to policyholders who have paid higher rates as

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 a result of that rate filing. The rates in effect on December  
2 31, 2006, shall remain in effect through at least December 31,  
3 2007, ~~for the 2007 calendar year~~ except for any rate change  
4 that results in a lower rate. The next rate change that may  
5 increase rates shall be filed with the office by ~~take effect~~  
6 January 1, 2008, ~~pursuant to a new rate filing recommended by~~  
7 ~~the corporation and established by the office,~~ subject to the  
8 requirements of this paragraph.

9 (n) If coverage in an account is deactivated pursuant  
10 to paragraph (f), coverage through the corporation shall be  
11 reactivated by order of the office only under one of the  
12 following circumstances:

13 1. If the market assistance plan receives a minimum of  
14 100 applications for coverage within a 3-month period, or 200  
15 applications for coverage within a 1-year period or less for  
16 residential coverage, unless the market assistance plan  
17 provides a quotation from admitted carriers at their filed  
18 rates for at least 90 percent of such applicants. Any market  
19 assistance plan application that is rejected because an  
20 individual risk is so hazardous as to be uninsurable using the  
21 criteria specified in subparagraph (c)8. shall not be included  
22 in the minimum percentage calculation provided herein. In the  
23 event that there is a legal or administrative challenge to a  
24 determination by the office that the conditions of this  
25 subparagraph have been met for eligibility for coverage in the  
26 corporation, any eligible risk may obtain coverage during the  
27 pendency of such challenge.

28 2. In response to a state of emergency declared by the  
29 Governor under s. 252.36, the office may activate coverage by  
30 order for the period of the emergency upon a finding by the  
31 office that the emergency significantly affects the



Barcode 935572

1 availability of residential property insurance.

2 (r)1. There shall be no liability on the part of, and  
3 no cause of action of any nature shall arise against, any  
4 assessable insurer or its agents or employees, the corporation  
5 or its agents or employees, members of the board of governors  
6 or their respective designees at a board meeting, corporation  
7 committee members, or the office or its representatives, for  
8 any action taken by them in the performance of their duties or  
9 responsibilities under this subsection. Such immunity does not  
10 apply to:

11 ~~a.1.~~ Any of the foregoing persons or entities for any  
12 willful tort;

13 ~~b.2.~~ The corporation or its producing agents for  
14 breach of any contract or agreement pertaining to insurance  
15 coverage;

16 ~~c.3.~~ The corporation with respect to issuance or  
17 payment of debt; ~~or~~

18 ~~d.4.~~ Any assessable insurer with respect to any action  
19 to enforce an assessable insurer's obligations to the  
20 corporation under this subsection; ~~or~~

21 e. The corporation in any pending or future action for  
22 breach of contract or for benefits under a policy issued by  
23 the corporation; in any such action, the corporation shall be  
24 liable to the policyholders and beneficiaries for attorney's  
25 fees under s. 627.428.

26 2. The corporation shall manage its claim employees,  
27 independent adjusters, and others who handle claims to ensure  
28 they carry out the corporation's duty to its policyholders to  
29 handle claims carefully, timely, diligently, and in good  
30 faith, balanced against the corporation's duty to the state to  
31 manage its assets responsibly to minimize its assessment

1 potential.

2 (v) Notwithstanding any other provision of law:

3 1. The pledge or sale of, the lien upon, and the  
 4 security interest in any rights, revenues, or other assets of  
 5 the corporation created or purported to be created pursuant to  
 6 any financing documents to secure any bonds or other  
 7 indebtedness of the corporation shall be and remain valid and  
 8 enforceable, notwithstanding the commencement of and during  
 9 the continuation of, and after, any rehabilitation,  
 10 insolvency, liquidation, bankruptcy, receivership,  
 11 conservatorship, reorganization, or similar proceeding against  
 12 the corporation under the laws of this state.

13 2. No such proceeding shall relieve the corporation of  
 14 its obligation, or otherwise affect its ability to perform its  
 15 obligation, to continue to collect, or levy and collect,  
 16 assessments, market equalization or other surcharges under  
 17 subparagraph (c)10., or any other rights, revenues, or other  
 18 assets of the corporation pledged pursuant to any financing  
 19 documents.

20 3. Each such pledge or sale of, lien upon, and  
 21 security interest in, including the priority of such pledge,  
 22 lien, or security interest, any such assessments, market  
 23 equalization or other surcharges, or other rights, revenues,  
 24 or other assets which are collected, or levied and collected,  
 25 after the commencement of and during the pendency of, or  
 26 after, any such proceeding shall continue unaffected by such  
 27 proceeding. As used in this subsection, the term "financing  
 28 documents" means any agreement or agreements, instrument or  
 29 instruments, or other document or documents now existing or  
 30 hereafter created evidencing any bonds or other indebtedness  
 31 of the corporation or pursuant to which any such bonds or

Barcode 935572

1 other indebtedness has been or may be issued and pursuant to  
 2 which any rights, revenues, or other assets of the corporation  
 3 are pledged or sold to secure the repayment of such bonds or  
 4 indebtedness, together with the payment of interest on such  
 5 bonds or such indebtedness, or the payment of any other  
 6 obligation or financial product, as defined in the plan of  
 7 operation of the corporation related to such bonds or  
 8 indebtedness.

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

27           5. As long as the corporation has any bonds  
 28 outstanding, the corporation may not file a voluntary petition  
 29 under chapter 9 of the federal Bankruptcy Code or such  
 30 corresponding chapter or sections as may be in effect, from  
 31 time to time, and a public officer or any organization,

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 entity, or other person may not authorize the corporation to  
2 be or become a debtor under chapter 9 of the federal  
3 Bankruptcy Code or such corresponding chapter or sections as  
4 may be in effect, from time to time, during any such period.

5         6. If ordered by a court of competent jurisdiction,  
6 the corporation may assume policies or otherwise provide  
7 coverage for policyholders of an insurer placed in liquidation  
8 under chapter 631, under such forms, rates, terms, and  
9 conditions as the corporation deems appropriate, subject to  
10 approval by the office.

11         (ff) The office may establish a pilot program to offer  
12 optional sinkhole coverage in one or more counties or other  
13 territories of the corporation for the purpose of implementing  
14 s. 627.706, as amended by s. 30 of chapter 2007-1, Laws of  
15 Florida. Under the pilot program, the corporation is not  
16 required to issue a notice of nonrenewal to exclude sinkhole  
17 coverage upon the renewal of existing policies, but may  
18 exclude such coverage using a notice of coverage change.

19         Section 14. Subsection (4) of section 627.3511,  
20 Florida Statutes, is amended to read:

21         627.3511 Depopulation of Citizens Property Insurance  
22 Corporation.--

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

28         (a) Pay to the producing agent of record of the  
29 association policy, for the first year, an amount that is the  
30 greater of the insurer's usual and customary commission for  
31 the type of policy written or a fee equal to the usual and

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 customary commission of the corporation; or

2 (b) Offer to allow the producing agent of record of  
3 the corporation policy to continue servicing the policy for a  
4 period of not less than 1 year and offer to pay the agent the  
5 greater of the insurer's or the corporation's usual and  
6 customary commission for the type of policy written.

7

8 If the producing agent is unwilling or unable to accept  
9 appointment, the new insurer shall pay the agent in accordance  
10 with paragraph (a). The requirement of this subsection that  
11 the producing agent of record is entitled to retain the  
12 unearned commission on an association policy does not apply to  
13 a policy for which coverage has been provided in the  
14 association for 30 days or less or for which a cancellation  
15 notice has been issued pursuant to s. 627.351(6)(c)12. ~~s.~~  
16 ~~627.351(6)(c)11.~~ during the first 30 days of coverage.

17 Section 15. Paragraph (a) of subsection (3) of section  
18 627.3515, Florida Statutes, as amended by chapter 2007-1, Laws  
19 of Florida, is amended to read:

20 627.3515 Market assistance plan; property and casualty  
21 risks.--

22 (3)(a) The plan and the corporation shall develop a  
23 business plan and present it to the Financial Services  
24 Commission for approval by September 1, 2007, to provide for  
25 the implementation of an electronic database for the purpose  
26 of confirming eligibility pursuant to s. 627.351(6). The  
27 business plan may provide that authorized insurers or agents  
28 of authorized insurers may submit to the plan or the  
29 corporation in electronic form, as determined by the plan or  
30 the corporation, information determined necessary by the plan  
31 or the corporation to deny coverage to risks ineligible for

Barcode 935572

1 coverage by the corporation. Any authorized insurer submitting  
 2 such information that results in a risk being denied coverage  
 3 by the corporation is required to offer coverage to the risk  
 4 at its approved rates, for the coverage and premium quoted,  
 5 for at least 1 year.

6 Section 16. Section 627.3517, Florida Statutes, is  
 7 amended to read:

8 627.3517 Consumer choice.--

9 ~~(1) Except as provided in subsection (2),~~ No provision  
 10 of s. 627.351, s. 627.3511, or s. 627.3515 shall be construed  
 11 to impair the right of any insurance risk apportionment plan  
 12 policyholder, upon receipt of any keepout or take-out offer,  
 13 to retain his or her current agent, so long as that agent is  
 14 duly licensed and appointed by the insurance risk  
 15 apportionment plan or otherwise authorized to place business  
 16 with the insurance risk apportionment plan. This right shall  
 17 not be canceled, suspended, impeded, abridged, or otherwise  
 18 compromised by any rule, plan of operation, or depopulation  
 19 plan, whether through keepout, take-out, midterm assumption,  
 20 or any other means, of any insurance risk apportionment plan  
 21 or depopulation plan, including, but not limited to, those  
 22 described in s. 627.351, s. 627.3511, or s. 627.3515. The  
 23 commission shall adopt any rules necessary to cause any  
 24 insurance risk apportionment plan or market assistance plan  
 25 under such sections to demonstrate that the operations of the  
 26 plan do not interfere with, promote, or allow interference  
 27 with the rights created under this section. If the  
 28 policyholder's current agent is unable or unwilling to be  
 29 appointed with the insurer making the take-out or keepout  
 30 offer, the policyholder shall not be disqualified from  
 31 participation in the appropriate insurance risk apportionment

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 plan because of an offer of coverage in the voluntary market.  
 2 An offer of full property insurance coverage by the insurer  
 3 currently insuring either the ex-wind or wind-only coverage on  
 4 the policy to which the offer applies shall not be considered  
 5 a take-out or keepout offer. Any rule, plan of operation, or  
 6 plan of depopulation, through keepout, take-out, midterm  
 7 assumption, or any other means, of any property insurance risk  
 8 apportionment plan under s. 627.351(2) or (6) is subject to  
 9 ss. 627.351(2)(b) and (6)(c) and 627.351(4).

10 ~~(2) This section does not apply during the first 10~~  
 11 ~~days after a new application for coverage has been submitted~~  
 12 ~~to Citizens Property Insurance Corporation under s.~~  
 13 ~~627.351(6), whether or not coverage is bound during this~~  
 14 ~~period.~~

15 Section 17. Subsection (1) of section 627.4035,  
 16 Florida Statutes, as amended by chapter 2007-1, Laws of  
 17 Florida, is amended to read:

18 627.4035 Cash payment of premiums; claims.--

19 (1) The premiums for insurance contracts issued in  
 20 this state or covering risk located in this state shall be  
 21 paid in cash consisting of coins, currency, checks, or money  
 22 orders or by using a debit card, credit card, automatic  
 23 electronic funds transfer, or payroll deduction plan. By July  
 24 1, 2007, insurers issuing personal lines residential and  
 25 commercial property policies shall provide a premium payment  
 26 plan option to their policyholders which allows for a minimum  
 27 of quarterly and semiannual payment of premiums. Insurers may,  
 28 but are not required to, offer monthly payment plans. Insurers  
 29 issuing such policies must submit their premium payment plan  
 30 option to the office for approval before use.

31 Section 18. Paragraph (b) of subsection (2) of section

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 627.4133, Florida Statutes, is amended, and subsection (7) is  
2 added to that section to read:

3           627.4133 Notice of cancellation, nonrenewal, or  
4 renewal premium.--

5           (2) With respect to any personal lines or commercial  
6 residential property insurance policy, including, but not  
7 limited to, any homeowner's, mobile home owner's, farmowner's,  
8 condominium association, condominium unit owner's, apartment  
9 building, or other policy covering a residential structure or  
10 its contents:

11           (b) The insurer shall give the named insured written  
12 notice of nonrenewal, cancellation, or termination at least  
13 100 days prior to the effective date of the nonrenewal,  
14 cancellation, or termination. However, the insurer shall give  
15 at least 100 days' written notice, or written notice by June  
16 1, whichever is earlier, for any nonrenewal, cancellation, or  
17 termination that would be effective between June 1 and  
18 November 30. The notice must include the reason or reasons for  
19 the nonrenewal, cancellation, or termination, except that:

20           1. When cancellation is for nonpayment of premium, at  
21 least 10 days' written notice of cancellation accompanied by  
22 the reason therefor shall be given. As used in this  
23 subparagraph, the term "nonpayment of premium" means failure  
24 of the named insured to discharge when due any of her or his  
25 obligations in connection with the payment of premiums on a  
26 policy or any installment of such premium, whether the premium  
27 is payable directly to the insurer or its agent or indirectly  
28 under any premium finance plan or extension of credit, or  
29 failure to maintain membership in an organization if such  
30 membership is a condition precedent to insurance coverage.

31 "Nonpayment of premium" also means the failure of a financial



Barcode 935572

1 institution to honor an insurance applicant's check after  
 2 delivery to a licensed agent for payment of a premium, even if  
 3 the agent has previously delivered or transferred the premium  
 4 to the insurer. If a dishonored check represents the initial  
 5 premium payment, the contract and all contractual obligations  
 6 shall be void ab initio unless the nonpayment is cured within  
 7 the earlier of 5 days after actual notice by certified mail is  
 8 received by the applicant or 15 days after notice is sent to  
 9 the applicant by certified mail or registered mail, and if the  
 10 contract is void, any premium received by the insurer from a  
 11 third party shall be refunded to that party in full.

12       2. When such cancellation or termination occurs during  
 13 the first 90 days during which the insurance is in force and  
 14 the insurance is canceled or terminated for reasons other than  
 15 nonpayment of premium, at least 20 days' written notice of  
 16 cancellation or termination accompanied by the reason therefor  
 17 shall be given except where there has been a material  
 18 misstatement or misrepresentation or failure to comply with  
 19 the underwriting requirements established by the insurer.

20       3. The requirement for providing written notice of  
 21 nonrenewal by June 1 of any nonrenewal that would be effective  
 22 between June 1 and November 30 does not apply to the following  
 23 situations, but the insurer remains subject to the requirement  
 24 to provide such notice at least 100 days prior to the  
 25 effective date of nonrenewal:

26       a. A policy that is nonrenewed due to a revision in  
 27 the coverage for sinkhole losses and catastrophic ground cover  
 28 collapse pursuant to s. 627.706, as amended by s. 30 of  
 29 chapter 2007-1, Laws of Florida.

30       b. A policy that is nonrenewed by Citizens Property  
 31 Insurance Corporation, pursuant to s. 627.351(6), for a policy

1 that has been assumed by an authorized insurer offering  
2 replacement or renewal coverage to the policyholder.

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

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

17 1. The dollar amounts recouped for assessments by the  
18 Florida Hurricane Catastrophe Fund, the Citizens Property  
19 Insurance Corporation, and the Florida Insurance Guaranty  
20 Association. The actual names of the entities must appear next  
21 to the dollar amounts.

22 2. The dollar amount of any premium increase that is  
23 due to a rate increase and the total dollar amount that is due  
24 to coverage changes.

25 (b) The Financial Services Commission may adopt rules  
26 pursuant to ss. 120.536(1) and 120.54 to implement this  
27 subsection.

28 Section 19. Paragraphs (a) and (c) of subsection (3)  
29 and paragraph (d) of subsection (4) of section 627.701,  
30 Florida Statutes, as amended by chapter 2007-1, Laws of  
31 Florida, are amended, to read:

Barcode 935572

1           627.701 Liability of insureds; coinsurance;  
2 deductibles.--

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

19           (c) With respect to a policy covering a risk with  
20 dwelling limits of at least \$100,000, but less than \$250,000,  
21 the insurer may, in lieu of offering a policy with a \$500  
22 hurricane ~~or wind~~ deductible as required by paragraph (a),  
23 offer a policy that the insurer guarantees it will not  
24 nonrenew for reasons of reducing hurricane loss for one  
25 renewal period and that contains up to a 2 percent hurricane  
26 ~~or wind~~ deductible as required by paragraph (a).

27           (4)

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

1 met:

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

9 b. If the structure insured by the policy is subject  
 10 to a mortgage or lien, the policyholder must provide the  
 11 insurer with a written statement from the mortgageholder or  
 12 lienholder indicating that the mortgageholder or lienholder  
 13 approves the policyholder electing to have the specified  
 14 deductible.

15 2. A deductible subject to the requirements of this  
 16 paragraph applies for the term of the policy and for each  
 17 renewal thereafter ~~unless the policyholder elects otherwise.~~  
 18 Changes to the deductible percentage may be implemented only  
 19 as of the date of renewal.

20 3. An insurer shall keep the original copy of the  
 21 signed statement required by this paragraph, electronically or  
 22 otherwise, and provide a copy to the policyholder providing  
 23 the signed statement. A signed statement meeting the  
 24 requirements of this paragraph creates a presumption that  
 25 there was an informed, knowing election of coverage.

26 4. The commission shall adopt rules providing  
 27 appropriate alternative methods for providing the statements  
 28 required by this section for policyholders who have a  
 29 handicapping or disabling condition that prevents them from  
 30 providing a handwritten statement.

31 Section 20. Subsections (4) and (5) of section

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 627.70131, Florida Statutes, as amended by chapter 2007-1,  
2 Laws of Florida, are amended to read:

3           627.70131 Insurer's duty to acknowledge communications  
4 regarding claims; investigation.--

5           (4) For purposes of this section, the term "claim"  
6 means any of the following:

7           (a) A claim under an insurance policy providing  
8 residential coverage as defined in s. 627.4025(1);

9           (b) A claim for structural or contents coverage under  
10 a commercial property insurance policy if the insured  
11 structure is 10,000 square feet or less; or

12           (c) A claim for contents coverage under a commercial  
13 tenants policy if the insured premises is 10,000 square feet  
14 or less. "insurer" means any residential property insurer.

15           (5) Within 90 days after an insurer receives notice of  
16 a ~~property insurance~~ claim from a policyholder, the insurer  
17 shall pay or deny such claim or a portion of the claim unless  
18 the failure to pay such claim or a portion of the claim is  
19 caused by factors beyond the control of the insurer which  
20 reasonably prevent such payment. Any payment of a claim or  
21 portion of a claim paid 90 days after the insurer receives  
22 notice of the claim, or paid more than 15 days after there are  
23 no longer factors beyond the control of the insurer which  
24 reasonably prevented such payment, whichever is later, shall  
25 bear interest at the rate set forth in s. 55.03. Interest  
26 begins to accrue from the date the insurer receives notice of  
27 the claim. The provisions of this subsection may not be  
28 waived, voided, or nullified by the terms of the insurance  
29 policy. If there is a right to prejudgment interest, the  
30 insured shall select whether to receive prejudgment interest  
31 or interest under this subsection. Interest is payable when

Barcode 935572

1 the claim or portion of the claim is paid. Failure to comply  
2 with this subsection constitutes a violation of this code.

3 Section 21. Subsections (2), (3), (4), and (5) of  
4 section 627.712, Florida Statutes, as created by chapter  
5 2007-1, Laws of Florida, are amended to read:

6 627.712 Residential hurricane coverage required;  
7 availability of exclusions for windstorm or contents.--

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

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

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

26 2. When the policyholder is other than a natural  
27 person, the policyholder provides to the insurer on the  
28 policyholder's letterhead the following statement that must be  
29 signed by the policyholder's authorized representative and  
30 dated: "(Name of entity) does not want the insurance on its  
31 (type of structure) to pay for damage from windstorms or

1 hurricanes. (Name of entity) will be responsible for these  
2 costs. (Name of entity's) insurance will not."

3 (b) If the structure insured by the policy is subject  
4 to a mortgage or lien, the policyholder must provide the  
5 insurer with a written statement from the mortgageholder or  
6 lienholder indicating that the mortgageholder or lienholder  
7 approves the policyholder electing to exclude windstorm  
8 coverage or hurricane coverage from his or her or its  
9 ~~residential~~ property insurance policy.

10 (3) An insurer issuing a residential property  
11 insurance policy, except for a condominium unit owner's policy  
12 or a tenant's policy, must make available, at the option of  
13 the policyholder, an exclusion of coverage for the contents.  
14 The coverage may be excluded only if the policyholder  
15 personally writes and provides to the insurer the following  
16 statement in his or her own handwriting and signs his or her  
17 signature, which must also be signed by every other named  
18 insured on the policy, and dated: "I do not want the insurance  
19 on my (home/mobile home) to pay for the costs to repair or  
20 replace any contents that are damaged. I will pay those costs.  
21 My insurance will not."

22 (4) An insurer shall keep the original copy of a  
23 signed statement required by this section, electronically or  
24 otherwise, and provide a copy to the policyholder providing  
25 the signed statement. A signed statement meeting the  
26 requirements of this section creates a presumption that there  
27 was an informed, knowing rejection of coverage.

28 (5) The exclusions authorized by this section apply  
29 for the term of the policy and for each renewal thereafter.  
30 Changes to the exclusions authorized by this section may be  
31 implemented only as of the date of renewal. ~~The exclusions~~

1 ~~authorized by this section are valid for the term of the~~  
2 ~~contract and for each renewal unless the policyholder elects~~  
3 ~~otherwise.~~

4 Section 22. Section 627.713, Florida Statutes, as  
5 created by chapter 2007-1, Laws of Florida, is amended to  
6 read:

7 627.713 Report of hurricane loss data.--

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

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

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

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

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

16 (e)~~(5)~~ Amount of losses covered under specified  
17 deductibles.

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

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

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

24 (i)~~(9)~~ Claims and payments for policies under  
25 specified underwriting criteria.

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

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

30 (1)~~(12)~~ Any other data that the office requires.

31 (2) ~~The office may not require a property insurer to~~



1 report the data specified in paragraphs (1)(f), (g), (h), or  
 2 (i) for a particular year until January of the following year  
 3 or later.

4 Section 23. Subsections (4) and (5) of section  
 5 627.7277, Florida Statutes, as amended by chapter 2007-1, Laws  
 6 of Florida, are amended to read:

7 627.7277 Notice of renewal premium.--

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

9 ~~(a) The dollar amounts recouped for assessments by the~~  
 10 ~~Florida Hurricane Catastrophe Fund, the Citizens Property~~  
 11 ~~Insurance Corporation, and the Florida Insurance Guaranty~~  
 12 ~~Association. The actual names of the entities must appear next~~  
 13 ~~to the dollar amounts.~~

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

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

20 Section 24. Section 631.52, Florida Statutes, is  
 21 amended to read:

22 631.52 Scope.--This part shall apply to all kinds of  
 23 direct insurance, except:

24 (1) Life, annuity, health, or disability insurance;

25 (2) Mortgage guaranty, financial guaranty, or other  
 26 forms of insurance offering protection against investment  
 27 risks;

28 (3) Fidelity or surety bonds, or any other bonding  
 29 obligations;

30 (4) Credit insurance, vendors' single interest  
 31 insurance, or collateral protection insurance or any similar

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 insurance protecting the interests of a creditor arising out  
2 of a creditor-debtor transaction;

3 (5) Warranty, including motor vehicle service, home  
4 warranty, or service warranty;

5 (6) Ambulance service, health care service, or preneed  
6 funeral merchandise or service;

7 (7) Optometric service plan, pharmaceutical service  
8 plan, or dental service plan;

9 (8) Legal expense;

10 (9) Health maintenance, prepaid health clinic, or  
11 continuing care;

12 (10) Ocean marine or wet marine insurance;

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

15 (12) Title insurance;

16 (13) Surplus lines;

17 (14) Workers' compensation;

18 (15) Any transaction or combination of transactions  
19 between a person, including affiliates of such person, and an  
20 insurer, including affiliates of such insurer, which involves  
21 the transfer of investment or credit risk unaccompanied by the  
22 transfer of insurance risk; or

23 (16) Any insurance provided by or guaranteed by  
24 government.

25 Section 25. Paragraph (e) of subsection (3) of section  
26 631.57, Florida Statutes, as amended by chapter 2007-1, Laws  
27 of Florida, is amended to read:

28 631.57 Powers and duties of the association.--

29 (3)

30 (e)1.a. In addition to assessments otherwise  
31 authorized in paragraph (a) and to the extent necessary to

Barcode 935572

1 secure the funds for the account specified in s. 631.55(2)(c)  
 2 for the direct payment of covered claims of insurers rendered  
 3 insolvent by the effects of a hurricane ~~homeowners' insurers~~  
 4 and to pay the reasonable costs to administer such claims, or  
 5 to retire indebtedness, including, without limitation, the  
 6 principal, redemption premium, if any, and interest on, and  
 7 related costs of issuance of, bonds issued under s. 631.695  
 8 and the funding of any reserves and other payments required  
 9 under the bond resolution or trust indenture pursuant to which  
 10 such bonds have been issued, the office, upon certification of  
 11 the board of directors, shall levy emergency assessments upon  
 12 insurers holding a certificate of authority. The emergency  
 13 assessments payable under this paragraph by any insurer shall  
 14 not exceed in any single year more than 2 percent of that  
 15 insurer's direct written premiums, net of refunds, in this  
 16 state during the preceding calendar year for the kinds of  
 17 insurance within the account specified in s. 631.55(2)(c).

18       b. Any emergency assessments authorized under this  
 19 paragraph shall be levied by the office upon insurers referred  
 20 to in sub-subparagraph a., upon certification as to the need  
 21 for such assessments by the board of directors. In the event  
 22 the board of directors participates in the issuance of bonds  
 23 in accordance with s. 631.695, emergency assessments shall be  
 24 levied in each year that bonds issued under s. 631.695 and  
 25 secured by such emergency assessments are outstanding, in such  
 26 amounts up to such 2-percent limit as required in order to  
 27 provide for the full and timely payment of the principal of,  
 28 redemption premium, if any, and interest on, and related costs  
 29 of issuance of, such bonds. The emergency assessments provided  
 30 for in this paragraph are assigned and pledged to the  
 31 municipality, county, or legal entity issuing bonds under s.

Barcode 935572

1 631.695 for the benefit of the holders of such bonds, in order  
2 to enable such municipality, county, or legal entity to  
3 provide for the payment of the principal of, redemption  
4 premium, if any, and interest on such bonds, the cost of  
5 issuance of such bonds, and the funding of any reserves and  
6 other payments required under the bond resolution or trust  
7 indenture pursuant to which such bonds have been issued,  
8 without the necessity of any further action by the  
9 association, the office, or any other party. To the extent  
10 bonds are issued under s. 631.695 and the association  
11 determines to secure such bonds by a pledge of revenues  
12 received from the emergency assessments, such bonds, upon such  
13 pledge of revenues, shall be secured by and payable from the  
14 proceeds of such emergency assessments, and the proceeds of  
15 emergency assessments levied under this paragraph shall be  
16 remitted directly to and administered by the trustee or  
17 custodian appointed for such bonds.

18 c. Emergency assessments under this paragraph may be  
19 payable in a single payment or, at the option of the  
20 association, may be payable in 12 monthly installments with  
21 the first installment being due and payable at the end of the  
22 month after an emergency assessment is levied and subsequent  
23 installments being due not later than the end of each  
24 succeeding month.

25 d. If emergency assessments are imposed, the report  
26 required by s. 631.695(7) shall include an analysis of the  
27 revenues generated from the emergency assessments imposed  
28 under this paragraph.

29 e. If emergency assessments are imposed, the  
30 references in sub-subparagraph (1)(a)3.b. and s. 631.695(2)  
31 and (7) to assessments levied under paragraph (a) shall

Barcode 935572

1 include emergency assessments imposed under this paragraph.

2           2. In order to ensure that insurers paying emergency  
3 assessments levied under this paragraph continue to charge  
4 rates that are neither inadequate nor excessive, within 90  
5 days after being notified of such assessments, each insurer  
6 that is to be assessed pursuant to this paragraph shall submit  
7 a rate filing for coverage included within the account  
8 specified in s. 631.55(2)(c) and for which rates are required  
9 to be filed under s. 627.062. If the filing reflects a rate  
10 change that, as a percentage, is equal to the difference  
11 between the rate of such assessment and the rate of the  
12 previous year's assessment under this paragraph, the filing  
13 shall consist of a certification so stating and shall be  
14 deemed approved when made. Any rate change of a different  
15 percentage shall be subject to the standards and procedures of  
16 s. 627.062.

17           3. In the event the board of directors participates in  
18 the issuance of bonds in accordance with s. 631.695, an annual  
19 assessment under this paragraph shall continue while the bonds  
20 issued with respect to which the assessment was imposed are  
21 outstanding, including any bonds the proceeds of which were  
22 used to refund bonds issued pursuant to s. 631.695, unless  
23 adequate provision has been made for the payment of the bonds  
24 in the documents authorizing the issuance of such bonds.

25           4. Emergency assessments under this paragraph are not  
26 premium and are not subject to the premium tax, to any fees,  
27 or to any commissions. An insurer is liable for all emergency  
28 assessments that the insurer collects and shall treat the  
29 failure of an insured to pay an emergency assessment as a  
30 failure to pay the premium. An insurer is not liable for  
31 uncollectible emergency assessments.

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 Section 26. Paragraphs (g), (h), and (i) of subsection  
2 (1), and subsections (2) and (6) of section 631.695, Florida  
3 Statutes, are amended to read:

4 631.695 Revenue bond issuance through counties or  
5 municipalities.--

6 (1) The Legislature finds:

7 (g) To achieve the foregoing purposes, it is proper to  
8 authorize municipalities and counties of this state  
9 ~~substantially affected by the landfall of a hurricane~~ to issue  
10 bonds to assist the Florida Insurance Guaranty Association in  
11 expediting the handling and payment of covered claims of  
12 insolvent insurers.

13 (h) In order to avoid the needless and indiscriminate  
14 proliferation, duplication, and fragmentation of such  
15 assistance programs, it is in the best interests of the  
16 residents of this state to authorize municipalities and  
17 counties ~~severely affected by a hurricane~~ to provide for the  
18 payment of covered claims beyond their territorial limits in  
19 the implementation of such programs.

20 (i) It is a paramount public purpose for  
21 municipalities and counties ~~substantially affected by the~~  
22 ~~landfall of a hurricane~~ to be able to issue bonds for the  
23 purposes described in this section. Such issuance shall  
24 provide assistance to residents of those municipalities and  
25 counties as well as to other residents of this state.

26 (2) The governing body of any municipality or county,  
27 ~~the residents of which have been substantially affected by a~~  
28 ~~hurricane,~~ may issue bonds to fund an assistance program in  
29 conjunction with, and with the consent of, the Florida  
30 Insurance Guaranty Association for the purpose of paying  
31 claimants' or policyholders' covered claims, as defined in s.

Barcode 935572

1 631.54, arising through the insolvency of an insurer, which  
2 insolvency is determined by the Florida Insurance Guaranty  
3 Association to have been a result of a hurricane, regardless  
4 of whether the claimants or policyholders are residents of  
5 such municipality or county or the property to which the claim  
6 relates is located within or outside the territorial  
7 jurisdiction of the municipality or county. The power of a  
8 municipality or county to issue bonds, as described in this  
9 section, is in addition to any powers granted by law and may  
10 not be abrogated or restricted by any provisions in such  
11 municipality's or county's charter. A municipality or county  
12 issuing bonds for this purpose shall enter into such contracts  
13 with the Florida Insurance Guaranty Association or any entity  
14 acting on behalf of the Florida Insurance Guaranty Association  
15 as are necessary to implement the assistance program. Any  
16 bonds issued by a municipality or county or a combination  
17 thereof under this subsection shall be payable from and  
18 secured by moneys received by or on behalf of the municipality  
19 or county from assessments levied under s. 631.57(3)(a) and  
20 assigned and pledged to or on behalf of the municipality or  
21 county for the benefit of the holders of the bonds in  
22 connection with the assistance program. The funds, credit,  
23 property, and taxing power of the state or any municipality or  
24 county shall not be pledged for the payment of such bonds.

25 (6) Two or more municipalities or counties, ~~the~~  
26 ~~residents of which have been substantially affected by a~~  
27 ~~hurricane~~, may create a legal entity pursuant to s.  
28 163.01(7)(g) to exercise the powers described in this section  
29 as well as those powers granted in s. 163.01(7)(g). References  
30 in this section to a municipality or county includes such  
31 legal entity.

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1           Section 27. Notwithstanding section 9 of chapter  
2 2007-1, Laws of Florida, the internal design option provided  
3 in Section 1609.1.4.1, Florida Building Code, Building Volume,  
4 and Section R301.2.1.2, Florida Building Code, Residential  
5 Volume, shall remain in effect until June 1, 2007, for a  
6 building permit application made before that date.

7           Section 28. Section 27 of this act shall take effect  
8 upon becoming a law and applies retroactively to January 25,  
9 2007, the effective date of chapter 2007-1, Laws of Florida.  
10 Section 27 of this act applies to any action taken with  
11 respect to a building permit affected by section 9 of chapter  
12 2007-1, Laws of Florida, including any actions, legal or  
13 ministerial, pertaining to the issuance, revocation, or  
14 modifications of any building permit initiated or issued  
15 before, on, or after January 25, 2007, or pending as of  
16 January 25, 2007. If the retroactivity of any provision of  
17 Section 27 of this act or its retroactive application to any  
18 person or circumstance is held invalid, the invalidity does  
19 not affect the retroactivity or retroactive application of  
20 other provisions of Section 27 of this act.

21           Section 29. Except as otherwise expressly provided in  
22 this act, this act shall take effect upon becoming a law.

23  
24

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

26 And the title is amended as follows:

27           Delete everything before the enacting clause

28  
29 and insert:

30                                   A bill to be entitled

31           An act relating to hurricane preparedness and



Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 insurance; amending s. 163.01, F.S.; correcting  
2 a cross-reference; amending s. 215.555, F.S.,  
3 relating to the Florida Hurricane Catastrophe  
4 Fund; revising certain requirements for  
5 reimbursement contracts; authorizing limited  
6 apportionment companies to purchase additional  
7 coverage from the fund; continuing procedures  
8 for Citizens Property Insurance Corporation to  
9 obtain coverage for policies of an insurer  
10 placed in liquidation; postponing the repeal of  
11 the exemption from emergency assessments for  
12 medical malpractice insurance premiums;  
13 revising criteria, requirements, and  
14 limitations on temporary emergency options for  
15 additional coverage under the Florida Hurricane  
16 Catastrophe Fund; amending s. 215.5595, F.S.;  
17 providing eligibility of certain insurers for a  
18 surplus note from the Insurance Capital  
19 Build-Up Incentive Program; providing an  
20 aggregate requirement; revising a definition;  
21 amending s. 624.407, F.S.; revising an insurer  
22 criterion for capital funds requirements for  
23 new insurers; amending s. 626.2815, F.S.;  
24 authorizing a licensee to take the final  
25 examination for continuing education courses by  
26 various specified methods; amending s. 626.914,  
27 F.S.; revising the definition of the term  
28 "diligent effort"; amending s. 626.916, F.S.;  
29 providing requirements for insurance coverage  
30 eligible for export for residential property  
31 risks; requiring that the insured be notified

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 that coverage may be available from Citizens  
2 Property Insurance Corporation; amending s.  
3 626.9201, F.S.; defining the term "nonpayment  
4 of premium"; providing additional criterion for  
5 cancellation for nonpayment of premium;  
6 amending s. 626.9541, F.S.; providing that  
7 certain violations of state law and the failure  
8 to pay undisputed amounts of partial or full  
9 benefits under first-party property insurance  
10 policies within a specified period constitute  
11 unfair claim settlement practices; amending s.  
12 627.0613, F.S.; limiting application of certain  
13 annual report card preparation powers of the  
14 consumer advocate to personal residential  
15 property insurers; amending s. 627.062, F.S.;  
16 specifying an effective date of application of  
17 certain "file and use" requirements for rate  
18 filing for certain insurers; prohibiting an  
19 insurer from including certain interest paid in  
20 the insurer's rate base; prohibiting an insurer  
21 from using such interest to justify a rate or  
22 rate change; amending s. 627.0655, F.S.;  
23 revising criteria for the inclusion of  
24 discounts in certain premiums; amending s.  
25 627.351, F.S.; specifying the purpose of  
26 Citizens Property Insurance Corporation; making  
27 legislative findings that the lack of  
28 affordable property insurance coverage  
29 threatens the public health, safety, and  
30 welfare of the state and that there is a  
31 compelling public interest in ensuring that

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 property is insured at affordable rates;  
2 specifying legislative intent that the  
3 corporation is an integral part of the state;  
4 specifying the conditions under which a  
5 policyholder removed for the corporation  
6 through an assumption agreement is eligible for  
7 coverage from the corporation; specifying  
8 criteria for determining comparable coverage  
9 offered by an authorized insurer for purposes  
10 of determining eligibility for coverage from  
11 the corporation; deleting the 10-day waiting  
12 period for coverage to be effective for a new  
13 policy; expanding the authority of the board of  
14 the corporation to approve exemptions from the  
15 requirement for non-wind insurers to contract  
16 to provide claims-adjusting services for the  
17 wind coverage from the corporation; specifying  
18 the sections of ch. 112, F.S., relating to the  
19 code of ethics for political subdivisions of  
20 the state, which apply to employees, senior  
21 managers, and members of the board of the  
22 corporation; specifying that a member of the  
23 board may be an employee, officer, or director  
24 of an insurance agency or insurance company if  
25 certain requirements are met; revising the  
26 requirements for an employee of the corporation  
27 to provide notice of suspected fraud by an  
28 employee; revising the time period for the  
29 current rates of the corporation coverage to  
30 remain in effect; providing that notice  
31 requirements for cancellation or nonrenewal of

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 a policy do not apply under certain situations;  
2 revising provisions of a premium payment plan  
3 option of the operating plan requirements of  
4 Citizens Property Insurance Corporation;  
5 establishing a pilot program to offer optional  
6 sinkhole coverage; amending s. 627.3511, F.S.;  
7 correcting a cross-reference; amending s.  
8 627.3515, F.S.; revising criteria for an  
9 electronic database for a business plan for  
10 determining eligibility for coverage in  
11 Citizens Property Insurance Corporation;  
12 amending s. 627.3517, F.S.; deleting a  
13 provision specifying that the "consumer choice"  
14 statute does not apply during the first 10 days  
15 after a new application for coverage has been  
16 submitted to the corporation; amending s.  
17 627.4035, F.S.; revising provisions of a  
18 premium payment plan option for certain  
19 insurers; amending s. 627.4133, F.S.;  
20 specifying requirements for notices of  
21 nonrenewal and renewal of property insurance  
22 policies; authorizing the Financial Services  
23 Commission to adopt rules; amending s. 627.701,  
24 F.S.; revising requirements for deductibles for  
25 certain personal lines residential property  
26 insurance policies; amending s. 627.70131,  
27 F.S.; defining the term "claim" for purposes of  
28 provisions requiring that an insurer  
29 acknowledge communications regarding claims;  
30 specifying that certain requirements for the  
31 payment or denial of a claim apply to

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 residential property insurance claims only;  
 2 authorizing an insurer to pay or deny a portion  
 3 of a claim; providing that an overdue payment  
 4 accrues interest; amending s. 627.712, F.S.;  
 5 requiring residential property insurers to  
 6 provide windstorm coverage, with certain  
 7 exceptions; specifying that property insurers  
 8 must make available an exclusion of windstorm  
 9 or hurricane coverage; specifying separate  
 10 coverage exclusion statements for policyholders  
 11 that are natural persons and other than natural  
 12 persons; specifying a period of application of  
 13 such exclusion; providing for implementation of  
 14 changes to such exclusion; amending s. 627.713,  
 15 F.S.; limiting the period when the Office of  
 16 Insurance Regulation may require insurers to  
 17 report certain hurricane loss data; amending s.  
 18 627.7277, F.S.; deleting certain notice of  
 19 renewal premium requirements; deleting  
 20 authority of the commission to adopt rules;  
 21 amending s. 631.52, F.S., specifying that  
 22 self-insurance funds are not covered by the  
 23 association; amending s. 631.57, F.S.;  
 24 specifying that the emergency assessments for  
 25 funding obligations of the Florida Insurance  
 26 Guaranty Association are for claims of insurers  
 27 rendered insolvent by the effects of a  
 28 hurricane; amending s. 631.695, F.S.;  
 29 authorizing any municipality or county to issue  
 30 bonds to assist the association in paying for  
 31 covered claims of insurers rendered insolvent

Bill No. HB 7077, 2nd Eng.

Barcode 935572

1 as a result of a hurricane; providing that the  
2 internal design option of the Florida Building  
3 Code remains in effect until a specified date  
4 for a building permit application made before  
5 that date, notwithstanding provisions of ch.  
6 2007-1, Laws of Florida; providing an effective  
7 date and for retroactive application; applying  
8 the act to any actions taken with respect to a  
9 building permit affected by such prior act;  
10 providing an effective date.

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31