

1                   A bill to be entitled  
2           An act relating to property and casualty insurance;  
3           amending s. 215.47, F.S.; authorizing the State Board of  
4           Administration to invest in certain revenue bonds under  
5           certain circumstances; amending s. 215.555, F.S., relating  
6           to the Florida Hurricane Catastrophe Fund; revising the  
7           dates of an insurer's contract year for purposes of  
8           calculating the insurer's retention; revising  
9           reimbursement contract coverage payment provisions;  
10          extending application of provisions relating to  
11          reimbursement contracts; revising the dates on which the  
12          State Board of Administration is required to publish a  
13          statement of the estimated borrowing capacity of the  
14          Florida Hurricane Catastrophe Fund; requiring the board to  
15          publish a statement of the estimated claims-paying  
16          capacity of the Florida Hurricane Catastrophe Fund;  
17          requiring a reimbursement premium formula to provide cash  
18          build-up factors for certain contract years; extending  
19          provisions relating to temporary increase in coverage  
20          limit operations for the fund; providing additional  
21          reimbursement requirements for temporary increase in  
22          coverage addenda for additional contract years; expanding  
23          the powers and duties of the board; specifying required  
24          increases in TICL reimbursement premiums for certain  
25          contract years; specifying nonapplication of cash build-up  
26          factors to TICL reimbursement premiums; deleting authority  
27          for the State Board of Administration to increase the  
28          claims-paying capacity of the fund; amending s. 215.5586,

29 F.S., relating to the My Safe Florida Home Program;  
30 revising legislative intent; revising criteria for  
31 hurricane mitigation inspections; revising criteria for  
32 eligibility for a mitigation grant; expanding the list of  
33 improvements for which grants may be used; deleting  
34 provisions relating to no-interest loans; requiring that  
35 contracts valued at or greater than a specified amount be  
36 subject to review and approval by the Legislative Budget  
37 Commission; requiring the Department of Financial Services  
38 to implement a condominium weatherization and mitigation  
39 loan program for certain purposes; specifying program  
40 requirements; specifying an administration requirement for  
41 the program; requiring the department to adopt rules;  
42 amending s. 624.4622, F.S.; prohibiting withdrawal notice  
43 requirements of longer than 30 days for members of a local  
44 government self-insurance fund; requiring local government  
45 self-insurance funds to submit an affidavit to specified  
46 entities; specifying affidavit contents; amending s.  
47 624.605, F.S.; revising the definition of the term  
48 "casualty insurance" to include certain debt cancellation  
49 products sold or leased by certain business entities;  
50 amending s.626.753, F.S.; prohibiting certain uses of  
51 commissions derived from the sale of crop hail or  
52 multiple-peril crop insurance which are shared between  
53 certain agents and certain production credit associations  
54 or federal land bank associations; providing penalties;  
55 providing that patronage dividends and other payments to  
56 members of production credit associations or federal land

57 | bank associations are unlawful rebates under certain  
58 | circumstances; providing penalties for an agent who shares  
59 | commissions with a production credit association or  
60 | federal land bank association under certain circumstances;  
61 | amending s. 626.9541, F.S.; specifying that certain  
62 | patronage dividends and other payments are unfair methods  
63 | of competition and unfair or deceptive acts; providing  
64 | penalties; amending s. 627.062, F.S.; extending  
65 | application of file and use filing requirements for  
66 | certain property insurance filings; prohibiting the Office  
67 | of Insurance Regulation from interfering with an insurer's  
68 | right to solicit, sell, promote, or otherwise acquire  
69 | policyholders and implement coverage; specifying limited  
70 | application to certain rates; specifying that certain rate  
71 | filings are not subject to office determination as  
72 | excessive or unfairly discriminatory; providing  
73 | limitations; providing a definition; prohibiting certain  
74 | rate filings under certain circumstances; preserving the  
75 | office's authority to disapprove certain rate filings  
76 | under certain circumstances; providing procedures for  
77 | insurers submitting certain rate filings; specifying  
78 | nonapplication to certain types of insurance; amending s.  
79 | 627.0621, F.S.; deleting a limitation on the application  
80 | of the attorney-client privilege and work product doctrine  
81 | in challenges to actions by the office relating to rate  
82 | filings; amending s. 627.0628, F.S.; requiring the Florida  
83 | Commission on Hurricane Loss Projection Methodology to  
84 | hold public meetings for purposes of implementing certain

85 | windstorm mitigation discounts, credits, other rate  
86 | differentials, and deductible reductions; requiring a  
87 | report to the Governor, Cabinet, and Legislature; amending  
88 | s. 627.0629, F.S.; requiring certain hurricane mitigation  
89 | measure discounts, credits, and rate differentials to  
90 | supersede certain other discounts, credits, and rate  
91 | differentials; authorizing residential property insurers  
92 | to include reinsurance costs without certain TICL  
93 | adjustments; amending s. 627.0655, F.S.; discontinuing  
94 | authorization for a premium discount for a policyholder  
95 | having multiple policies from Citizens Property Insurance  
96 | Corporation or a policy that has been removed from the  
97 | corporation by another insurer; amending s. 627.351, F.S.;;  
98 | deleting application of certain personal lines residential  
99 | property insurance requirements for wind-borne debris  
100 | regions insured by the corporation; revising the basis of  
101 | a surcharge to offset an account deficit; providing for  
102 | members of the board of governors of the corporation to  
103 | serve staggered terms; providing exceptions to actuarially  
104 | sound rate requirements for the corporation; providing  
105 | legislative findings; requiring the corporation to  
106 | implement certain actuarially sound rates for certain  
107 | lines of business; providing limitations; providing for  
108 | cessation of certain rate increases upon implementation of  
109 | actuarially sound rates; requiring the corporation to  
110 | transfer certain funds from the rate increase to the  
111 | Insurance Regulatory Trust Fund in the Department of  
112 | Financial Services for a certain time; deleting certain

113 wind-only coverage maximum loss reporting requirements;  
114 amending s. 627.711, F.S.; revising eligible entities  
115 authorized to certify uniform mitigation inspection forms;  
116 authorizing insurers to contract with inspection firms to  
117 review certain verification forms and reinspect properties  
118 for certain purposes; providing for such contracts to be  
119 at the insurer's expense; providing a criminal penalty for  
120 knowingly submitting a false or fraudulent mitigation form  
121 with the intent to receive an undeserved discount;  
122 amending s. 627.712, F.S.; providing an additional  
123 exception to residential property insurance windstorm  
124 coverage requirements for certain risks; expanding a  
125 requirement that insurers notify mortgageholders or  
126 lienholders of policyholder elections for coverage not  
127 covering wind; amending s. 631.65, F.S.; providing  
128 construction relating to certain prohibited advertisements  
129 or solicitations; requiring the My Safe Florida Home  
130 Program to use certain funds for certain mitigation  
131 grants; authorizing the department to establish a separate  
132 account in the trust fund for accounting purposes;  
133 amending s. 626.854, F.S.; prohibiting public adjusters  
134 from compensating, or agreeing to compensate, any person  
135 for referrals of business; providing an exception;  
136 amending s. 626.865, F.S.; revising qualifications for  
137 public adjuster's license; deleting requirement that  
138 applicant for public adjuster's license pass a written  
139 examination; amending s. 626.8651, F.S.; revising  
140 qualifications for public adjuster apprentice license;

141 requiring that applicant for public adjuster apprentice  
142 license pass a written examination, complete certain  
143 training, and receive a specified designation; limiting  
144 the number of public adjuster apprentices that may  
145 appointed by a public adjusting firm or supervised by a  
146 supervising public adjuster; amending s. 627.7011, F.S.;  
147 specifying that provisions regulating homeowners' policies  
148 do not prohibit insurers from repairing damaged property;  
149 requiring the Office of Program Policy Analysis and  
150 Government Accountability to submit a report to the  
151 Legislature, Commissioner of Insurance, Chief Financial  
152 Officer, and Governor reviewing laws governing public  
153 adjuster; specifying review requirements; specifying a  
154 required notice for real property insurance policies  
155 issued or renewed in this state; providing notice  
156 requirements; amending s. 626.9541, F.S.; authorizing  
157 licensed general lines agents to collect a service charge  
158 for processing certain installment payments under certain  
159 circumstances; providing a limitation; providing  
160 requirements; amending s. 624.46226, F.S.; authorizing  
161 reinsurance companies to issue coverage directly to  
162 certain public housing authorities under certain  
163 circumstances; specifying that a public housing authority  
164 is considered an insurer under certain circumstances;  
165 requiring that certain reinsurance contracts issued to  
166 public housing authorities receive the same tax treatment  
167 as contracts issued to insurance companies; providing  
168 construction; requiring rating agencies or rating services

169 to disclose certain information in public reports and  
 170 ratings; providing an effective date.

171

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

173

174 Section 1. Subsection (20) is added to section 215.47,  
 175 Florida Statutes, to read:

176 215.47 Investments; authorized securities; loan of  
 177 securities.--Subject to the limitations and conditions of the  
 178 State Constitution or of the trust agreement relating to a trust  
 179 fund, moneys available for investments under ss. 215.44-215.53  
 180 may be invested as follows:

181 (20) The State Board of Administration may, consistent  
 182 with sound investment policy, invest in revenue bonds issued  
 183 pursuant to s. 215.555(6).

184 Section 2. Paragraph (e) of subsection (2), paragraphs (b)  
 185 and (c) of subsection (4), paragraph (b) of subsection (5), and  
 186 subsection (17) of section 215.555, Florida Statutes, are  
 187 amended, and paragraph (f) is added to subsection (7) of that  
 188 section, to read:

189 215.555 Florida Hurricane Catastrophe Fund.--

190 (2) DEFINITIONS.--As used in this section:

191 (e) "Retention" means the amount of losses below which an  
 192 insurer is not entitled to reimbursement from the fund. An  
 193 insurer's retention shall be calculated as follows:

194 1. The board shall calculate and report to each insurer  
 195 the retention multiples for that year. For the contract year  
 196 beginning June 1, 2005, the retention multiple shall be equal to

197 \$4.5 billion divided by the total estimated reimbursement  
198 premium for the contract year; for subsequent years, the  
199 retention multiple shall be equal to \$4.5 billion, adjusted  
200 based upon the reported exposure from the prior contract year to  
201 reflect the percentage growth in exposure to the fund for  
202 covered policies since 2004, divided by the total estimated  
203 reimbursement premium for the contract year. Total reimbursement  
204 premium for purposes of the calculation under this subparagraph  
205 shall be estimated using the assumption that all insurers have  
206 selected the 90-percent coverage level. In 2010, the contract  
207 year begins June 1 and ends December 31. In 2011 and thereafter,  
208 the contract year begins January 1 and ends December 31.

209 2. The retention multiple as determined under subparagraph  
210 1. shall be adjusted to reflect the coverage level elected by  
211 the insurer. For insurers electing the 90-percent coverage  
212 level, the adjusted retention multiple is 100 percent of the  
213 amount determined under subparagraph 1. For insurers electing  
214 the 75-percent coverage level, the retention multiple is 120  
215 percent of the amount determined under subparagraph 1. For  
216 insurers electing the 45-percent coverage level, the adjusted  
217 retention multiple is 200 percent of the amount determined under  
218 subparagraph 1.

219 3. An insurer shall determine its provisional retention by  
220 multiplying its provisional reimbursement premium by the  
221 applicable adjusted retention multiple and shall determine its  
222 actual retention by multiplying its actual reimbursement premium  
223 by the applicable adjusted retention multiple.

224 4. For insurers who experience multiple covered events



225 causing loss during the contract year, beginning June 1, 2005,  
226 each insurer's full retention shall be applied to each of the  
227 covered events causing the two largest losses for that insurer.  
228 For each other covered event resulting in losses, the insurer's  
229 retention shall be reduced to one-third of the full retention.  
230 The reimbursement contract shall provide for the reimbursement  
231 of losses for each covered event based on the full retention  
232 with adjustments made to reflect the reduced retentions after  
233 January 1 of the contract year provided the insurer reports its  
234 losses as specified in the reimbursement contract.

235 (4) REIMBURSEMENT CONTRACTS.--

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

241 2. The insurer must elect one of the percentage coverage  
242 levels specified in this paragraph and may, upon renewal of a  
243 reimbursement contract, elect a lower percentage coverage level  
244 if no revenue bonds issued under subsection (6) after a covered  
245 event are outstanding, or elect a higher percentage coverage  
246 level, regardless of whether or not revenue bonds are  
247 outstanding. All members of an insurer group must elect the same  
248 percentage coverage level. Any joint underwriting association,  
249 risk apportionment plan, or other entity created under s.  
250 627.351 must elect the 90-percent coverage level.

251 3. The contract shall provide that reimbursement amounts  
252 shall not be reduced by reinsurance paid or payable to the

253 insurer from other sources.

254 4. Notwithstanding any other provision contained in this  
255 section, the board shall make available to insurers that  
256 purchased coverage provided by this subparagraph in 2008 ~~2007~~,  
257 insurers qualifying as limited apportionment companies under s.  
258 627.351(6)(c), and insurers that have been approved to  
259 participate in the Insurance Capital Build-Up Incentive Program  
260 pursuant to s. 215.5595 a contract or contract addendum that  
261 provides an additional amount of reimbursement coverage of up to  
262 \$10 million. The premium to be charged for this additional  
263 reimbursement coverage shall be 50 percent of the additional  
264 reimbursement coverage provided, which shall include one prepaid  
265 reinstatement. The minimum retention level that an eligible  
266 participating insurer must retain associated with this  
267 additional coverage layer is 30 percent of the insurer's surplus  
268 as of December 31, 2008, for the 2009-2010 contract year; as of  
269 December 31, 2009, for the contract year beginning June 1, 2010,  
270 and ending December 31, 2010; and as of December 31, 2010, for  
271 the 2011 contract year ~~2007~~. This coverage shall be in addition  
272 to all other coverage that may be provided under this section.  
273 The coverage provided by the fund under this subparagraph shall  
274 be in addition to the claims-paying capacity as defined in  
275 subparagraph (c)1., but only with respect to those insurers that  
276 select the additional coverage option and meet the requirements  
277 of this subparagraph. The claims-paying capacity with respect to  
278 all other participating insurers and limited apportionment  
279 companies that do not select the additional coverage option  
280 shall be limited to their reimbursement premium's proportionate

281 share of the actual claims-paying capacity otherwise defined in  
282 subparagraph (c)1. and as provided for under the terms of the  
283 reimbursement contract. The optional coverage retention as  
284 specified shall be accessed before the mandatory coverage under  
285 the reimbursement contract, but once the limit of coverage  
286 selected under this option is exhausted, the insurer's retention  
287 under the mandatory coverage shall apply. This coverage shall  
288 apply and be paid concurrently with the mandatory coverage.  
289 ~~Coverage provided in the reimbursement contract shall not be~~  
290 ~~affected by the additional premiums paid by participating~~  
291 ~~insurers exercising the additional coverage option allowed in~~  
292 ~~this subparagraph. This subparagraph expires on December May 31,~~  
293 ~~2011 2009.~~

294 (c)1. The contract shall also provide that the obligation  
295 of the board with respect to all contracts covering a particular  
296 contract year shall not exceed the actual claims-paying capacity  
297 of the fund up to a limit of \$15 billion for that contract year  
298 adjusted based upon the reported exposure from the prior  
299 contract year to reflect the percentage growth in exposure to  
300 the fund for covered policies since 2003, provided the dollar  
301 growth in the limit may not increase in any year by an amount  
302 greater than the dollar growth of the balance of the fund as of  
303 December 31, less any premiums or interest attributable to  
304 optional coverage, as defined by rule which occurred over the  
305 prior calendar year.

306 2. In May ~~before the start of the upcoming contract year~~  
307 and in October of ~~during~~ the contract year, the board shall  
308 publish in the Florida Administrative Weekly a statement of the

309 | fund's estimated borrowing capacity, the fund's estimated  
310 | claims-paying capacity, and the projected balance of the fund as  
311 | of December 31. After the end of each calendar year, the board  
312 | shall notify insurers of the estimated borrowing capacity, the  
313 | estimated claims-paying capacity, and the balance of the fund as  
314 | of December 31 to provide insurers with data necessary to assist  
315 | them in determining their retention and projected payout from  
316 | the fund for loss reimbursement purposes. In conjunction with  
317 | the development of the premium formula, as provided for in  
318 | subsection (5), the board shall publish factors or multiples  
319 | that assist insurers in determining their retention and  
320 | projected payout for the next contract year. For all regulatory  
321 | and reinsurance purposes, an insurer may calculate its projected  
322 | payout from the fund as its share of the total fund premium for  
323 | the current contract year multiplied by the sum of the projected  
324 | balance of the fund as of December 31 and the estimated  
325 | borrowing capacity for that contract year as reported under this  
326 | subparagraph.

327 | (5) REIMBURSEMENT PREMIUMS.--

328 | (b) The State Board of Administration shall select an  
329 | independent consultant to develop a formula for determining the  
330 | actuarially indicated premium to be paid to the fund. The  
331 | formula shall specify, for each zip code or other limited  
332 | geographical area, the amount of premium to be paid by an  
333 | insurer for each \$1,000 of insured value under covered policies  
334 | in that zip code or other area. In establishing premiums, the  
335 | board shall consider the coverage elected under paragraph (4) (b)  
336 | and any factors that tend to enhance the actuarial

337 | sophistication of ratemaking for the fund, including  
338 | deductibles, type of construction, type of coverage provided,  
339 | relative concentration of risks, and other such factors deemed  
340 | by the board to be appropriate. The formula must provide for a  
341 | cash build-up factor. For the contract year 2009-2010, the  
342 | factor is 5 percent; for the contract year beginning June 1,  
343 | 2010, and ending December 31, 2010, the factor is 10 percent;  
344 | for the 2011 contract year, the factor is 15 percent; for the  
345 | 2012 contract year, the factor is 20 percent; and for the 2013  
346 | contract year and thereafter, the factor is 25 percent. The  
347 | formula may provide for a procedure to determine the premiums to  
348 | be paid by new insurers that begin writing covered policies  
349 | after the beginning of a contract year, taking into  
350 | consideration when the insurer starts writing covered policies,  
351 | the potential exposure of the insurer, the potential exposure of  
352 | the fund, the administrative costs to the insurer and to the  
353 | fund, and any other factors deemed appropriate by the board. The  
354 | formula must be approved by unanimous vote of the board. The  
355 | board may, at any time, revise the formula pursuant to the  
356 | procedure provided in this paragraph.

357 | (7) ADDITIONAL POWERS AND DUTIES.--

358 | (f) The board may require insurers to notarize documents  
359 | submitted to the board.

360 | (17) TEMPORARY INCREASE IN COVERAGE LIMIT OPTIONS.--

361 | (a) Findings and intent.--

362 | 1. The Legislature finds that:

363 | a. Because of temporary disruptions in the market for  
364 | catastrophic reinsurance, many property insurers were unable to

365 procure sufficient amounts of reinsurance for the 2006 hurricane  
 366 season or were able to procure such reinsurance only by  
 367 incurring substantially higher costs than in prior years.

368 b. The reinsurance market problems were responsible, at  
 369 least in part, for substantial premium increases to many  
 370 consumers and increases in the number of policies issued by  
 371 Citizens Property Insurance Corporation.

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

374 2. It is the intent of the Legislature to create options  
 375 for insurers to purchase a temporary increased coverage limit  
 376 above the statutorily determined limit in subparagraph (4)(c)1.,  
 377 applicable for the 2007, 2008, ~~and~~ 2009, 2010, 2011, 2012, and  
 378 2013 hurricane seasons, to address market disruptions and enable  
 379 insurers, at their option, to procure additional coverage from  
 380 the Florida Hurricane Catastrophe Fund.

381 (b) Applicability of other provisions of this  
 382 section.--All provisions of this section and the rules adopted  
 383 under this section apply to the coverage created by this  
 384 subsection unless specifically superseded by provisions in this  
 385 subsection.

386 (c) Optional coverage.--For the contract year commencing  
 387 June 1, 2007, and ending May 31, 2008, the contract year  
 388 commencing June 1, 2008, and ending May 31, 2009, ~~and~~ the  
 389 contract year commencing June 1, 2009, and ending May 31, 2010,  
 390 the contract year commencing June 1, 2010, and ending December  
 391 31, 2010, the contract year commencing January 1, 2011, and  
 392 ending December 31, 2011, the contract year commencing January

393 1, 2012, and ending December 31, 2012, and the contract year  
394 commencing January 1, 2013, and ending December 31, 2013, the  
395 board shall offer, for each of such years, the optional coverage  
396 as provided in this subsection.

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

399 1. "FHCF" means Florida Hurricane Catastrophe Fund.

400 2. "FHCF reimbursement premium" means the premium paid by  
401 an insurer for its coverage as a mandatory participant in the  
402 FHCF, but does not include additional premiums for optional  
403 coverages.

404 3. "Payout multiple" means the number or multiple created  
405 by dividing the statutorily defined claims-paying capacity as  
406 determined in subparagraph (4)(c)1. by the aggregate  
407 reimbursement premiums paid by all insurers estimated or  
408 projected as of calendar year-end.

409 4. "TICL" means the temporary increase in coverage limit.

410 5. "TICL options" means the temporary increase in coverage  
411 options created under this subsection.

412 6. "TICL insurer" means an insurer that has opted to  
413 obtain coverage under the TICL options addendum in addition to  
414 the coverage provided to the insurer under its FHCF  
415 reimbursement contract, but does not include Citizens Property  
416 Insurance Corporation.

417 7. "TICL reimbursement premium" means the premium charged  
418 by the fund for coverage provided under the TICL option.

419 8. "TICL coverage multiple" means the coverage multiple  
420 when multiplied by an insurer's reimbursement premium that

421 defines the temporary increase in coverage limit.

422 9. "TICL coverage" means the coverage for an insurer's  
423 losses above the insurer's statutorily determined claims-paying  
424 capacity based on the claims-paying limit in subparagraph  
425 (4)(c)1., which an insurer selects as its temporary increase in  
426 coverage from the fund under the TICL options selected. A TICL  
427 insurer's increased coverage limit options shall be calculated  
428 as follows:

429 a. The board shall calculate and report to each TICL  
430 insurer the TICL coverage multiples based on 12 options for  
431 increasing the insurer's FHCF coverage limit. Each TICL coverage  
432 multiple shall be calculated by dividing \$1 billion, \$2 billion,  
433 \$3 billion, \$4 billion, \$5 billion, \$6 billion, \$7 billion, \$8  
434 billion, \$9 billion, \$10 billion, \$11 billion, or \$12 billion by  
435 the total estimated aggregate FHCF reimbursement premiums for  
436 the 2007-2008 contract year and~~7~~ the 2008-2009 contract year~~7~~  
437 ~~and the 2009-2010 contract year.~~

438 b. For the 2009-2010 contract year, the board shall  
439 calculate and report to each TICL insurer the TICL coverage  
440 multiples based on 10 options for increasing the insurer's FHCF  
441 coverage limit. Each TICL coverage multiple shall be calculated  
442 by dividing \$1 billion, \$2 billion, \$3 billion, \$4 billion, \$5  
443 billion, \$6 billion, \$7 billion, \$8 billion, \$9 billion, and \$10  
444 billion by the total estimated aggregate FHCF reimbursement  
445 premiums for the 2009-2010 contract year.

446 c. For the contract year beginning June 1, 2010, and  
447 ending December 31, 2010, the board shall calculate and report  
448 to each TICL insurer the TICL coverage multiples based on eight



449 options for increasing the insurer's FHCF coverage limit. Each  
450 TICL coverage multiple shall be calculated by dividing \$1  
451 billion, \$2 billion, \$3 billion, \$4 billion, \$5 billion, \$6  
452 billion, \$7 billion, and \$8 billion by the total estimated  
453 aggregate FHCF reimbursement premiums for the contract year.

454 d. For the 2011 contract year, the board shall calculate  
455 and report to each TICL insurer the TICL coverage multiples  
456 based on six options for increasing the insurer's FHCF coverage  
457 limit. Each TICL coverage multiple shall be calculated by  
458 dividing \$1 billion, \$2 billion, \$3 billion, \$4 billion, \$5  
459 billion, and \$6 billion by the total estimated aggregate FHCF  
460 reimbursement premiums for the 2011 contract year.

461 e. For the 2012 contract year, the board shall calculate  
462 and report to each TICL insurer the TICL coverage multiples  
463 based on four options for increasing the insurer's FHCF coverage  
464 limit. Each TICL coverage multiple shall be calculated by  
465 dividing \$1 billion, \$2 billion, \$3 billion, and \$4 billion by  
466 the total estimated aggregate FHCF reimbursement premiums for  
467 the 2012 contract year.

468 f. For the 2013 contract year, the board shall calculate  
469 and report to each TICL insurer the TICL coverage multiples  
470 based on two options for increasing the insurer's FHCF coverage  
471 limit. Each TICL coverage multiple shall be calculated by  
472 dividing \$1 billion and \$2 billion by the total estimated  
473 aggregate FHCF reimbursement premiums for the 2013 contract  
474 year.

475 g.b. The TICL insurer's increased coverage shall be the  
476 FHCF reimbursement premium multiplied by the TICL coverage

477 multiple. In order to determine an insurer's total limit of  
478 coverage, an insurer shall add its TICL coverage multiple to its  
479 payout multiple. The total shall represent a number that, when  
480 multiplied by an insurer's FHCF reimbursement premium for a  
481 given reimbursement contract year, defines an insurer's total  
482 limit of FHCF reimbursement coverage for that reimbursement  
483 contract year.

484 10. "TICL options addendum" means an addendum to the  
485 reimbursement contract reflecting the obligations of the fund  
486 and insurers selecting an option to increase an insurer's FHCF  
487 coverage limit.

488 (e) TICL options addendum.--

489 1. The TICL options addendum shall provide for  
490 reimbursement of TICL insurers for covered events occurring  
491 between June 1, 2007, and May 31, 2008, ~~and~~ between June 1,  
492 2008, and May 31, 2009, ~~or~~ between June 1, 2009, and May 31,  
493 2010, between June 1, 2010, and December 31, 2010, between  
494 January 1, 2011, and December 31, 2011, between January 1, 2012,  
495 and December 31, 2012, or between January 1, 2013, and December  
496 31, 2013, in exchange for the TICL reimbursement premium paid  
497 into the fund under paragraph (f). Any insurer writing covered  
498 policies has the option of selecting an increased limit of  
499 coverage under the TICL options addendum and shall select such  
500 coverage at the time that it executes the FHCF reimbursement  
501 contract.

502 2.a. The TICL addendum for the contract year commencing  
503 June 1, 2007, and ending May 31, 2008, or the contract year  
504 commencing June 1, 2008, and ending May 31, 2009, shall contain

505 a promise by the board to reimburse the TICL insurer for 45  
506 percent, 75 percent, or 90 percent of its losses from each  
507 covered event in excess of the insurer's retention, plus 5  
508 percent of the reimbursed losses to cover loss adjustment  
509 expenses. The percentage shall be the same as the coverage level  
510 selected by the insurer under paragraph (4) (b).

511 b. The TICL addendum for the contract year commencing June  
512 1, 2009, and ending May 31, 2010, shall contain a promise by the  
513 board to reimburse the TICL insurer for 45 percent or 75 percent  
514 of its losses from each covered event in excess of the insurer's  
515 retention, plus 5 percent of the reimbursed losses to cover loss  
516 adjustment expenses.

517 c. The TICL addendum for the contract year commencing June  
518 1, 2010, and ending December 31, 2010, shall contain a promise  
519 by the board to reimburse the TICL insurer for 45 percent or 65  
520 percent of its losses from each covered event in excess of the  
521 insurer's retention, plus 5 percent of the reimbursed losses to  
522 cover loss adjustment expenses.

523 d. The TICL addendum for the contract year commencing  
524 January 1, 2011, and ending December 31, 2011, shall contain a  
525 promise by the board to reimburse the TICL insurer for 45  
526 percent or 55 percent of its losses from each covered event in  
527 excess of the insurer's retention, plus 5 percent of the  
528 reimbursed losses to cover loss adjustment expenses.

529 e. The TICL addendum for the contract year commencing  
530 January 1, 2012, and ending December 31, 2012, shall contain a  
531 promise by the board to reimburse the TICL insurer for 45  
532 percent of its losses from each covered event in excess of the

533 insurer's retention, plus 5 percent of the reimbursed losses to  
534 cover loss adjustment expenses.

535 f. The TICL addendum for the contract year commencing  
536 January 1, 2013, and ending December 31, 2013, shall contain a  
537 promise by the board to reimburse the TICL insurer for 30  
538 percent of its losses from each covered event in excess of the  
539 insurer's retention, plus 5 percent of the reimbursed losses to  
540 cover loss adjustment expenses.

541 3. The TICL addendum shall provide that reimbursement  
542 amounts shall not be reduced by reinsurance paid or payable to  
543 the insurer from other sources.

544 4. The priorities, schedule, and method of reimbursements  
545 under the TICL addendum shall be the same as provided under  
546 subsection (4).

547 (f) TICL reimbursement premiums.--Each TICL insurer shall  
548 pay to the fund, in the manner and at the time provided in the  
549 reimbursement contract for payment of reimbursement premiums, a  
550 TICL reimbursement premium determined as specified in subsection  
551 (5), except that a cash build-up factor does not apply to the  
552 TICL reimbursement premiums. However, the TICL reimbursement  
553 premium shall be increased in contract year 2009-2010 by a  
554 factor of two, in the contract year beginning June 1, 2010, and  
555 ending December 31, 2010, by a factor of three, in the 2011  
556 contract year by a factor of four, in the 2012 contract year by  
557 a factor of five, and in the 2013 contract year by a factor of  
558 six.

559 (g) Effect on claims-paying capacity of the fund.--For the  
560 contract terms commencing June 1, 2007, June 1, 2008, ~~and~~ June

561 1, 2009, June 1, 2010, January 1, 2011, January 1, 2012, and  
 562 January 1, 2013, the program created by this subsection shall  
 563 increase the claims-paying capacity of the fund as provided in  
 564 subparagraph (4)(c)1. by an amount not to exceed \$12 billion and  
 565 shall depend on the TICL coverage options selected and the  
 566 number of insurers that select the TICL optional coverage. The  
 567 additional capacity shall apply only to the additional coverage  
 568 provided under the TICL options and shall not otherwise affect  
 569 any insurer's reimbursement from the fund if the insurer chooses  
 570 not to select the temporary option to increase its limit of  
 571 coverage under the FHCF.

572 ~~(h) Increasing the claims-paying capacity of the~~  
 573 ~~fund. For the contract years commencing June 1, 2007, June 1,~~  
 574 ~~2008, and June 1, 2009, the board may increase the claims-paying~~  
 575 ~~capacity of the fund as provided in paragraph (g) by an amount~~  
 576 ~~not to exceed \$4 billion in four \$1 billion options and shall~~  
 577 ~~depend on the TICL coverage options selected and the number of~~  
 578 ~~insurers that select the TICL optional coverage. Each insurer's~~  
 579 ~~TICL premium shall be calculated based upon the additional limit~~  
 580 ~~of increased coverage that the insurer selects. Such limit is~~  
 581 ~~determined by multiplying the TICL multiple associated with one~~  
 582 ~~of the four options times the insurer's FHCF reimbursement~~  
 583 ~~premium. The reimbursement premium associated with the~~  
 584 ~~additional coverage provided in this paragraph shall be~~  
 585 ~~determined as specified in subsection (5).~~

586 Section 3. Section 215.5586, Florida Statutes, as amended  
 587 by section 1 of chapter 2009-10, Laws of Florida, is amended to  
 588 read:

589           215.5586 My Safe Florida Home Program.--There is  
 590 established within the Department of Financial Services the My  
 591 Safe Florida Home Program. The department shall provide fiscal  
 592 accountability, contract management, and strategic leadership  
 593 for the program, consistent with this section. This section does  
 594 not create an entitlement for property owners or obligate the  
 595 state in any way to fund the inspection or retrofitting of  
 596 residential property in this state. Implementation of this  
 597 program is subject to annual legislative appropriations. It is  
 598 the intent of the Legislature that the My Safe Florida Home  
 599 Program provide trained and certified inspectors to perform  
 600 inspections for owners of ~~for at least 400,000~~ site-built,  
 601 single-family, residential properties and ~~provide~~ grants to  
 602 eligible ~~at least 35,000~~ applicants as funding allows ~~before~~  
 603 ~~June 30, 2009~~. The program shall develop and implement a  
 604 comprehensive and coordinated approach for hurricane damage  
 605 mitigation that may ~~shall~~ include the following:

606           (1) HURRICANE MITIGATION INSPECTIONS.--

607           (a) Certified inspectors to provide ~~free~~ home-retrofit  
 608 inspections of site-built, single-family, residential property  
 609 may ~~shall~~ be offered ~~throughout the state~~ to determine what  
 610 mitigation measures are needed, what insurance premium discounts  
 611 may be available, and what improvements to existing residential  
 612 properties are needed to reduce the property's vulnerability to  
 613 hurricane damage. The Department of Financial Services shall  
 614 contract with wind certification entities to provide ~~free~~  
 615 hurricane mitigation inspections. The inspections provided to  
 616 homeowners, at a minimum, must include:

617 1. A home inspection and report that summarizes the  
618 results and identifies recommended improvements a homeowner may  
619 take to mitigate hurricane damage.

620 2. A range of cost estimates regarding the recommended  
621 mitigation improvements.

622 3. Insurer-specific information regarding premium  
623 discounts correlated to the current mitigation features and the  
624 recommended mitigation improvements identified by the  
625 inspection.

626 4. A hurricane resistance rating scale specifying the  
627 home's current as well as projected wind resistance  
628 capabilities. As soon as practical, the rating scale must be the  
629 uniform home grading scale adopted by the Financial Services  
630 Commission pursuant to s. 215.55865.

631 (b) To qualify for selection by the department as a wind  
632 certification entity to provide hurricane mitigation  
633 inspections, the entity shall, at a minimum, meet the following  
634 requirements:

635 1. Use hurricane mitigation inspectors who:

636 a. Are certified as a building inspector under s. 468.607;

637 b. Are licensed as a general or residential contractor  
638 under s. 489.111;

639 c. Are licensed as a professional engineer under s.  
640 471.015 and who have passed the appropriate equivalency test of  
641 the Building Code Training Program as required by s. 553.841;

642 d. Are licensed as a professional architect under s.  
643 481.213; or

644 e. Have at least 2 years of experience in residential

645 construction or residential building inspection and have  
646 received specialized training in hurricane mitigation  
647 procedures. Such training may be provided by a class offered  
648 online or in person.

649 2. Use hurricane mitigation inspectors who also:

650 a. Have undergone drug testing and level 2 background  
651 checks pursuant to s. 435.04. The department may conduct  
652 criminal record checks of inspectors used by wind certification  
653 entities. Inspectors must submit a set of the fingerprints to  
654 the department for state and national criminal history checks  
655 and must pay the fingerprint processing fee set forth in s.  
656 624.501. The fingerprints shall be sent by the department to the  
657 Department of Law Enforcement and forwarded to the Federal  
658 Bureau of Investigation for processing. The results shall be  
659 returned to the department for screening. The fingerprints shall  
660 be taken by a law enforcement agency, designated examination  
661 center, or other department-approved entity; and

662 b. Have been certified, in a manner satisfactory to the  
663 department, to conduct the inspections.

664 3. Provide a quality assurance program including a  
665 reinspection component.

666 (c) The department shall implement a quality assurance  
667 program that includes a statistically valid number of  
668 reinspections.

669 (d) An application for an inspection must contain a signed  
670 or electronically verified statement made under penalty of  
671 perjury that the applicant has submitted only a single  
672 application for that home.



673 (e) The owner of a site-built, single-family, residential  
 674 property may apply for and receive an inspection without also  
 675 applying for a grant pursuant to subsection (2) and without  
 676 meeting the requirements of paragraph (2)(a).

677 (2) MITIGATION GRANTS.--Financial grants shall be used to  
 678 encourage single-family, site-built, owner-occupied, residential  
 679 property owners to retrofit their properties to make them less  
 680 vulnerable to hurricane damage.

681 (a) For a homeowner to be eligible for a grant, the  
 682 following criteria for persons who have obtained a completed  
 683 inspection after May 1, 2007, a residential property must be  
 684 met:

685 1. The homeowner must have been granted a homestead  
 686 exemption on the home under chapter 196.

687 2. The home must be a dwelling with an insured value of  
 688 \$300,000 or less. Homeowners who are low-income persons, as  
 689 defined in s. 420.0004(10), are exempt from this requirement.

690 3. The home must have undergone an acceptable hurricane  
 691 mitigation inspection after May 1, 2007.

692 4. The home must be located in the "wind-borne debris  
 693 region" as that term is defined in s. 1609.2, International  
 694 Building Code (2006), or as subsequently amended.

695 5. ~~Be a home for which~~ The building permit application for  
 696 initial construction of the home must have been ~~was~~ made before  
 697 March 1, 2002.

698  
 699 An application for a grant must contain a signed or  
 700 electronically verified statement made under penalty of perjury

701 that the applicant has submitted only a single application and  
702 must have attached documents demonstrating the applicant meets  
703 the requirements of this paragraph.

704 (b) All grants must be matched on a dollar-for-dollar  
705 basis up to ~~for~~ a total of \$10,000 for the actual cost of the  
706 mitigation project with the state's contribution not to exceed  
707 \$5,000.

708 (c) The program shall create a process in which  
709 contractors agree to participate and homeowners select from a  
710 list of participating contractors. All mitigation must be based  
711 upon the securing of all required local permits and inspections  
712 and must be performed by properly licensed contractors.  
713 Mitigation projects are subject to random reinspection of up to  
714 at least 5 percent of all projects. Hurricane mitigation  
715 inspectors qualifying for the program may also participate as  
716 mitigation contractors as long as the inspectors meet the  
717 department's qualifications and certification requirements for  
718 mitigation contractors.

719 (d) Matching fund grants shall also be made available to  
720 local governments and nonprofit entities for projects that will  
721 reduce hurricane damage to single-family, site-built, owner-  
722 occupied, residential property. The department shall liberally  
723 construe those requirements in favor of availing the state of  
724 the opportunity to leverage funding for the My Safe Florida Home  
725 Program with other sources of funding.

726 (e) When recommended by a hurricane mitigation inspection,  
727 grants may be used for the following improvements ~~only~~:

728 1. Opening protection.

- 729 2. Exterior doors, including garage doors.
- 730 3. Brace gable ends.
- 731 4. Reinforcing roof-to-wall connections.
- 732 5. Improving the strength of roof-deck attachments.
- 733 6. Upgrading roof covering from code to code plus.
- 734 7. Secondary water barrier for roof.
- 735

736 The department may require that improvements be made to all  
 737 openings, including exterior doors and garage doors, as a  
 738 condition of reimbursing a homeowner approved for a grant.

739 (f) Grants may be used on a previously inspected existing  
 740 structure or on a rebuild. A rebuild is defined as a site-built,  
 741 single-family dwelling under construction to replace a home that  
 742 was destroyed or significantly damaged by a hurricane and deemed  
 743 unlivable by a regulatory authority. The homeowner must be a  
 744 low-income homeowner as defined in paragraph (g), must have had  
 745 a homestead exemption for that home prior to the hurricane, and  
 746 must be intending to rebuild the home as that homeowner's  
 747 homestead.

748 (g) Low-income homeowners, as defined in s. 420.0004(10),  
 749 who otherwise meet the requirements of paragraphs (a), (c), (e),  
 750 and (f) are eligible for a grant of up to \$5,000 and are not  
 751 required to provide a matching amount to receive the grant.  
 752 Additionally, for low-income homeowners, grant funding may be  
 753 used for repair to existing structures leading to any of the  
 754 mitigation improvements provided in paragraph (e), limited to 20  
 755 percent of the grant value. The program may accept a  
 756 certification directly from a low-income homeowner that the

757 homeowner meets the requirements of s. 420.0004(10) if the  
758 homeowner provides such certification in a signed or  
759 electronically verified statement made under penalty of perjury.

760 (h) The department shall establish objective, reasonable  
761 criteria for prioritizing grant applications, consistent with  
762 the requirements of this section.

763 (i) The department shall develop a process that ensures  
764 the most efficient means to collect and verify grant  
765 applications to determine eligibility and may direct hurricane  
766 mitigation inspectors to collect and verify grant application  
767 information or use the Internet or other electronic means to  
768 collect information and determine eligibility.

769 (3) EDUCATION AND CONSUMER AWARENESS.--The department may  
770 undertake a statewide multimedia public outreach and advertising  
771 campaign to inform consumers of the availability and benefits of  
772 hurricane inspections and of the safety and financial benefits  
773 of residential hurricane damage mitigation. The department may  
774 seek out and use local, state, federal, and private funds to  
775 support the campaign.

776 (4) ADVISORY COUNCIL.--There is created an advisory  
777 council to provide advice and assistance to the department  
778 regarding administration of the program. The advisory council  
779 shall consist of:

780 (a) A representative of lending institutions, selected by  
781 the Financial Services Commission from a list of at least three  
782 persons recommended by the Florida Bankers Association.

783 (b) A representative of residential property insurers,  
784 selected by the Financial Services Commission from a list of at

785 | least three persons recommended by the Florida Insurance  
786 | Council.

787 |       (c) A representative of home builders, selected by the  
788 | Financial Services Commission from a list of at least three  
789 | persons recommended by the Florida Home Builders Association.

790 |       (d) A faculty member of a state university, selected by  
791 | the Financial Services Commission, who is an expert in  
792 | hurricane-resistant construction methodologies and materials.

793 |       (e) Two members of the House of Representatives, selected  
794 | by the Speaker of the House of Representatives.

795 |       (f) Two members of the Senate, selected by the President  
796 | of the Senate.

797 |       (g) The Chief Executive Officer of the Federal Alliance  
798 | for Safe Homes, Inc., or his or her designee.

799 |       (h) The senior officer of the Florida Hurricane  
800 | Catastrophe Fund.

801 |       (i) The executive director of Citizens Property Insurance  
802 | Corporation.

803 |       (j) The director of the Division of Emergency Management  
804 | of the Department of Community Affairs.

805 |  
806 | Members appointed under paragraphs (a)-(d) shall serve at the  
807 | pleasure of the Financial Services Commission. Members appointed  
808 | under paragraphs (e) and (f) shall serve at the pleasure of the  
809 | appointing officer. All other members shall serve as voting ex  
810 | officio members. Members of the advisory council shall serve  
811 | without compensation but may receive reimbursement as provided  
812 | in s. 112.061 for per diem and travel expenses incurred in the

813 performance of their official duties.

814 (5) FUNDING.--The department may seek out and leverage  
815 local, state, federal, or private funds to enhance the financial  
816 resources of the program.

817 (6) RULES.--The Department of Financial Services shall  
818 adopt rules pursuant to ss. 120.536(1) and 120.54 to govern the  
819 program; implement the provisions of this section; including  
820 rules governing hurricane mitigation inspections and grants,  
821 mitigation contractors, and training of inspectors and  
822 contractors; and carry out the duties of the department under  
823 this section.

824 (7) HURRICANE MITIGATION INSPECTOR LIST.--The department  
825 shall develop and maintain as a public record a current list of  
826 hurricane mitigation inspectors authorized to conduct hurricane  
827 mitigation inspections pursuant to this section.

828 ~~(8) NO-INTEREST LOANS.--The department shall implement a~~  
829 ~~no-interest loan program by October 1, 2008, contingent upon the~~  
830 ~~selection of a qualified vendor and execution of a contract~~  
831 ~~acceptable to the department and the vendor. The department~~  
832 ~~shall enter into partnerships with the private sector to provide~~  
833 ~~loans to owners of site-built, single-family, residential~~  
834 ~~property to pay for mitigation measures listed in subsection~~  
835 ~~(2). A loan eligible for interest payments pursuant to this~~  
836 ~~subsection may be for a term of up to 3 years and cover up to~~  
837 ~~\$5,000 in mitigation measures. The department shall pay the~~  
838 ~~creditor the market rate of interest using funds appropriated~~  
839 ~~for the My Safe Florida Home Program. In no case shall the~~  
840 ~~department pay more than the interest rate set by s. 687.03. To~~

841 ~~be eligible for a loan, a loan applicant must first obtain a~~  
842 ~~home inspection and report that specifies what improvements are~~  
843 ~~needed to reduce the property's vulnerability to windstorm~~  
844 ~~damage pursuant to this section and meet loan underwriting~~  
845 ~~requirements set by the lender. The department may adopt rules~~  
846 ~~pursuant to ss. 120.536(1) and 120.54 to implement this~~  
847 ~~subsection which may include eligibility criteria.~~

848 (8) ~~(9)~~ PUBLIC OUTREACH FOR CONTRACTORS AND REAL ESTATE  
849 BROKERS AND SALES ASSOCIATES.--The program shall develop  
850 brochures for distribution to general contractors, roofing  
851 contractors, and real estate brokers and sales associates  
852 licensed under part I of chapter 475 explaining the benefits to  
853 homeowners of residential hurricane damage mitigation. The  
854 program shall encourage contractors to distribute the brochures  
855 to homeowners at the first meeting with a homeowner who is  
856 considering contracting for home or roof repairs or contracting  
857 for the construction of a new home. The program shall encourage  
858 real estate brokers and sales associates licensed under part I  
859 of chapter 475 to distribute the brochures to clients prior to  
860 the purchase of a home. The brochures may be made available  
861 electronically.

862 (9) ~~(10)~~ CONTRACT MANAGEMENT.--The department may contract  
863 with third parties for grants management, inspection services,  
864 contractor services for low-income homeowners, information  
865 technology, educational outreach, and auditing services. Such  
866 contracts shall be considered direct costs of the program and  
867 shall not be subject to administrative cost limits, but  
868 contracts valued at \$1 million ~~\$500,000~~ or more shall be subject

869 to review and approval by the Legislative Budget Commission. The  
 870 department shall contract with providers that have a  
 871 demonstrated record of successful business operations in areas  
 872 directly related to the services to be provided and shall ensure  
 873 the highest accountability for use of state funds, consistent  
 874 with this section.

875 ~~(10)-(11)~~ INTENT.--It is the intent of the Legislature that  
 876 grants made to residential property owners under this section  
 877 shall be considered disaster-relief assistance within the  
 878 meaning of s. 139 of the Internal Revenue Code of 1986, as  
 879 amended.

880 ~~(11)-(12)~~ REPORTS.--The department shall make an annual  
 881 report on the activities of the program that shall account for  
 882 the use of state funds and indicate the number of inspections  
 883 requested, the number of inspections performed, the number of  
 884 grant applications received, and the number and value of grants  
 885 approved. The report shall be delivered to the President of the  
 886 Senate and the Speaker of the House of Representatives by  
 887 February 1 of each year.

888 (12) CONDOMINIUM WEATHERIZATION AND MITIGATION LOAN  
 889 PROGRAM.--

890 (a) Subject to a specific appropriation by the Legislature  
 891 from funds received pursuant to the American Recovery and  
 892 Reinvestment Act of 2009, Pub. L. No. 111-5, specifically for  
 893 the purpose of condominium weatherization, the department shall  
 894 implement a condominium weatherization and mitigation loan  
 895 program to assist condominium unit owners in weatherizing their  
 896 condominium units and mitigating all such units against wind



897 damage. The program shall have the following minimum  
898 requirements:

899 1. The department shall contract with lenders to offer  
900 weatherization and hurricane mitigation loan subsidies equal to  
901 a competitive rate of interest on a loan balance of up to \$5,000  
902 per condominium unit for 3 years. The interest subsidy may be  
903 paid in advance by the department to a lender participating in  
904 the program.

905 2. The loans must be used to purchase or install  
906 weatherization measures and hurricane mitigation measures  
907 identified in paragraph (2) (e) that comply with the requirements  
908 of part A, Title IV of the Energy Conservation and Production  
909 Act, 42 U.S.C. ss. 6861 et seq., as amended by the American  
910 Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, as  
911 determined by the department.

912 3. A participating condominium association must agree to  
913 purchase and install weatherization and mitigation measures for  
914 each unit in the condominium that lacks the weatherization and  
915 mitigation measures.

916 4. To be eligible, a condominium must have been permitted  
917 for construction on or before March 1, 2002, be located in the  
918 wind-borne debris region.

919 5. Condominiums of more than 200 units are not eligible  
920 for the loan program.

921 6. The department may contract with third parties for  
922 auditing and related services to ensure accountability and  
923 program quality.

924 (b) The loan program shall be administered on a first-

925 come, first-served basis.

926 (c) The department shall adopt rules pursuant to ss.  
927 120.536(1) and 120.54 to implement the loan program.

928 Section 4. Subsections (5) and (6) are added to section  
929 624.4622, Florida Statutes, to read:

930 624.4622 Local government self-insurance funds.--

931 (5) A local government self-insurance fund may not require  
932 its members to provide more than 30 days' notice of the member's  
933 intention to withdraw from the self-insurance fund as a  
934 prerequisite for withdrawing from the self-insurance fund.

935 (6) (a) Each local government self-insurance fund shall  
936 submit annually to the office, to the governing body of each  
937 member participant, and to the governing board of each new  
938 member before the inception of the policy an affidavit stating  
939 whether an officer or owner of or the manager or administrator  
940 of a local government self-insurance fund has ever:

941 1. Been charged with, or indicted for, any criminal  
942 offense other than a motor vehicle offense;

943 2. Pled guilty or nolo contendere to, or been convicted  
944 of, any criminal offense other than a motor vehicle offense;

945 3. Had adjudication of guilt withheld, had a sentence  
946 imposed or suspended, had a pronouncement of a sentence  
947 suspended, or been pardoned, fined, or placed on probation for  
948 any criminal offense other than a motor vehicle offense; or

949 4. Been, within the last 10 years, found liable in any  
950 civil action involving dishonesty or a breach of trust.

951 (b) If the record has been sealed or expunged and the  
952 respondent has personally verified that the record was sealed or

953 expunged, a respondent may respond "no" to the question.

954 Section 5. Paragraph (r) of subsection (1) of section  
955 624.605, Florida Statutes, is amended to read:

956 624.605 "Casualty insurance" defined.--

957 (1) "Casualty insurance" includes:

958 (r) Insurance for debt cancellation products.--Insurance  
959 that a creditor may purchase against the risk of financial loss  
960 from the use of debt cancellation products with consumer loans  
961 or leases or retail installment contracts. Insurance for debt  
962 cancellation products is not liability insurance but shall be  
963 considered credit insurance only for the purposes of s.  
964 631.52(4).

965 1. For purposes of this paragraph, the term "debt  
966 cancellation products" means loan, lease, or retail installment  
967 contract terms, or modifications to loan, lease, or retail  
968 installment contracts, under which a creditor agrees to cancel  
969 or suspend all or part of a customer's obligation to make  
970 payments upon the occurrence of specified events and includes,  
971 but is not limited to, debt cancellation contracts, debt  
972 suspension agreements, and guaranteed asset protection  
973 contracts. However, the term "debt cancellation products" does  
974 not include title insurance as defined in s. 624.608.

975 2. Debt cancellation products may be offered by financial  
976 institutions, as defined in s. 655.005(1)(h), insured depository  
977 institutions, as defined in 12 U.S.C. s. 1813(c), and  
978 subsidiaries of such institutions, as provided in the financial  
979 institutions codes, or by other business entities selling or  
980 leasing a product that may be goods, services, or real property

981 and interests in real property, the sale or lease of which  
 982 product is regulated by an agency of the state and when the  
 983 extension of credit is offered in connection with the purchase  
 984 or lease of such product. ~~as may be specifically authorized by~~  
 985 law, and Such debt cancellation products shall not constitute  
 986 insurance for purposes of the Florida Insurance Code.

987 Section 6. Subsection (3) of section 626.753, Florida  
 988 Statutes, is amended to read:

989 626.753 Sharing commissions; penalty.--

990 (3) (a) A general lines agent may share commissions derived  
 991 from the sale of crop hail or multiple-peril crop insurance with  
 992 a production credit association organized under 12 U.S.C. ss.  
 993 2071-2077 ~~12 U.S.C.A. ss. 2071-2077~~ or a federal land bank  
 994 association organized under 12 U.S.C. ss. 2091-2098 ~~U.S.C.A. ss.~~  
 995 ~~2091-2098~~ if the association has specifically approved the  
 996 insurance activity by its employees. The amount of commission to  
 997 be shared shall be determined by the general lines agent and the  
 998 company paying the commission.

999 (b) This subsection does not allow such shared commissions  
 1000 to be used, directly or indirectly, for the purpose of providing  
 1001 any patronage dividend or other payment, discount, or credit to  
 1002 a member of a production credit association or federal land bank  
 1003 association if the dividend, payment, discount, or credit is  
 1004 directly or indirectly calculated on the basis of the premium  
 1005 charged to that member for crop hail or multiple-peril crop  
 1006 insurance.

1007 (c) Any patronage dividend or other payment, discount, or  
 1008 credit provided to a member of a production credit association

1009 or federal land bank association, which dividend, payment,  
 1010 discount, or credit is directly or indirectly calculated on the  
 1011 basis of the premium charged to that member for crop hail or  
 1012 multiple-peril crop insurance, is an unlawful rebate that  
 1013 violates ss. 626.572 and 626.9541(1) (h).

1014 (d) An agent violates this section if he or she knowingly  
 1015 engages in commission sharing with a production credit  
 1016 association or federal land bank association that provides  
 1017 patronage dividends or other payments, discounts, or credits  
 1018 which are unlawful rebates under paragraph (c).

1019 Section 7. Paragraph (h) of subsection (1) of section  
 1020 626.9541, Florida Statutes, is amended to read:

1021 626.9541 Unfair methods of competition and unfair or  
 1022 deceptive acts or practices defined.--

1023 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE  
 1024 ACTS.--The following are defined as unfair methods of  
 1025 competition and unfair or deceptive acts or practices:

1026 (h) Unlawful rebates.--

1027 1. Except as otherwise expressly provided by law, or in an  
 1028 applicable filing with the office, knowingly:

1029 a. Permitting, or offering to make, or making, any  
 1030 contract or agreement as to such contract other than as plainly  
 1031 expressed in the insurance contract issued thereon;

1032 b. Paying, allowing, or giving, or offering to pay, allow,  
 1033 or give, directly or indirectly, as inducement to such insurance  
 1034 contract, any unlawful rebate of premiums payable on the  
 1035 contract, any special favor or advantage in the dividends or  
 1036 other benefits thereon, or any valuable consideration or

1037 inducement whatever not specified in the contract;

1038       c. Giving, selling, or purchasing, or offering to give,  
 1039 sell, or purchase, as inducement to such insurance contract or  
 1040 in connection therewith, any stocks, bonds, or other securities  
 1041 of any insurance company or other corporation, association, or  
 1042 partnership, or any dividends or profits accrued thereon, or  
 1043 anything of value whatsoever not specified in the insurance  
 1044 contract.

1045       2. Nothing in paragraph (g) or subparagraph 1. of this  
 1046 paragraph shall be construed as including within the definition  
 1047 of discrimination or unlawful rebates:

1048       a. In the case of any contract of life insurance or life  
 1049 annuity, paying bonuses to all policyholders or otherwise  
 1050 abating their premiums in whole or in part out of surplus  
 1051 accumulated from nonparticipating insurance; provided that any  
 1052 such bonuses or abatement of premiums is fair and equitable to  
 1053 all policyholders and for the best interests of the company and  
 1054 its policyholders.

1055       b. In the case of life insurance policies issued on the  
 1056 industrial debit plan, making allowance to policyholders who  
 1057 have continuously for a specified period made premium payments  
 1058 directly to an office of the insurer in an amount which fairly  
 1059 represents the saving in collection expenses.

1060       c. Readjustment of the rate of premium for a group  
 1061 insurance policy based on the loss or expense thereunder, at the  
 1062 end of the first or any subsequent policy year of insurance  
 1063 thereunder, which may be made retroactive only for such policy  
 1064 year.

1065           d. Issuance of life insurance policies or annuity  
 1066 contracts at rates less than the usual rates of premiums for  
 1067 such policies or contracts, as group insurance or employee  
 1068 insurance as defined in this code.

1069           e. Issuing life or disability insurance policies on a  
 1070 salary savings, bank draft, preauthorized check, payroll  
 1071 deduction, or other similar plan at a reduced rate reasonably  
 1072 related to the savings made by the use of such plan.

1073           3.a. No title insurer, or any member, employee, attorney,  
 1074 agent, or agency thereof, shall pay, allow, or give, or offer to  
 1075 pay, allow, or give, directly or indirectly, as inducement to  
 1076 title insurance, or after such insurance has been effected, any  
 1077 rebate or abatement of the premium or any other charge or fee,  
 1078 or provide any special favor or advantage, or any monetary  
 1079 consideration or inducement whatever.

1080           b. Nothing in this subparagraph shall be construed as  
 1081 prohibiting the payment of fees to attorneys at law duly  
 1082 licensed to practice law in the courts of this state, for  
 1083 professional services, or as prohibiting the payment of earned  
 1084 portions of the premium to duly appointed agents or agencies who  
 1085 actually perform services for the title insurer. Nothing in this  
 1086 subparagraph shall be construed as prohibiting a rebate or  
 1087 abatement of an attorney's fee charged for professional  
 1088 services, or that portion of the premium that is not required to  
 1089 be retained by the insurer pursuant to s. 627.782(1), or any  
 1090 other agent charge or fee to the person responsible for paying  
 1091 the premium, charge, or fee.

1092           c. No insured named in a policy, or any other person

1093 directly or indirectly connected with the transaction involving  
 1094 the issuance of such policy, including, but not limited to, any  
 1095 mortgage broker, real estate broker, builder, or attorney, any  
 1096 employee, agent, agency, or representative thereof, or any other  
 1097 person whatsoever, shall knowingly receive or accept, directly  
 1098 or indirectly, any rebate or abatement of any portion of the  
 1099 title insurance premium or of any other charge or fee or any  
 1100 monetary consideration or inducement whatsoever, except as set  
 1101 forth in sub-subparagraph b.; provided, in no event shall any  
 1102 portion of the attorney's fee, any portion of the premium that  
 1103 is not required to be retained by the insurer pursuant to s.  
 1104 627.782(1), any agent charge or fee, or any other monetary  
 1105 consideration or inducement be paid directly or indirectly for  
 1106 the referral of title insurance business.

1107 4. Providing a patronage dividend or other payment,  
 1108 discount, or credit to a member of a production credit  
 1109 association organized under 12 U.S.C. ss. 2071-2077 or a federal  
 1110 land bank association organized under 12 U.S.C. ss. 2091-2098 is  
 1111 an unlawful rebate if the dividend or other payment, discount,  
 1112 or credit is directly or indirectly calculated on the basis of  
 1113 the premium charged to that member for crop hail or multiple-  
 1114 peril crop insurance.

1115 Section 8. Paragraphs (a) and (i) of subsection (2) of  
 1116 section 627.062, Florida Statutes, are amended, and paragraph  
 1117 (k) is added to that subsection, to read:

1118 627.062 Rate standards.--

1119 (2) As to all such classes of insurance:

1120 (a) Insurers or rating organizations shall establish and



1121 use rates, rating schedules, or rating manuals to allow the  
1122 insurer a reasonable rate of return on such classes of insurance  
1123 written in this state. A copy of rates, rating schedules, rating  
1124 manuals, premium credits or discount schedules, and surcharge  
1125 schedules, and changes thereto, shall be filed with the office  
1126 under one of the following procedures except as provided in  
1127 subparagraph 3.:

1128 1. If the filing is made at least 90 days before the  
1129 proposed effective date and the filing is not implemented during  
1130 the office's review of the filing and any proceeding and  
1131 judicial review, then such filing shall be considered a "file  
1132 and use" filing. In such case, the office shall finalize its  
1133 review by issuance of a notice of intent to approve or a notice  
1134 of intent to disapprove within 90 days after receipt of the  
1135 filing. The notice of intent to approve and the notice of intent  
1136 to disapprove constitute agency action for purposes of the  
1137 Administrative Procedure Act. Requests for supporting  
1138 information, requests for mathematical or mechanical  
1139 corrections, or notification to the insurer by the office of its  
1140 preliminary findings shall not toll the 90-day period during any  
1141 such proceedings and subsequent judicial review. The rate shall  
1142 be deemed approved if the office does not issue a notice of  
1143 intent to approve or a notice of intent to disapprove within 90  
1144 days after receipt of the filing.

1145 2. If the filing is not made in accordance with the  
1146 provisions of subparagraph 1., such filing shall be made as soon  
1147 as practicable, but no later than 30 days after the effective  
1148 date, and shall be considered a "use and file" filing. An

1149 insurer making a "use and file" filing is potentially subject to  
 1150 an order by the office to return to policyholders portions of  
 1151 rates found to be excessive, as provided in paragraph (h).

1152 3. For all property insurance filings made or submitted  
 1153 after January 25, 2007, but before December 31, 2010 ~~2009~~, an  
 1154 insurer seeking a rate that is greater than the rate most  
 1155 recently approved by the office shall make a "file and use"  
 1156 filing. For purposes of this subparagraph, motor vehicle  
 1157 collision and comprehensive coverages are not considered to be  
 1158 property coverages.

1159 (i) 1. Except as otherwise specifically provided in this  
 1160 chapter, the office shall not prohibit any insurer, including  
 1161 any residual market plan or joint underwriting association, from  
 1162 paying acquisition costs based on the full amount of premium, as  
 1163 defined in s. 627.403, applicable to any policy, or prohibit any  
 1164 such insurer from including the full amount of acquisition costs  
 1165 in a rate filing.

1166 2. Unless specifically authorized by law, the office shall  
 1167 not interfere, directly or indirectly, with an insurer's right  
 1168 to solicit, sell, promote, or otherwise acquire policyholders  
 1169 and implement coverage using its own lawful methodologies,  
 1170 systems, agents, and approaches, including the calculation,  
 1171 manner, or amount of agent commissions, if any. This  
 1172 subparagraph applies only to rate filings made pursuant to this  
 1173 section.

1174 (k) Effective January 1, 2010, notwithstanding any other  
 1175 provision of this section:

1176 1. With respect to any residential property insurance  
1177 subject to regulation under this section, a rate filing,  
1178 including, but not limited to, any rate changes, rating factors,  
1179 territories, classifications, discounts, and credits, with  
1180 respect to any policy form, including endorsements issued with  
1181 the form, that results in an overall average statewide premium  
1182 increase or decrease of no more than 10 percent above or below  
1183 the premium that would result from the insurer's rates then in  
1184 effect shall not be subject to a determination by the office  
1185 that the rate is excessive or unfairly discriminatory, except as  
1186 provided in subparagraph 3. or any other provision of law,  
1187 provided all changes specified in the filing do not result in an  
1188 overall premium increase of more than 15 percent for any one  
1189 territory for reasons related solely to the rate change. As used  
1190 in this subparagraph, the term "insurer's rates then in effect"  
1191 includes only rates that have been lawfully in effect under this  
1192 section or rates that have been determined to be lawful through  
1193 administrative proceedings or judicial proceedings.

1194 2. An insurer may not make filings under this paragraph  
1195 with respect to any policy form, including endorsements issued  
1196 with the form, if the overall premium changes resulting from  
1197 such filings exceed the amounts specified in this paragraph in  
1198 any 12-month period. An insurer may proceed under other  
1199 provisions of this section or other provisions of the laws of  
1200 this state if the insurer seeks to exceed the premium or rate  
1201 limitations of this paragraph.

1202 3. This paragraph does not affect the authority of the  
1203 office to disapprove a rate as inadequate or to disapprove a

1204 filing for the unlawful use of unfairly discriminatory rating  
 1205 factors that are prohibited by the laws of this state. An  
 1206 insurer electing to implement a rate change under this paragraph  
 1207 shall submit a filing to the office at least 30 days prior to  
 1208 the effective date of the rate change. The office shall have 30  
 1209 days after the filing's submission to review the filing and  
 1210 determine if the rate is inadequate or uses unfairly  
 1211 discriminatory rating factors. Absent a finding by the office  
 1212 within such 30-day period that the rate is inadequate or that  
 1213 the insurer has used unfairly discriminatory rating factors, the  
 1214 filing is deemed approved. If the insurer is implementing an  
 1215 overall rate decrease and the office finds during the 30-day  
 1216 period that the filing will result in inadequate premiums or  
 1217 otherwise endanger the insurer's solvency, the office shall  
 1218 suspend the rate decrease. If the insurer is implementing an  
 1219 overall rate increase the results of which continue to produce  
 1220 an inadequate rate, such increase shall proceed pending  
 1221 additional action by the office to ensure the adequacy of the  
 1222 rate.

1223 4. This paragraph does not apply to rate filings for any  
 1224 insurance other than residential property insurance.

1225  
 1226 The provisions of this subsection shall not apply to workers'  
 1227 compensation and employer's liability insurance and to motor  
 1228 vehicle insurance.

1229 Section 9. Section 627.0621, Florida Statutes, as amended  
 1230 by section 82 of chapter 2009-21, Laws of Florida, is amended to  
 1231 read:

1232           627.0621 Transparency in rate regulation.--

1233           (1) DEFINITIONS.--As used in this section, the term:

1234           (a) "Rate filing" means any original or amended rate

1235 residential property insurance filing.

1236           (b) "Recommendation" means any proposed, preliminary, or

1237 final recommendation from an office actuary reviewing a rate

1238 filing with respect to the issue of approval or disapproval of

1239 the rate filing or with respect to rate indications that the

1240 office would consider acceptable.

1241           (2) WEBSITE FOR PUBLIC ACCESS TO RATE FILING

1242 INFORMATION.--With respect to any rate filing made on or after

1243 July 1, 2008, the office shall provide the following information

1244 on a publicly accessible Internet website:

1245           (a) The overall rate change requested by the insurer.

1246           (b) All assumptions made by the office's actuaries.

1247           (c) A statement describing any assumptions or methods that

1248 deviate from the actuarial standards of practice of the Casualty

1249 Actuarial Society or the American Academy of Actuaries,

1250 including an explanation of the nature, rationale, and effect of

1251 the deviation.

1252           (d) All recommendations made by any office actuary who

1253 reviewed the rate filing.

1254           (e) Certification by the office's actuary that, based on

1255 the actuary's knowledge, his or her recommendations are

1256 consistent with accepted actuarial principles.

1257           (f) The overall rate change approved by the office.

1258           ~~(3) ATTORNEY-CLIENT PRIVILEGE; WORK PRODUCT.--It is the~~

1259 ~~intent of the Legislature that the principles of the public~~

1260 ~~records and open meetings laws apply to the assertion of~~  
 1261 ~~attorney-client privilege and work product confidentiality by~~  
 1262 ~~the office in connection with a challenge to its actions on a~~  
 1263 ~~rate filing. Therefore, in any administrative or judicial~~  
 1264 ~~proceeding relating to a rate filing, attorney-client privilege~~  
 1265 ~~and work product exemptions from disclosure do not apply to~~  
 1266 ~~communications with office attorneys or records prepared by or~~  
 1267 ~~at the direction of an office attorney, except when the~~  
 1268 ~~conditions of paragraphs (a) and (b) have been met:~~

1269 ~~(a) The communication or record reflects a mental~~  
 1270 ~~impression, conclusion, litigation strategy, or legal theory of~~  
 1271 ~~the attorney or office that was prepared exclusively for civil~~  
 1272 ~~or criminal litigation or adversarial administrative~~  
 1273 ~~proceedings.~~

1274 ~~(b) The communication occurred or the record was prepared~~  
 1275 ~~after the initiation of an action in a court of competent~~  
 1276 ~~jurisdiction, after the issuance of a notice of intent to deny a~~  
 1277 ~~rate filing, or after the filing of a request for a proceeding~~  
 1278 ~~under ss. 120.569 and 120.57.~~

1279 Section 10. Subsection (4) is added to section 627.0628,  
 1280 Florida Statutes, to read:

1281 627.0628 Florida Commission on Hurricane Loss Projection  
 1282 Methodology; public records exemption; public meetings  
 1283 exemption.--

1284 (4) REVIEW OF DISCOUNTS, CREDITS, OTHER RATE  
 1285 DIFFERENTIALS, AND REDUCTIONS IN DEDUCTIBLES RELATING TO  
 1286 WINDSTORM MITIGATION.--The commission shall hold public meetings  
 1287 for the purpose of receiving testimony and data regarding the

1288 implementation of windstorm mitigation discounts, credits, other  
 1289 rate differentials, and appropriate reductions in deductibles  
 1290 pursuant to s. 627.0629. After reviewing the testimony and data  
 1291 as well as any other information the commission deems  
 1292 appropriate, the commission shall present a report by October 1,  
 1293 2009, to the Governor, the Cabinet, the President of the Senate,  
 1294 and the Speaker of the House of Representatives, including  
 1295 recommendations on improving the process of assessing,  
 1296 determining, and applying windstorm mitigation discounts,  
 1297 credits, other rate differentials, and appropriate reductions in  
 1298 deductibles pursuant to s. 627.0629.

1299 Section 11. Paragraph (b) of subsection (1) and subsection  
 1300 (5) of section 627.0629, Florida Statutes, are amended to read:

1301 627.0629 Residential property insurance; rate filings.--  
 1302 (1)

1303 (b) By February 1, 2011, the Office of Insurance  
 1304 Regulation, in consultation with the Department of Financial  
 1305 Services and the Department of Community Affairs, shall develop  
 1306 and make publicly available a proposed method for insurers to  
 1307 establish discounts, credits, or other rate differentials for  
 1308 hurricane mitigation measures which directly correlate to the  
 1309 numerical rating assigned to a structure pursuant to the uniform  
 1310 home grading scale adopted by the Financial Services Commission  
 1311 pursuant to s. 215.55865, including any proposed changes to the  
 1312 uniform home grading scale. By October 1, 2011, the commission  
 1313 shall adopt rules requiring insurers to make rate filings for  
 1314 residential property insurance which revise insurers' discounts,  
 1315 credits, or other rate differentials for hurricane mitigation

1316 | measures so that such rate differentials correlate directly to  
 1317 | the uniform home grading scale. The rules may include such  
 1318 | changes to the uniform home grading scale as the commission  
 1319 | determines are necessary, and may specify the minimum required  
 1320 | discounts, credits, or other rate differentials. Such rate  
 1321 | differentials must be consistent with generally accepted  
 1322 | actuarial principles and wind-loss mitigation studies. The rules  
 1323 | shall allow a period of at least 2 years after the effective  
 1324 | date of the revised mitigation discounts, credits, or other rate  
 1325 | differentials for a property owner to obtain an inspection or  
 1326 | otherwise qualify for the revised credit, during which time the  
 1327 | insurer shall continue to apply the mitigation credit that was  
 1328 | applied immediately prior to the effective date of the revised  
 1329 | credit. Discounts, credits, and other rate differentials  
 1330 | established for rate filings under this paragraph shall  
 1331 | supersede, after adoption, the discounts, credits, and other  
 1332 | rate differentials included in rate filings under paragraph (a).

1333 | (5) In order to provide an appropriate transition period,  
 1334 | an insurer may, in its sole discretion, implement an approved  
 1335 | rate filing for residential property insurance over a period of  
 1336 | years. An insurer electing to phase in its rate filing must  
 1337 | provide an informational notice to the office setting out its  
 1338 | schedule for implementation of the phased-in rate filing. An  
 1339 | insurer may include in its rate the actual cost of reinsurance  
 1340 | without the addition of an expense or profit load for the  
 1341 | insurer that duplicates coverage of the temporary increase in  
 1342 | coverage limit (TICL) available from the Florida Hurricane  
 1343 | Catastrophe Fund, even if the insurer does not purchase the TICL



1344 coverage, to the extent the total annual base rate increase does  
 1345 not exceed 10 percent as a result of such inclusion.

1346 Section 12. Section 627.0655, Florida Statutes, is amended  
 1347 to read:

1348 627.0655 Policyholder loss or expense-related premium  
 1349 discounts.--An insurer or person authorized to engage in the  
 1350 business of insurance in this state may include, in the premium  
 1351 charged an insured for any policy, contract, or certificate of  
 1352 insurance, a discount based on the fact that another policy,  
 1353 contract, or certificate of any type has been purchased by the  
 1354 insured from the same insurer or insurer group, or, for policies  
 1355 issued or renewed before January 1, 2010, from the Citizens  
 1356 Property Insurance Corporation created under s. 627.351(6) if  
 1357 the same insurance agent is servicing both policies, or for  
 1358 policies issued or renewed before January 1, 2010, from an  
 1359 insurer that has removed the policy from the Citizens Property  
 1360 Insurance Corporation if the same insurance agent is servicing  
 1361 both policies.

1362 Section 13. Paragraphs (y) through (ee) of subsection (6)  
 1363 of section 627.351, Florida Statutes, are redesignated as  
 1364 paragraphs (x) through (dd), respectively, and paragraphs (a),  
 1365 (b), (c), and (m) and present paragraph (x) of that subsection  
 1366 are amended to read:

1367 627.351 Insurance risk apportionment plans.--

1368 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

1369 (a)1. It is the public purpose of this subsection to  
 1370 ensure the existence of an orderly market for property insurance  
 1371 for Floridians and Florida businesses. The Legislature finds

1372 that private insurers are unwilling or unable to provide  
1373 affordable property insurance coverage in this state to the  
1374 extent sought and needed. The absence of affordable property  
1375 insurance threatens the public health, safety, and welfare and  
1376 likewise threatens the economic health of the state. The state  
1377 therefore has a compelling public interest and a public purpose  
1378 to assist in assuring that property in the state is insured and  
1379 that it is insured at affordable rates so as to facilitate the  
1380 remediation, reconstruction, and replacement of damaged or  
1381 destroyed property in order to reduce or avoid the negative  
1382 effects otherwise resulting to the public health, safety, and  
1383 welfare, to the economy of the state, and to the revenues of the  
1384 state and local governments which are needed to provide for the  
1385 public welfare. It is necessary, therefore, to provide  
1386 affordable property insurance to applicants who are in good  
1387 faith entitled to procure insurance through the voluntary market  
1388 but are unable to do so. The Legislature intends by this  
1389 subsection that affordable property insurance be provided and  
1390 that it continue to be provided, as long as necessary, through  
1391 Citizens Property Insurance Corporation, a government entity  
1392 that is an integral part of the state, and that is not a private  
1393 insurance company. To that end, Citizens Property Insurance  
1394 Corporation shall strive to increase the availability of  
1395 affordable property insurance in this state, while achieving  
1396 efficiencies and economies, and while providing service to  
1397 policyholders, applicants, and agents which is no less than the  
1398 quality generally provided in the voluntary market, for the  
1399 achievement of the foregoing public purposes. Because it is

1400 essential for this government entity to have the maximum  
1401 financial resources to pay claims following a catastrophic  
1402 hurricane, it is the intent of the Legislature that Citizens  
1403 Property Insurance Corporation continue to be an integral part  
1404 of the state and that the income of the corporation be exempt  
1405 from federal income taxation and that interest on the debt  
1406 obligations issued by the corporation be exempt from federal  
1407 income taxation.

1408         2. The Residential Property and Casualty Joint  
1409 Underwriting Association originally created by this statute  
1410 shall be known, as of July 1, 2002, as the Citizens Property  
1411 Insurance Corporation. The corporation shall provide insurance  
1412 for residential and commercial property, for applicants who are  
1413 in good faith entitled, but are unable, to procure insurance  
1414 through the voluntary market. The corporation shall operate  
1415 pursuant to a plan of operation approved by order of the  
1416 Financial Services Commission. The plan is subject to continuous  
1417 review by the commission. The commission may, by order, withdraw  
1418 approval of all or part of a plan if the commission determines  
1419 that conditions have changed since approval was granted and that  
1420 the purposes of the plan require changes in the plan. The  
1421 corporation shall continue to operate pursuant to the plan of  
1422 operation approved by the Office of Insurance Regulation until  
1423 October 1, 2006. For the purposes of this subsection,  
1424 residential coverage includes both personal lines residential  
1425 coverage, which consists of the type of coverage provided by  
1426 homeowner's, mobile home owner's, dwelling, tenant's,  
1427 condominium unit owner's, and similar policies, and commercial

1428 | lines residential coverage, which consists of the type of  
1429 | coverage provided by condominium association, apartment  
1430 | building, and similar policies.

1431 |       3. Effective January 1, 2009, a personal lines residential  
1432 | structure that has a dwelling replacement cost of \$2 million or  
1433 | more, or a single condominium unit that has a combined dwelling  
1434 | and content replacement cost of \$2 million or more is not  
1435 | eligible for coverage by the corporation. Such dwellings insured  
1436 | by the corporation on December 31, 2008, may continue to be  
1437 | covered by the corporation until the end of the policy term.  
1438 | However, such dwellings that are insured by the corporation and  
1439 | become ineligible for coverage due to the provisions of this  
1440 | subparagraph may reapply and obtain coverage if the property  
1441 | owner provides the corporation with a sworn affidavit from one  
1442 | or more insurance agents, on a form provided by the corporation,  
1443 | stating that the agents have made their best efforts to obtain  
1444 | coverage and that the property has been rejected for coverage by  
1445 | at least one authorized insurer and at least three surplus lines  
1446 | insurers. If such conditions are met, the dwelling may be  
1447 | insured by the corporation for up to 3 years, after which time  
1448 | the dwelling is ineligible for coverage. The office shall  
1449 | approve the method used by the corporation for valuing the  
1450 | dwelling replacement cost for the purposes of this subparagraph.  
1451 | If a policyholder is insured by the corporation prior to being  
1452 | determined to be ineligible pursuant to this subparagraph and  
1453 | such policyholder files a lawsuit challenging the determination,  
1454 | the policyholder may remain insured by the corporation until the  
1455 | conclusion of the litigation.

1456           4. It is the intent of the Legislature that policyholders,  
1457 applicants, and agents of the corporation receive service and  
1458 treatment of the highest possible level but never less than that  
1459 generally provided in the voluntary market. It also is intended  
1460 that the corporation be held to service standards no less than  
1461 those applied to insurers in the voluntary market by the office  
1462 with respect to responsiveness, timeliness, customer courtesy,  
1463 and overall dealings with policyholders, applicants, or agents  
1464 of the corporation.

1465           5. Effective January 1, 2009, a personal lines residential  
1466 structure that is located in the "wind-borne debris region," as  
1467 defined in s. 1609.2, International Building Code (2006), and  
1468 that has an insured value on the structure of \$750,000 or more  
1469 is not eligible for coverage by the corporation unless the  
1470 structure has opening protections as required under the Florida  
1471 Building Code for a newly constructed residential structure in  
1472 that area. A residential structure shall be deemed to comply  
1473 with the requirements of this subparagraph if it has shutters or  
1474 opening protections on all openings and if such opening  
1475 protections complied with the Florida Building Code at the time  
1476 they were installed. ~~Effective January 1, 2010, for personal~~  
1477 ~~lines residential property insured by the corporation that is~~  
1478 ~~located in the wind-borne debris region and has an insured value~~  
1479 ~~on the structure of \$500,000 or more, a prospective purchaser of~~  
1480 ~~any such residential property must be provided by the seller a~~  
1481 ~~written disclosure that contains the structure's windstorm~~  
1482 ~~mitigation rating based on the uniform home grading scale~~  
1483 ~~adopted under s. 215.55865. Such rating shall be provided to the~~

1484 ~~purchaser at or before the time the purchaser executes a~~  
1485 ~~contract for sale and purchase.~~

1486 (b)1. All insurers authorized to write one or more subject  
1487 lines of business in this state are subject to assessment by the  
1488 corporation and, for the purposes of this subsection, are  
1489 referred to collectively as "assessable insurers." Insurers  
1490 writing one or more subject lines of business in this state  
1491 pursuant to part VIII of chapter 626 are not assessable  
1492 insurers, but insureds who procure one or more subject lines of  
1493 business in this state pursuant to part VIII of chapter 626 are  
1494 subject to assessment by the corporation and are referred to  
1495 collectively as "assessable insureds." An authorized insurer's  
1496 assessment liability shall begin on the first day of the  
1497 calendar year following the year in which the insurer was issued  
1498 a certificate of authority to transact insurance for subject  
1499 lines of business in this state and shall terminate 1 year after  
1500 the end of the first calendar year during which the insurer no  
1501 longer holds a certificate of authority to transact insurance  
1502 for subject lines of business in this state.

1503 2.a. All revenues, assets, liabilities, losses, and  
1504 expenses of the corporation shall be divided into three separate  
1505 accounts as follows:

1506 (I) A personal lines account for personal residential  
1507 policies issued by the corporation or issued by the Residential  
1508 Property and Casualty Joint Underwriting Association and renewed  
1509 by the corporation that provide comprehensive, multiperil  
1510 coverage on risks that are not located in areas eligible for  
1511 coverage in the Florida Windstorm Underwriting Association as

1512 those areas were defined on January 1, 2002, and for such  
1513 policies that do not provide coverage for the peril of wind on  
1514 risks that are located in such areas;

1515 (II) A commercial lines account for commercial residential  
1516 and commercial nonresidential policies issued by the corporation  
1517 or issued by the Residential Property and Casualty Joint  
1518 Underwriting Association and renewed by the corporation that  
1519 provide coverage for basic property perils on risks that are not  
1520 located in areas eligible for coverage in the Florida Windstorm  
1521 Underwriting Association as those areas were defined on January  
1522 1, 2002, and for such policies that do not provide coverage for  
1523 the peril of wind on risks that are located in such areas; and

1524 (III) A high-risk account for personal residential  
1525 policies and commercial residential and commercial  
1526 nonresidential property policies issued by the corporation or  
1527 transferred to the corporation that provide coverage for the  
1528 peril of wind on risks that are located in areas eligible for  
1529 coverage in the Florida Windstorm Underwriting Association as  
1530 those areas were defined on January 1, 2002. The corporation may  
1531 offer policies that provide multiperil coverage and the  
1532 corporation shall continue to offer policies that provide  
1533 coverage only for the peril of wind for risks located in areas  
1534 eligible for coverage in the high-risk account. In issuing  
1535 multiperil coverage, the corporation may use its approved policy  
1536 forms and rates for the personal lines account. An applicant or  
1537 insured who is eligible to purchase a multiperil policy from the  
1538 corporation may purchase a multiperil policy from an authorized  
1539 insurer without prejudice to the applicant's or insured's

1540 eligibility to prospectively purchase a policy that provides  
1541 coverage only for the peril of wind from the corporation. An  
1542 applicant or insured who is eligible for a corporation policy  
1543 that provides coverage only for the peril of wind may elect to  
1544 purchase or retain such policy and also purchase or retain  
1545 coverage excluding wind from an authorized insurer without  
1546 prejudice to the applicant's or insured's eligibility to  
1547 prospectively purchase a policy that provides multiperil  
1548 coverage from the corporation. It is the goal of the Legislature  
1549 that there would be an overall average savings of 10 percent or  
1550 more for a policyholder who currently has a wind-only policy  
1551 with the corporation, and an ex-wind policy with a voluntary  
1552 insurer or the corporation, and who then obtains a multiperil  
1553 policy from the corporation. It is the intent of the Legislature  
1554 that the offer of multiperil coverage in the high-risk account  
1555 be made and implemented in a manner that does not adversely  
1556 affect the tax-exempt status of the corporation or  
1557 creditworthiness of or security for currently outstanding  
1558 financing obligations or credit facilities of the high-risk  
1559 account, the personal lines account, or the commercial lines  
1560 account. The high-risk account must also include quota share  
1561 primary insurance under subparagraph (c)2. The area eligible for  
1562 coverage under the high-risk account also includes the area  
1563 within Port Canaveral, which is bordered on the south by the  
1564 City of Cape Canaveral, bordered on the west by the Banana  
1565 River, and bordered on the north by Federal Government property.  
1566       b. The three separate accounts must be maintained as long  
1567 as financing obligations entered into by the Florida Windstorm



1568 Underwriting Association or Residential Property and Casualty  
1569 Joint Underwriting Association are outstanding, in accordance  
1570 with the terms of the corresponding financing documents. When  
1571 the financing obligations are no longer outstanding, in  
1572 accordance with the terms of the corresponding financing  
1573 documents, the corporation may use a single account for all  
1574 revenues, assets, liabilities, losses, and expenses of the  
1575 corporation. Consistent with the requirement of this  
1576 subparagraph and prudent investment policies that minimize the  
1577 cost of carrying debt, the board shall exercise its best efforts  
1578 to retire existing debt or to obtain approval of necessary  
1579 parties to amend the terms of existing debt, so as to structure  
1580 the most efficient plan to consolidate the three separate  
1581 accounts into a single account. By February 1, 2007, the board  
1582 shall submit a report to the Financial Services Commission, the  
1583 President of the Senate, and the Speaker of the House of  
1584 Representatives which includes an analysis of consolidating the  
1585 accounts, the actions the board has taken to minimize the cost  
1586 of carrying debt, and its recommendations for executing the most  
1587 efficient plan.

1588 c. Creditors of the Residential Property and Casualty  
1589 Joint Underwriting Association and of the accounts specified in  
1590 sub-sub-subparagraphs a.(I) and (II) may have a claim against,  
1591 and recourse to, the accounts referred to in sub-sub-  
1592 subparagraphs a.(I) and (II) and shall have no claim against, or  
1593 recourse to, the account referred to in sub-sub-subparagraph  
1594 a.(III). Creditors of the Florida Windstorm Underwriting  
1595 Association shall have a claim against, and recourse to, the

1596 account referred to in sub-sub-subparagraph a.(III) and shall  
 1597 have no claim against, or recourse to, the accounts referred to  
 1598 in sub-sub-subparagraphs a.(I) and (II).

1599 d. Revenues, assets, liabilities, losses, and expenses not  
 1600 attributable to particular accounts shall be prorated among the  
 1601 accounts.

1602 e. The Legislature finds that the revenues of the  
 1603 corporation are revenues that are necessary to meet the  
 1604 requirements set forth in documents authorizing the issuance of  
 1605 bonds under this subsection.

1606 f. No part of the income of the corporation may inure to  
 1607 the benefit of any private person.

1608 3. With respect to a deficit in an account:

1609 a. After accounting for the Citizens policyholder  
 1610 surcharge imposed under sub-subparagraph i., when the remaining  
 1611 projected deficit incurred in a particular calendar year is not  
 1612 greater than 6 percent of the aggregate statewide direct written  
 1613 premium for the subject lines of business for the prior calendar  
 1614 year, the entire deficit shall be recovered through regular  
 1615 assessments of assessable insurers under paragraph (p) and  
 1616 assessable insureds.

1617 b. After accounting for the Citizens policyholder  
 1618 surcharge imposed under sub-subparagraph i., when the remaining  
 1619 projected deficit incurred in a particular calendar year exceeds  
 1620 6 percent of the aggregate statewide direct written premium for  
 1621 the subject lines of business for the prior calendar year, the  
 1622 corporation shall levy regular assessments on assessable  
 1623 insurers under paragraph (p) and on assessable insureds in an

1624 amount equal to the greater of 6 percent of the deficit or 6  
 1625 percent of the aggregate statewide direct written premium for  
 1626 the subject lines of business for the prior calendar year. Any  
 1627 remaining deficit shall be recovered through emergency  
 1628 assessments under sub-subparagraph d.

1629 c. Each assessable insurer's share of the amount being  
 1630 assessed under sub-subparagraph a. or sub-subparagraph b. shall  
 1631 be in the proportion that the assessable insurer's direct  
 1632 written premium for the subject lines of business for the year  
 1633 preceding the assessment bears to the aggregate statewide direct  
 1634 written premium for the subject lines of business for that year.  
 1635 The assessment percentage applicable to each assessable insured  
 1636 is the ratio of the amount being assessed under sub-subparagraph  
 1637 a. or sub-subparagraph b. to the aggregate statewide direct  
 1638 written premium for the subject lines of business for the prior  
 1639 year. Assessments levied by the corporation on assessable  
 1640 insurers under sub-subparagraphs a. and b. shall be paid as  
 1641 required by the corporation's plan of operation and paragraph  
 1642 (p). Assessments levied by the corporation on assessable  
 1643 insureds under sub-subparagraphs a. and b. shall be collected by  
 1644 the surplus lines agent at the time the surplus lines agent  
 1645 collects the surplus lines tax required by s. 626.932 and shall  
 1646 be paid to the Florida Surplus Lines Service Office at the time  
 1647 the surplus lines agent pays the surplus lines tax to the  
 1648 Florida Surplus Lines Service Office. Upon receipt of regular  
 1649 assessments from surplus lines agents, the Florida Surplus Lines  
 1650 Service Office shall transfer the assessments directly to the  
 1651 corporation as determined by the corporation.

1652           d. Upon a determination by the board of governors that a  
1653 deficit in an account exceeds the amount that will be recovered  
1654 through regular assessments under sub-subparagraph a. or sub-  
1655 subparagraph b., plus the amount that is expected to be  
1656 recovered through surcharges under sub-subparagraph i., as to  
1657 the remaining projected deficit the board shall levy, after  
1658 verification by the office, emergency assessments, for as many  
1659 years as necessary to cover the deficits, to be collected by  
1660 assessable insurers and the corporation and collected from  
1661 assessable insureds upon issuance or renewal of policies for  
1662 subject lines of business, excluding National Flood Insurance  
1663 policies. The amount of the emergency assessment collected in a  
1664 particular year shall be a uniform percentage of that year's  
1665 direct written premium for subject lines of business and all  
1666 accounts of the corporation, excluding National Flood Insurance  
1667 Program policy premiums, as annually determined by the board and  
1668 verified by the office. The office shall verify the arithmetic  
1669 calculations involved in the board's determination within 30  
1670 days after receipt of the information on which the determination  
1671 was based. Notwithstanding any other provision of law, the  
1672 corporation and each assessable insurer that writes subject  
1673 lines of business shall collect emergency assessments from its  
1674 policyholders without such obligation being affected by any  
1675 credit, limitation, exemption, or deferment. Emergency  
1676 assessments levied by the corporation on assessable insureds  
1677 shall be collected by the surplus lines agent at the time the  
1678 surplus lines agent collects the surplus lines tax required by  
1679 s. 626.932 and shall be paid to the Florida Surplus Lines

1680 Service Office at the time the surplus lines agent pays the  
 1681 surplus lines tax to the Florida Surplus Lines Service Office.  
 1682 The emergency assessments so collected shall be transferred  
 1683 directly to the corporation on a periodic basis as determined by  
 1684 the corporation and shall be held by the corporation solely in  
 1685 the applicable account. The aggregate amount of emergency  
 1686 assessments levied for an account under this sub-subparagraph in  
 1687 any calendar year may, at the discretion of the board of  
 1688 governors, be less than but may not exceed the greater of 10  
 1689 percent of the amount needed to cover the deficit, plus  
 1690 interest, fees, commissions, required reserves, and other costs  
 1691 associated with financing of the original deficit, or 10 percent  
 1692 of the aggregate statewide direct written premium for subject  
 1693 lines of business and for all accounts of the corporation for  
 1694 the prior year, plus interest, fees, commissions, required  
 1695 reserves, and other costs associated with financing the deficit.

1696 e. The corporation may pledge the proceeds of assessments,  
 1697 projected recoveries from the Florida Hurricane Catastrophe  
 1698 Fund, other insurance and reinsurance recoverables, policyholder  
 1699 surcharges and other surcharges, and other funds available to  
 1700 the corporation as the source of revenue for and to secure bonds  
 1701 issued under paragraph (p), bonds or other indebtedness issued  
 1702 under subparagraph (c)3., or lines of credit or other financing  
 1703 mechanisms issued or created under this subsection, or to retire  
 1704 any other debt incurred as a result of deficits or events giving  
 1705 rise to deficits, or in any other way that the board determines  
 1706 will efficiently recover such deficits. The purpose of the lines  
 1707 of credit or other financing mechanisms is to provide additional

1708 resources to assist the corporation in covering claims and  
1709 expenses attributable to a catastrophe. As used in this  
1710 subsection, the term "assessments" includes regular assessments  
1711 under sub-subparagraph a., sub-subparagraph b., or subparagraph  
1712 (p)1. and emergency assessments under sub-subparagraph d.  
1713 Emergency assessments collected under sub-subparagraph d. are  
1714 not part of an insurer's rates, are not premium, and are not  
1715 subject to premium tax, fees, or commissions; however, failure  
1716 to pay the emergency assessment shall be treated as failure to  
1717 pay premium. The emergency assessments under sub-subparagraph d.  
1718 shall continue as long as any bonds issued or other indebtedness  
1719 incurred with respect to a deficit for which the assessment was  
1720 imposed remain outstanding, unless adequate provision has been  
1721 made for the payment of such bonds or other indebtedness  
1722 pursuant to the documents governing such bonds or other  
1723 indebtedness.

1724 f. As used in this subsection for purposes of any deficit  
1725 incurred on or after January 25, 2007, the term "subject lines  
1726 of business" means insurance written by assessable insurers or  
1727 procured by assessable insureds for all property and casualty  
1728 lines of business in this state, but not including workers'  
1729 compensation or medical malpractice. As used in the sub-  
1730 subparagraph, the term "property and casualty lines of business"  
1731 includes all lines of business identified on Form 2, Exhibit of  
1732 Premiums and Losses, in the annual statement required of  
1733 authorized insurers by s. 624.424 and any rule adopted under  
1734 this section, except for those lines identified as accident and  
1735 health insurance and except for policies written under the

1736 National Flood Insurance Program or the Federal Crop Insurance  
 1737 Program. For purposes of this sub-subparagraph, the term  
 1738 "workers' compensation" includes both workers' compensation  
 1739 insurance and excess workers' compensation insurance.

1740 g. The Florida Surplus Lines Service Office shall  
 1741 determine annually the aggregate statewide written premium in  
 1742 subject lines of business procured by assessable insureds and  
 1743 shall report that information to the corporation in a form and  
 1744 at a time the corporation specifies to ensure that the  
 1745 corporation can meet the requirements of this subsection and the  
 1746 corporation's financing obligations.

1747 h. The Florida Surplus Lines Service Office shall verify  
 1748 the proper application by surplus lines agents of assessment  
 1749 percentages for regular assessments and emergency assessments  
 1750 levied under this subparagraph on assessable insureds and shall  
 1751 assist the corporation in ensuring the accurate, timely  
 1752 collection and payment of assessments by surplus lines agents as  
 1753 required by the corporation.

1754 i. If a deficit is incurred in any account in 2008 or  
 1755 thereafter, the board of governors shall levy a Citizens  
 1756 policyholder surcharge against all policyholders of the  
 1757 corporation for a 12-month period, which shall be collected at  
 1758 the time of issuance or renewal of a policy, as a uniform  
 1759 percentage of the premium for the policy of up to 25 ~~15~~ percent  
 1760 of such premium, which funds shall be used to offset the  
 1761 deficit. Citizens policyholder surcharges under this sub-  
 1762 subparagraph are not considered premium and are not subject to  
 1763 commissions, fees, or premium taxes. However, failure to pay

1764 such surcharges shall be treated as failure to pay premium.

1765 j. If the amount of any assessments or surcharges  
1766 collected from corporation policyholders, assessable insurers or  
1767 their policyholders, or assessable insureds exceeds the amount  
1768 of the deficits, such excess amounts shall be remitted to and  
1769 retained by the corporation in a reserve to be used by the  
1770 corporation, as determined by the board of governors and  
1771 approved by the office, to pay claims or reduce any past,  
1772 present, or future plan-year deficits or to reduce outstanding  
1773 debt.

1774 (c) The plan of operation of the corporation:

1775 1. Must provide for adoption of residential property and  
1776 casualty insurance policy forms and commercial residential and  
1777 nonresidential property insurance forms, which forms must be  
1778 approved by the office prior to use. The corporation shall adopt  
1779 the following policy forms:

1780 a. Standard personal lines policy forms that are  
1781 comprehensive multiperil policies providing full coverage of a  
1782 residential property equivalent to the coverage provided in the  
1783 private insurance market under an HO-3, HO-4, or HO-6 policy.

1784 b. Basic personal lines policy forms that are policies  
1785 similar to an HO-8 policy or a dwelling fire policy that provide  
1786 coverage meeting the requirements of the secondary mortgage  
1787 market, but which coverage is more limited than the coverage  
1788 under a standard policy.

1789 c. Commercial lines residential and nonresidential policy  
1790 forms that are generally similar to the basic perils of full  
1791 coverage obtainable for commercial residential structures and



1792 commercial nonresidential structures in the admitted voluntary  
 1793 market.

1794 d. Personal lines and commercial lines residential  
 1795 property insurance forms that cover the peril of wind only. The  
 1796 forms are applicable only to residential properties located in  
 1797 areas eligible for coverage under the high-risk account referred  
 1798 to in sub-subparagraph (b)2.a.

1799 e. Commercial lines nonresidential property insurance  
 1800 forms that cover the peril of wind only. The forms are  
 1801 applicable only to nonresidential properties located in areas  
 1802 eligible for coverage under the high-risk account referred to in  
 1803 sub-subparagraph (b)2.a.

1804 f. The corporation may adopt variations of the policy  
 1805 forms listed in sub-subparagraphs a.-e. that contain more  
 1806 restrictive coverage.

1807 2.a. Must provide that the corporation adopt a program in  
 1808 which the corporation and authorized insurers enter into quota  
 1809 share primary insurance agreements for hurricane coverage, as  
 1810 defined in s. 627.4025(2)(a), for eligible risks, and adopt  
 1811 property insurance forms for eligible risks which cover the  
 1812 peril of wind only. As used in this subsection, the term:

1813 (I) "Quota share primary insurance" means an arrangement  
 1814 in which the primary hurricane coverage of an eligible risk is  
 1815 provided in specified percentages by the corporation and an  
 1816 authorized insurer. The corporation and authorized insurer are  
 1817 each solely responsible for a specified percentage of hurricane  
 1818 coverage of an eligible risk as set forth in a quota share  
 1819 primary insurance agreement between the corporation and an

1820 authorized insurer and the insurance contract. The  
1821 responsibility of the corporation or authorized insurer to pay  
1822 its specified percentage of hurricane losses of an eligible  
1823 risk, as set forth in the quota share primary insurance  
1824 agreement, may not be altered by the inability of the other  
1825 party to the agreement to pay its specified percentage of  
1826 hurricane losses. Eligible risks that are provided hurricane  
1827 coverage through a quota share primary insurance arrangement  
1828 must be provided policy forms that set forth the obligations of  
1829 the corporation and authorized insurer under the arrangement,  
1830 clearly specify the percentages of quota share primary insurance  
1831 provided by the corporation and authorized insurer, and  
1832 conspicuously and clearly state that neither the authorized  
1833 insurer nor the corporation may be held responsible beyond its  
1834 specified percentage of coverage of hurricane losses.

1835 (II) "Eligible risks" means personal lines residential and  
1836 commercial lines residential risks that meet the underwriting  
1837 criteria of the corporation and are located in areas that were  
1838 eligible for coverage by the Florida Windstorm Underwriting  
1839 Association on January 1, 2002.

1840 b. The corporation may enter into quota share primary  
1841 insurance agreements with authorized insurers at corporation  
1842 coverage levels of 90 percent and 50 percent.

1843 c. If the corporation determines that additional coverage  
1844 levels are necessary to maximize participation in quota share  
1845 primary insurance agreements by authorized insurers, the  
1846 corporation may establish additional coverage levels. However,  
1847 the corporation's quota share primary insurance coverage level

1848 may not exceed 90 percent.

1849       d. Any quota share primary insurance agreement entered  
1850 into between an authorized insurer and the corporation must  
1851 provide for a uniform specified percentage of coverage of  
1852 hurricane losses, by county or territory as set forth by the  
1853 corporation board, for all eligible risks of the authorized  
1854 insurer covered under the quota share primary insurance  
1855 agreement.

1856       e. Any quota share primary insurance agreement entered  
1857 into between an authorized insurer and the corporation is  
1858 subject to review and approval by the office. However, such  
1859 agreement shall be authorized only as to insurance contracts  
1860 entered into between an authorized insurer and an insured who is  
1861 already insured by the corporation for wind coverage.

1862       f. For all eligible risks covered under quota share  
1863 primary insurance agreements, the exposure and coverage levels  
1864 for both the corporation and authorized insurers shall be  
1865 reported by the corporation to the Florida Hurricane Catastrophe  
1866 Fund. For all policies of eligible risks covered under quota  
1867 share primary insurance agreements, the corporation and the  
1868 authorized insurer shall maintain complete and accurate records  
1869 for the purpose of exposure and loss reimbursement audits as  
1870 required by Florida Hurricane Catastrophe Fund rules. The  
1871 corporation and the authorized insurer shall each maintain  
1872 duplicate copies of policy declaration pages and supporting  
1873 claims documents.

1874       g. The corporation board shall establish in its plan of  
1875 operation standards for quota share agreements which ensure that

1876 | there is no discriminatory application among insurers as to the  
1877 | terms of quota share agreements, pricing of quota share  
1878 | agreements, incentive provisions if any, and consideration paid  
1879 | for servicing policies or adjusting claims.

1880 |       h. The quota share primary insurance agreement between the  
1881 | corporation and an authorized insurer must set forth the  
1882 | specific terms under which coverage is provided, including, but  
1883 | not limited to, the sale and servicing of policies issued under  
1884 | the agreement by the insurance agent of the authorized insurer  
1885 | producing the business, the reporting of information concerning  
1886 | eligible risks, the payment of premium to the corporation, and  
1887 | arrangements for the adjustment and payment of hurricane claims  
1888 | incurred on eligible risks by the claims adjuster and personnel  
1889 | of the authorized insurer. Entering into a quota sharing  
1890 | insurance agreement between the corporation and an authorized  
1891 | insurer shall be voluntary and at the discretion of the  
1892 | authorized insurer.

1893 |       3. May provide that the corporation may employ or  
1894 | otherwise contract with individuals or other entities to provide  
1895 | administrative or professional services that may be appropriate  
1896 | to effectuate the plan. The corporation shall have the power to  
1897 | borrow funds, by issuing bonds or by incurring other  
1898 | indebtedness, and shall have other powers reasonably necessary  
1899 | to effectuate the requirements of this subsection, including,  
1900 | without limitation, the power to issue bonds and incur other  
1901 | indebtedness in order to refinance outstanding bonds or other  
1902 | indebtedness. The corporation may, but is not required to, seek  
1903 | judicial validation of its bonds or other indebtedness under

1904 chapter 75. The corporation may issue bonds or incur other  
1905 indebtedness, or have bonds issued on its behalf by a unit of  
1906 local government pursuant to subparagraph (p)2., in the absence  
1907 of a hurricane or other weather-related event, upon a  
1908 determination by the corporation, subject to approval by the  
1909 office, that such action would enable it to efficiently meet the  
1910 financial obligations of the corporation and that such  
1911 financings are reasonably necessary to effectuate the  
1912 requirements of this subsection. The corporation is authorized  
1913 to take all actions needed to facilitate tax-free status for any  
1914 such bonds or indebtedness, including formation of trusts or  
1915 other affiliated entities. The corporation shall have the  
1916 authority to pledge assessments, projected recoveries from the  
1917 Florida Hurricane Catastrophe Fund, other reinsurance  
1918 recoverables, market equalization and other surcharges, and  
1919 other funds available to the corporation as security for bonds  
1920 or other indebtedness. In recognition of s. 10, Art. I of the  
1921 State Constitution, prohibiting the impairment of obligations of  
1922 contracts, it is the intent of the Legislature that no action be  
1923 taken whose purpose is to impair any bond indenture or financing  
1924 agreement or any revenue source committed by contract to such  
1925 bond or other indebtedness.

1926 4.a. Must require that the corporation operate subject to  
1927 the supervision and approval of a board of governors consisting  
1928 of eight individuals who are residents of this state, from  
1929 different geographical areas of this state. The Governor, the  
1930 Chief Financial Officer, the President of the Senate, and the  
1931 Speaker of the House of Representatives shall each appoint two

1932 members of the board. At least one of the two members appointed  
1933 by each appointing officer must have demonstrated expertise in  
1934 insurance. The Chief Financial Officer shall designate one of  
1935 the appointees as chair. All board members serve at the pleasure  
1936 of the appointing officer. All members of the board of governors  
1937 are subject to removal at will by the officers who appointed  
1938 them. Except as otherwise provided, all board members, including  
1939 the chair, must be appointed to serve for 3-year terms beginning  
1940 annually on a date designated by the plan. However, for the  
1941 first term beginning on or after July 1, 2009, each appointing  
1942 officer shall appoint one member of the board for a 2-year term  
1943 and one member for a 3-year term. Any board vacancy shall be  
1944 filled for the unexpired term by the appointing officer. The  
1945 Chief Financial Officer shall appoint a technical advisory group  
1946 to provide information and advice to the board of governors in  
1947 connection with the board's duties under this subsection. The  
1948 executive director and senior managers of the corporation shall  
1949 be engaged by the board and serve at the pleasure of the board.  
1950 Any executive director appointed on or after July 1, 2006, is  
1951 subject to confirmation by the Senate. The executive director is  
1952 responsible for employing other staff as the corporation may  
1953 require, subject to review and concurrence by the board.

1954 b. The board shall create a Market Accountability Advisory  
1955 Committee to assist the corporation in developing awareness of  
1956 its rates and its customer and agent service levels in  
1957 relationship to the voluntary market insurers writing similar  
1958 coverage. The members of the advisory committee shall consist of  
1959 the following 11 persons, one of whom must be elected chair by

1960 the members of the committee: four representatives, one  
 1961 appointed by the Florida Association of Insurance Agents, one by  
 1962 the Florida Association of Insurance and Financial Advisors, one  
 1963 by the Professional Insurance Agents of Florida, and one by the  
 1964 Latin American Association of Insurance Agencies; three  
 1965 representatives appointed by the insurers with the three highest  
 1966 voluntary market share of residential property insurance  
 1967 business in the state; one representative from the Office of  
 1968 Insurance Regulation; one consumer appointed by the board who is  
 1969 insured by the corporation at the time of appointment to the  
 1970 committee; one representative appointed by the Florida  
 1971 Association of Realtors; and one representative appointed by the  
 1972 Florida Bankers Association. All members must serve for 3-year  
 1973 terms and may serve for consecutive terms. The committee shall  
 1974 report to the corporation at each board meeting on insurance  
 1975 market issues which may include rates and rate competition with  
 1976 the voluntary market; service, including policy issuance, claims  
 1977 processing, and general responsiveness to policyholders,  
 1978 applicants, and agents; and matters relating to depopulation.

1979 5. Must provide a procedure for determining the  
 1980 eligibility of a risk for coverage, as follows:

1981 a. Subject to the provisions of s. 627.3517, with respect  
 1982 to personal lines residential risks, if the risk is offered  
 1983 coverage from an authorized insurer at the insurer's approved  
 1984 rate under either a standard policy including wind coverage or,  
 1985 if consistent with the insurer's underwriting rules as filed  
 1986 with the office, a basic policy including wind coverage, for a  
 1987 new application to the corporation for coverage, the risk is not

1988 | eligible for any policy issued by the corporation unless the  
 1989 | premium for coverage from the authorized insurer is more than 15  
 1990 | percent greater than the premium for comparable coverage from  
 1991 | the corporation. If the risk is not able to obtain any such  
 1992 | offer, the risk is eligible for either a standard policy  
 1993 | including wind coverage or a basic policy including wind  
 1994 | coverage issued by the corporation; however, if the risk could  
 1995 | not be insured under a standard policy including wind coverage  
 1996 | regardless of market conditions, the risk shall be eligible for  
 1997 | a basic policy including wind coverage unless rejected under  
 1998 | subparagraph 8. However, with regard to a policyholder of the  
 1999 | corporation or a policyholder removed from the corporation  
 2000 | through an assumption agreement until the end of the assumption  
 2001 | period, the policyholder remains eligible for coverage from the  
 2002 | corporation regardless of any offer of coverage from an  
 2003 | authorized insurer or surplus lines insurer. The corporation  
 2004 | shall determine the type of policy to be provided on the basis  
 2005 | of objective standards specified in the underwriting manual and  
 2006 | based on generally accepted underwriting practices.

2007 |       (I) If the risk accepts an offer of coverage through the  
 2008 | market assistance plan or an offer of coverage through a  
 2009 | mechanism established by the corporation before a policy is  
 2010 | issued to the risk by the corporation or during the first 30  
 2011 | days of coverage by the corporation, and the producing agent who  
 2012 | submitted the application to the plan or to the corporation is  
 2013 | not currently appointed by the insurer, the insurer shall:

2014 |           (A) Pay to the producing agent of record of the policy,  
 2015 | for the first year, an amount that is the greater of the



2016 insurer's usual and customary commission for the type of policy  
 2017 written or a fee equal to the usual and customary commission of  
 2018 the corporation; or

2019 (B) Offer to allow the producing agent of record of the  
 2020 policy to continue servicing the policy for a period of not less  
 2021 than 1 year and offer to pay the agent the greater of the  
 2022 insurer's or the corporation's usual and customary commission  
 2023 for the type of policy written.

2024  
 2025 If the producing agent is unwilling or unable to accept  
 2026 appointment, the new insurer shall pay the agent in accordance  
 2027 with sub-sub-sub-subparagraph (A).

2028 (II) When the corporation enters into a contractual  
 2029 agreement for a take-out plan, the producing agent of record of  
 2030 the corporation policy is entitled to retain any unearned  
 2031 commission on the policy, and the insurer shall:

2032 (A) Pay to the producing agent of record of the  
 2033 corporation policy, for the first year, an amount that is the  
 2034 greater of the insurer's usual and customary commission for the  
 2035 type of policy written or a fee equal to the usual and customary  
 2036 commission of the corporation; or

2037 (B) Offer to allow the producing agent of record of the  
 2038 corporation policy to continue servicing the policy for a period  
 2039 of not less than 1 year and offer to pay the agent the greater  
 2040 of the insurer's or the corporation's usual and customary  
 2041 commission for the type of policy written.

2042  
 2043 If the producing agent is unwilling or unable to accept

2044 appointment, the new insurer shall pay the agent in accordance  
 2045 with sub-sub-sub-subparagraph (A).

2046 b. With respect to commercial lines residential risks, for  
 2047 a new application to the corporation for coverage, if the risk  
 2048 is offered coverage under a policy including wind coverage from  
 2049 an authorized insurer at its approved rate, the risk is not  
 2050 eligible for any policy issued by the corporation unless the  
 2051 premium for coverage from the authorized insurer is more than 15  
 2052 percent greater than the premium for comparable coverage from  
 2053 the corporation. If the risk is not able to obtain any such  
 2054 offer, the risk is eligible for a policy including wind coverage  
 2055 issued by the corporation. However, with regard to a  
 2056 policyholder of the corporation or a policyholder removed from  
 2057 the corporation through an assumption agreement until the end of  
 2058 the assumption period, the policyholder remains eligible for  
 2059 coverage from the corporation regardless of any offer of  
 2060 coverage from an authorized insurer or surplus lines insurer.

2061 (I) If the risk accepts an offer of coverage through the  
 2062 market assistance plan or an offer of coverage through a  
 2063 mechanism established by the corporation before a policy is  
 2064 issued to the risk by the corporation or during the first 30  
 2065 days of coverage by the corporation, and the producing agent who  
 2066 submitted the application to the plan or the corporation is not  
 2067 currently appointed by the insurer, the insurer shall:

2068 (A) Pay to the producing agent of record of the policy,  
 2069 for the first year, an amount that is the greater of the  
 2070 insurer's usual and customary commission for the type of policy  
 2071 written or a fee equal to the usual and customary commission of

2072 the corporation; or

2073 (B) Offer to allow the producing agent of record of the  
 2074 policy to continue servicing the policy for a period of not less  
 2075 than 1 year and offer to pay the agent the greater of the  
 2076 insurer's or the corporation's usual and customary commission  
 2077 for the type of policy written.

2078  
 2079 If the producing agent is unwilling or unable to accept  
 2080 appointment, the new insurer shall pay the agent in accordance  
 2081 with sub-sub-sub-subparagraph (A).

2082 (II) When the corporation enters into a contractual  
 2083 agreement for a take-out plan, the producing agent of record of  
 2084 the corporation policy is entitled to retain any unearned  
 2085 commission on the policy, and the insurer shall:

2086 (A) Pay to the producing agent of record of the  
 2087 corporation policy, for the first year, an amount that is the  
 2088 greater of the insurer's usual and customary commission for the  
 2089 type of policy written or a fee equal to the usual and customary  
 2090 commission of the corporation; or

2091 (B) Offer to allow the producing agent of record of the  
 2092 corporation policy to continue servicing the policy for a period  
 2093 of not less than 1 year and offer to pay the agent the greater  
 2094 of the insurer's or the corporation's usual and customary  
 2095 commission for the type of policy written.

2096  
 2097 If the producing agent is unwilling or unable to accept  
 2098 appointment, the new insurer shall pay the agent in accordance  
 2099 with sub-sub-sub-subparagraph (A).

2100 c. For purposes of determining comparable coverage under  
2101 sub-subparagraphs a. and b., the comparison shall be based on  
2102 those forms and coverages that are reasonably comparable. The  
2103 corporation may rely on a determination of comparable coverage  
2104 and premium made by the producing agent who submits the  
2105 application to the corporation, made in the agent's capacity as  
2106 the corporation's agent. A comparison may be made solely of the  
2107 premium with respect to the main building or structure only on  
2108 the following basis: the same coverage A or other building  
2109 limits; the same percentage hurricane deductible that applies on  
2110 an annual basis or that applies to each hurricane for commercial  
2111 residential property; the same percentage of ordinance and law  
2112 coverage, if the same limit is offered by both the corporation  
2113 and the authorized insurer; the same mitigation credits, to the  
2114 extent the same types of credits are offered both by the  
2115 corporation and the authorized insurer; the same method for loss  
2116 payment, such as replacement cost or actual cash value, if the  
2117 same method is offered both by the corporation and the  
2118 authorized insurer in accordance with underwriting rules; and  
2119 any other form or coverage that is reasonably comparable as  
2120 determined by the board. If an application is submitted to the  
2121 corporation for wind-only coverage in the high-risk account, the  
2122 premium for the corporation's wind-only policy plus the premium  
2123 for the ex-wind policy that is offered by an authorized insurer  
2124 to the applicant shall be compared to the premium for multiperil  
2125 coverage offered by an authorized insurer, subject to the  
2126 standards for comparison specified in this subparagraph. If the  
2127 corporation or the applicant requests from the authorized

2128 insurer a breakdown of the premium of the offer by types of  
 2129 coverage so that a comparison may be made by the corporation or  
 2130 its agent and the authorized insurer refuses or is unable to  
 2131 provide such information, the corporation may treat the offer as  
 2132 not being an offer of coverage from an authorized insurer at the  
 2133 insurer's approved rate.

2134 6. Must include rules for classifications of risks and  
 2135 rates therefor.

2136 7. Must provide that if premium and investment income for  
 2137 an account attributable to a particular calendar year are in  
 2138 excess of projected losses and expenses for the account  
 2139 attributable to that year, such excess shall be held in surplus  
 2140 in the account. Such surplus shall be available to defray  
 2141 deficits in that account as to future years and shall be used  
 2142 for that purpose prior to assessing assessable insurers and  
 2143 assessable insureds as to any calendar year.

2144 8. Must provide objective criteria and procedures to be  
 2145 uniformly applied for all applicants in determining whether an  
 2146 individual risk is so hazardous as to be uninsurable. In making  
 2147 this determination and in establishing the criteria and  
 2148 procedures, the following shall be considered:

2149 a. Whether the likelihood of a loss for the individual  
 2150 risk is substantially higher than for other risks of the same  
 2151 class; and

2152 b. Whether the uncertainty associated with the individual  
 2153 risk is such that an appropriate premium cannot be determined.

2154  
 2155 The acceptance or rejection of a risk by the corporation shall

2156 | be construed as the private placement of insurance, and the  
2157 | provisions of chapter 120 shall not apply.

2158 |       9. Must provide that the corporation shall make its best  
2159 | efforts to procure catastrophe reinsurance at reasonable rates,  
2160 | to cover its projected 100-year probable maximum loss as  
2161 | determined by the board of governors.

2162 |       10. The policies issued by the corporation must provide  
2163 | that, if the corporation or the market assistance plan obtains  
2164 | an offer from an authorized insurer to cover the risk at its  
2165 | approved rates, the risk is no longer eligible for renewal  
2166 | through the corporation, except as otherwise provided in this  
2167 | subsection.

2168 |       11. Corporation policies and applications must include a  
2169 | notice that the corporation policy could, under this section, be  
2170 | replaced with a policy issued by an authorized insurer that does  
2171 | not provide coverage identical to the coverage provided by the  
2172 | corporation. The notice shall also specify that acceptance of  
2173 | corporation coverage creates a conclusive presumption that the  
2174 | applicant or policyholder is aware of this potential.

2175 |       12. May establish, subject to approval by the office,  
2176 | different eligibility requirements and operational procedures  
2177 | for any line or type of coverage for any specified county or  
2178 | area if the board determines that such changes to the  
2179 | eligibility requirements and operational procedures are  
2180 | justified due to the voluntary market being sufficiently stable  
2181 | and competitive in such area or for such line or type of  
2182 | coverage and that consumers who, in good faith, are unable to  
2183 | obtain insurance through the voluntary market through ordinary

2184 methods would continue to have access to coverage from the  
2185 corporation. When coverage is sought in connection with a real  
2186 property transfer, such requirements and procedures shall not  
2187 provide for an effective date of coverage later than the date of  
2188 the closing of the transfer as established by the transferor,  
2189 the transferee, and, if applicable, the lender.

2190 13. Must provide that, with respect to the high-risk  
2191 account, any assessable insurer with a surplus as to  
2192 policyholders of \$25 million or less writing 25 percent or more  
2193 of its total countrywide property insurance premiums in this  
2194 state may petition the office, within the first 90 days of each  
2195 calendar year, to qualify as a limited apportionment company. A  
2196 regular assessment levied by the corporation on a limited  
2197 apportionment company for a deficit incurred by the corporation  
2198 for the high-risk account in 2006 or thereafter may be paid to  
2199 the corporation on a monthly basis as the assessments are  
2200 collected by the limited apportionment company from its insureds  
2201 pursuant to s. 627.3512, but the regular assessment must be paid  
2202 in full within 12 months after being levied by the corporation.  
2203 A limited apportionment company shall collect from its  
2204 policyholders any emergency assessment imposed under sub-  
2205 subparagraph (b)3.d. The plan shall provide that, if the office  
2206 determines that any regular assessment will result in an  
2207 impairment of the surplus of a limited apportionment company,  
2208 the office may direct that all or part of such assessment be  
2209 deferred as provided in subparagraph (p)4. However, there shall  
2210 be no limitation or deferment of an emergency assessment to be  
2211 collected from policyholders under sub-subparagraph (b)3.d.

2212           14. Must provide that the corporation appoint as its  
 2213 licensed agents only those agents who also hold an appointment  
 2214 as defined in s. 626.015(3) with an insurer who at the time of  
 2215 the agent's initial appointment by the corporation is authorized  
 2216 to write and is actually writing personal lines residential  
 2217 property coverage, commercial residential property coverage, or  
 2218 commercial nonresidential property coverage within the state.

2219           15. Must provide, by July 1, 2007, a premium payment plan  
 2220 option to its policyholders which allows at a minimum for  
 2221 quarterly and semiannual payment of premiums. A monthly payment  
 2222 plan may, but is not required to, be offered.

2223           16. Must limit coverage on mobile homes or manufactured  
 2224 homes built prior to 1994 to actual cash value of the dwelling  
 2225 rather than replacement costs of the dwelling.

2226           17. May provide such limits of coverage as the board  
 2227 determines, consistent with the requirements of this subsection.

2228           18. May require commercial property to meet specified  
 2229 hurricane mitigation construction features as a condition of  
 2230 eligibility for coverage.

2231           (m)1. Rates for coverage provided by the corporation shall  
 2232 be actuarially sound and subject to the requirements of s.  
 2233 627.062, except as otherwise provided in this paragraph. The  
 2234 corporation shall file its recommended rates with the office at  
 2235 least annually. The corporation shall provide any additional  
 2236 information regarding the rates which the office requires. The  
 2237 office shall consider the recommendations of the board and issue  
 2238 a final order establishing the rates for the corporation within  
 2239 45 days after the recommended rates are filed. The corporation



2240 may not pursue an administrative challenge or judicial review of  
2241 the final order of the office.

2242 2. In addition to the rates otherwise determined pursuant  
2243 to this paragraph, the corporation shall impose and collect an  
2244 amount equal to the premium tax provided for in s. 624.509 to  
2245 augment the financial resources of the corporation.

2246 3. After the public hurricane loss-projection model under  
2247 s. 627.06281 has been found to be accurate and reliable by the  
2248 Florida Commission on Hurricane Loss Projection Methodology,  
2249 that model shall serve as the minimum benchmark for determining  
2250 the windstorm portion of the corporation's rates. This  
2251 subparagraph does not require or allow the corporation to adopt  
2252 rates lower than the rates otherwise required or allowed by this  
2253 paragraph.

2254 4. The rate filings for the corporation which were  
2255 approved by the office and which took effect January 1, 2007,  
2256 are rescinded, except for those rates that were lowered. As soon  
2257 as possible, the corporation shall begin using the lower rates  
2258 that were in effect on December 31, 2006, and shall provide  
2259 refunds to policyholders who have paid higher rates as a result  
2260 of that rate filing. The rates in effect on December 31, 2006,  
2261 shall remain in effect for the 2007 and 2008 calendar years  
2262 except for any rate change that results in a lower rate. The  
2263 next rate change that may increase rates shall take effect  
2264 pursuant to a new rate filing recommended by the corporation and  
2265 established by the office, subject to the requirements of this  
2266 paragraph.

2267 5. Beginning on July 15, 2009, and each year thereafter,

2268 the corporation must make a recommended actuarially sound rate  
2269 filing for each personal and commercial line of business it  
2270 writes, to be effective no earlier than January 1, 2010.

2271 6. The Legislature finds that it is in the public interest  
2272 to ensure that actuarially sound rates for coverage by the  
2273 corporation be implemented incrementally to provide rate  
2274 stability and predictability to its policyholders.

2275 7. Beginning on or after January 1, 2010, the corporation  
2276 shall begin to implement actuarially sound rates for each  
2277 commercial and personal line of business it writes, which may  
2278 not exceed an average statewide increase of 10 percent or exceed  
2279 20 percent for any single policy issued by the corporation,  
2280 excluding coverage changes and surcharges.

2281 8. The corporation's incremental implementation of rates  
2282 as prescribed in subparagraph 7. shall cease for any line of  
2283 business written by the corporation after actuarially sound  
2284 rates as prescribed in subparagraph 1. are achieved. Thereafter,  
2285 the corporation shall annually make a recommended actuarially  
2286 sound rate filing for each commercial and personal line of  
2287 business it writes.

2288 9. In addition to the rate increase required pursuant to  
2289 subparagraph 7., the corporation may increase its rates an  
2290 amount sufficient to recoup additional reimbursement premium  
2291 paid to the Florida Hurricane Catastrophe Fund due to the  
2292 application of a cash build-up factor.

2293 10. Beginning April 1, 2010, and each quarter thereafter,  
2294 the corporation shall transfer 10 percent of the funds received  
2295 from the rate increase prescribed by subparagraph 7. to the

2296 Insurance Regulatory Trust Fund in the Department of Financial  
2297 Services. The corporation's transfer of such funds shall cease  
2298 upon the corporation's implementation of actuarially sound rates  
2299 as prescribed in subparagraph 1.

2300 ~~(x) It is the intent of the Legislature that the~~  
2301 ~~amendments to this subsection enacted in 2002 should, over time,~~  
2302 ~~reduce the probable maximum windstorm losses in the residual~~  
2303 ~~markets and should reduce the potential assessments to be levied~~  
2304 ~~on property insurers and policyholders statewide. In furtherance~~  
2305 ~~of this intent:~~

2306 ~~1. The board shall, on or before February 1 of each year,~~  
2307 ~~provide a report to the President of the Senate and the Speaker~~  
2308 ~~of the House of Representatives showing the reduction or~~  
2309 ~~increase in the 100-year probable maximum loss attributable to~~  
2310 ~~wind-only coverages and the quota share program under this~~  
2311 ~~subsection combined, as compared to the benchmark 100-year~~  
2312 ~~probable maximum loss of the Florida Windstorm Underwriting~~  
2313 ~~Association. For purposes of this paragraph, the benchmark 100-~~  
2314 ~~year probable maximum loss of the Florida Windstorm Underwriting~~  
2315 ~~Association shall be the calculation dated February 2001 and~~  
2316 ~~based on November 30, 2000, exposures. In order to ensure~~  
2317 ~~comparability of data, the board shall use the same methods for~~  
2318 ~~calculating its probable maximum loss as were used to calculate~~  
2319 ~~the benchmark probable maximum loss.~~

2320 ~~2. Beginning February 1, 2010, if the report under~~  
2321 ~~subparagraph 1. for any year indicates that the 100-year~~  
2322 ~~probable maximum loss attributable to wind-only coverages and~~  
2323 ~~the quota share program combined does not reflect a reduction of~~

2324 ~~at least 25 percent from the benchmark, the board shall reduce~~  
 2325 ~~the boundaries of the high-risk area eligible for wind-only~~  
 2326 ~~coverages under this subsection in a manner calculated to reduce~~  
 2327 ~~such probable maximum loss to an amount at least 25 percent~~  
 2328 ~~below the benchmark.~~

2329 ~~3. Beginning February 1, 2015, if the report under~~  
 2330 ~~subparagraph 1. for any year indicates that the 100-year~~  
 2331 ~~probable maximum loss attributable to wind-only coverages and~~  
 2332 ~~the quota share program combined does not reflect a reduction of~~  
 2333 ~~at least 50 percent from the benchmark, the boundaries of the~~  
 2334 ~~high-risk area eligible for wind-only coverages under this~~  
 2335 ~~subsection shall be reduced by the elimination of any area that~~  
 2336 ~~is not seaward of a line 1,000 feet inland from the Intracoastal~~  
 2337 ~~Waterway.~~

2338 Section 14. Subsection (2) of section 627.711, Florida  
 2339 Statutes, is amended, and subsection (3) is added to that  
 2340 section, to read:

2341 627.711 Notice of premium discounts for hurricane loss  
 2342 mitigation; uniform mitigation verification inspection form.--

2343 (2) (a) By July 1, 2007, the Financial Services Commission  
 2344 shall develop by rule a uniform mitigation verification  
 2345 inspection form that shall be used by all insurers when  
 2346 submitted by policyholders for the purpose of factoring  
 2347 discounts for wind insurance. In developing the form, the  
 2348 commission shall seek input from insurance, construction, and  
 2349 building code representatives. Further, the commission shall  
 2350 provide guidance as to the length of time the inspection results  
 2351 are valid. An insurer shall accept as valid a uniform mitigation

2352 verification form certified by the Department of Financial  
 2353 Services or signed by:

2354 ~~(a) A hurricane mitigation inspector employed by an  
 2355 approved My Safe Florida Home wind certification entity;~~

2356 1.(b) A building code inspector certified under s.  
 2357 468.607;

2358 2.(e) A general, building, or residential contractor  
 2359 licensed under s. 489.111;

2360 3.(d) A professional engineer licensed under s. 471.015  
 2361 who has passed the appropriate equivalency test of the Building  
 2362 Code Training Program as required by s. 553.841; or

2363 4.(e) A professional architect licensed under s. 481.213.

2364 (b) An insurer may contract with inspection firms at the  
 2365 insurer's expense to review mitigation verification forms and to  
 2366 reinspect properties for which the insurer receives mitigation  
 2367 verification forms to ensure that the forms are valid.

2368 (3) An individual or entity who knowingly provides or  
 2369 utters a false or fraudulent mitigation verification form with  
 2370 the intent to obtain or receive a discount on an insurance  
 2371 premium to which the individual or entity is not entitled  
 2372 commits a misdemeanor of the first degree, punishable as  
 2373 provided in s. 775.082 or s. 775.083.

2374 Section 15. Subsection (1) and paragraph (c) of subsection  
 2375 (2) of section 627.712, Florida Statutes, are amended to read:

2376 627.712 Residential windstorm coverage required;  
 2377 availability of exclusions for windstorm or contents.--

2378 (1) An insurer issuing a residential property insurance  
 2379 policy must provide windstorm coverage. Except as provided in

2380 paragraph (2)(c), this section does not apply with respect to  
 2381 risks that are eligible for wind-only coverage from Citizens  
 2382 Property Insurance Corporation under s. 627.351(6) and with  
 2383 respect to risks that are not eligible for coverage from  
 2384 Citizens Property Insurance Corporation under s. 627.351(6)(a)3.  
 2385 or 5. A risk ineligible for Citizens coverage under s.  
 2386 627.351(6)(a)3. or 5. is exempt from the requirements of this  
 2387 section only if the risk is located within the boundaries of the  
 2388 high-risk account of the corporation.

2389 (2) A property insurer must make available, at the option  
 2390 of the policyholder, an exclusion of windstorm coverage.

2391 ~~(c) If the residential structure is eligible for wind-only~~  
 2392 ~~coverage from Citizens Property Insurance Corporation,~~ An  
 2393 insurer nonrenewing a policy and issuing a replacement policy,  
 2394 or issuing a new policy, that does not provide wind coverage  
 2395 shall provide a notice to the mortgageholder or lienholder  
 2396 indicating the policyholder has elected coverage that does not  
 2397 cover wind.

2398 Section 16. Section 631.65, Florida Statutes, is amended  
 2399 to read:

2400 631.65 Prohibited advertisement or solicitation.--No  
 2401 person shall make, publish, disseminate, circulate, or place  
 2402 before the public, or cause, directly or indirectly, to be made,  
 2403 published, disseminated, circulated, or placed before the  
 2404 public, in a newspaper, magazine, or other publication, or in  
 2405 the form of a notice, circular, pamphlet, letter, or poster, or  
 2406 over any radio station or television station, or in any other  
 2407 way, any advertisement, announcement, or statement which uses

2408 | the existence of the insurance guaranty association for the  
 2409 | purpose of sales, solicitation, or inducement to purchase any  
 2410 | form of insurance covered under this part. However, nothing in  
 2411 | this section may be construed to prevent a duly licensed  
 2412 | insurance agent from providing explanations concerning the  
 2413 | existence or application of the insurance guaranty association  
 2414 | to policyholders, prospective policyholders, or applicants for  
 2415 | coverage.

2416 |         Section 17. The My Safe Florida Home Program specified in  
 2417 | s. 215.5586, Florida Statutes, shall use the funds transferred  
 2418 | to the Insurance Regulatory Trust Fund pursuant to s.  
 2419 | 627.351(6)(m)10., Florida Statutes, solely for the provision of  
 2420 | mitigation grants in accordance with s. 215.5586(2), Florida  
 2421 | Statutes, to policyholders of Citizens Property Insurance  
 2422 | Corporation on June 1, 2009, who are otherwise eligible for  
 2423 | grants from the My Safe Florida Home Program. The department  
 2424 | shall establish a separate account within the trust fund for  
 2425 | accounting purposes.

2426 |         Section 18. Section 626.854, Florida Statutes, is amended  
 2427 | to read:

2428 |         626.854 "Public adjuster" defined; prohibitions.--The  
 2429 | Legislature finds that it is necessary for the protection of the  
 2430 | public to regulate public insurance adjusters and to prevent the  
 2431 | unauthorized practice of law.

2432 |         (1) A "public adjuster" is any person, except a duly  
 2433 | licensed attorney at law as hereinafter in s. 626.860 provided,  
 2434 | who, for money, commission, or any other thing of value,  
 2435 | prepares, completes, or files an insurance claim form for an

2436 | insured or third-party claimant or who, for money, commission,  
 2437 | or any other thing of value, acts or aids in any manner on  
 2438 | behalf of an insured or third-party claimant in negotiating for  
 2439 | or effecting the settlement of a claim or claims for loss or  
 2440 | damage covered by an insurance contract or who advertises for  
 2441 | employment as an adjuster of such claims, and also includes any  
 2442 | person who, for money, commission, or any other thing of value,  
 2443 | solicits, investigates, or adjusts such claims on behalf of any  
 2444 | such public adjuster.

2445 |         (2) This definition does not apply to:

2446 |             (a) A licensed health care provider or employee thereof  
 2447 | who prepares or files a health insurance claim form on behalf of  
 2448 | a patient.

2449 |             (b) A person who files a health claim on behalf of another  
 2450 | and does so without compensation.

2451 |         (3) A public adjuster may not give legal advice. A public  
 2452 | adjuster may not act on behalf of or aid any person in  
 2453 | negotiating or settling a claim relating to bodily injury,  
 2454 | death, or noneconomic damages.

2455 |         (4) For purposes of this section, the term "insured"  
 2456 | includes only the policyholder and any beneficiaries named or  
 2457 | similarly identified in the policy.

2458 |         (5) A public adjuster may not directly or indirectly  
 2459 | through any other person or entity solicit an insured or  
 2460 | claimant by any means except on Monday through Saturday of each  
 2461 | week and only between the hours of 8 a.m. and 8 p.m. on those  
 2462 | days.

2463 |         (6) A public adjuster may not directly or indirectly



2464 through any other person or entity initiate contact or engage in  
2465 face-to-face or telephonic solicitation or enter into a contract  
2466 with any insured or claimant under an insurance policy until at  
2467 least 48 hours after the occurrence of an event that may be the  
2468 subject of a claim under the insurance policy unless contact is  
2469 initiated by the insured or claimant.

2470 (7) An insured or claimant may cancel a public adjuster's  
2471 contract to adjust a claim without penalty or obligation within  
2472 3 business days after the date on which the contract is executed  
2473 or within 3 business days after the date on which the insured or  
2474 claimant has notified the insurer of the claim, by phone or in  
2475 writing, whichever is later. The public adjuster's contract  
2476 shall disclose to the insured or claimant his or her right to  
2477 cancel the contract and advise the insured or claimant that  
2478 notice of cancellation must be submitted in writing and sent by  
2479 certified mail, return receipt requested, or other form of  
2480 mailing which provides proof thereof, to the public adjuster at  
2481 the address specified in the contract; provided, during any  
2482 state of emergency as declared by the Governor and for a period  
2483 of 1 year after the date of loss, the insured or claimant shall  
2484 have 5 business days after the date on which the contract is  
2485 executed to cancel a public adjuster's contract.

2486 (8) It is an unfair and deceptive insurance trade practice  
2487 pursuant to s. 626.9541 for a public adjuster or any other  
2488 person to circulate or disseminate any advertisement,  
2489 announcement, or statement containing any assertion,  
2490 representation, or statement with respect to the business of  
2491 insurance which is untrue, deceptive, or misleading.

2492 (9) A public adjuster, a public adjuster apprentice, or  
 2493 any person or entity acting on behalf of a public adjuster or  
 2494 public adjuster apprentice may not give or offer to give a  
 2495 monetary loan or advance to a client or prospective client.

2496 (10) A public adjuster, public adjuster apprentice, or any  
 2497 individual or entity acting on behalf of a public adjuster or  
 2498 public adjuster apprentice may not give or offer to give,  
 2499 directly or indirectly, any article of merchandise having a  
 2500 value in excess of \$25 to any individual for the purpose of  
 2501 advertising or as an inducement to entering into a contract with  
 2502 a public adjuster.

2503 (11) (a) If a public adjuster enters into a contract with  
 2504 an insured or claimant to reopen a claim or to file a  
 2505 supplemental claim that seeks additional payments for a claim  
 2506 that has been previously paid in part or in full or settled by  
 2507 the insurer, the public adjuster may not charge, agree to, or  
 2508 accept any compensation, payment, commission, fee, or other  
 2509 thing of value based on a previous settlement or previous claim  
 2510 payments by the insurer for the same cause of loss. The charge,  
 2511 compensation, payment, commission, fee, or other thing of value  
 2512 may be based only on the claim payments or settlement obtained  
 2513 through the work of the public adjuster after entering into the  
 2514 contract with the insured or claimant. The contracts described  
 2515 in this paragraph are not subject to the limitations in  
 2516 paragraph (b).

2517 (b) A public adjuster may not charge, agree to, or accept  
 2518 any compensation, payment, commission, fee, or other thing of  
 2519 value in excess of:

2520 1. Ten percent of the amount of insurance claim payments  
2521 by the insurer for claims based on events that are the subject  
2522 of a declaration of a state of emergency by the Governor. This  
2523 provision applies to claims made during the period of 1 year  
2524 after the declaration of emergency.

2525 2. Twenty percent of the amount of all other insurance  
2526 claim payments.

2527 (12) Each public adjuster shall provide to the claimant or  
2528 insured a written estimate of the loss to assist in the  
2529 submission of a proof of loss or any other claim for payment of  
2530 insurance proceeds. The public adjuster shall retain such  
2531 written estimate for at least 5 years and shall make such  
2532 estimate available to the claimant or insured and the department  
2533 upon request.

2534 (13) A public adjuster, public adjuster apprentice, or any  
2535 person acting on behalf of a public adjuster or apprentice may  
2536 not accept referrals of business from any person with whom the  
2537 public adjuster conducts business if there is any form or manner  
2538 of agreement to compensate the person, whether directly or  
2539 indirectly, for referring business to the public adjuster. A  
2540 public adjuster may not compensate any person, except for  
2541 another public adjuster, whether directly or indirectly, for the  
2542 principal purpose of referring business to the public adjuster.

2543  
2544 The provisions of subsections (5)-(13) ~~(5)-(12)~~ apply only to  
2545 residential property insurance policies and condominium  
2546 association policies as defined in s. 718.111(11).

2547 Section 19. Paragraph (e) of subsection (1) of section

2548 626.865, Florida Statutes, is amended to read:

2549 626.865 Public adjuster's qualifications, bond.--

2550 (1) The department shall issue a license to an applicant  
 2551 for a public adjuster's license upon determining that the  
 2552 applicant has paid the applicable fees specified in s. 624.501  
 2553 and possesses the following qualifications:

2554 ~~(c) Has passed the required written examination.~~

2555 Section 20. Section 626.8651, Florida Statutes, is amended  
 2556 to read:

2557 626.8651 Public adjuster apprentice license;  
 2558 qualifications.--

2559 (1) The department shall issue a license as a public  
 2560 adjuster apprentice to an applicant who is:

2561 (a) A natural person at least 18 years of age.

2562 (b) A United States citizen or legal alien who possesses  
 2563 work authorization from the United States Bureau of Citizenship  
 2564 and Immigration Services and is a resident of this state.

2565 (c) Trustworthy and has such business reputation as would  
 2566 reasonably ensure that the applicant will conduct business as a  
 2567 public adjuster apprentice fairly and in good faith and without  
 2568 detriment to the public.

2569 (2) All applicable license fees, as prescribed in s.  
 2570 624.501, must be paid in full before issuance of the license.

2571 (3) The applicant must have passed the required written  
 2572 examination before issuance of the license.

2573 (4) At the time of application for license as a public  
 2574 adjuster apprentice, each applicant must have completed the  
 2575 training and received the Accredited Claims Adjuster designation

2576 which provides experience, training, and instruction concerning  
2577 the adjusting of damages and losses under insurance contracts,  
2578 other than life and annuity contracts, provides education on the  
2579 terms and effects of the provisions of those types of insurance  
2580 contracts, and provides knowledge of the laws of this state  
2581 relating to such contracts as to enable and qualify him or her  
2582 to engage in the business of a public adjuster apprentice fairly  
2583 and without injury to the public or any member of the public  
2584 with whom the applicant may conduct business as a public  
2585 adjuster apprentice.

2586 (5)~~(3)~~ At the time of application for license as a public  
2587 adjuster apprentice, the applicant shall file with the  
2588 department a bond executed and issued by a surety insurer  
2589 authorized to transact such business in this state in the amount  
2590 of \$50,000, conditioned upon the faithful performance of his or  
2591 her duties as a public adjuster apprentice under the license for  
2592 which the applicant has applied, and thereafter maintain the  
2593 bond unimpaired throughout the existence of the license and for  
2594 at least 1 year after termination of the license. The bond shall  
2595 be in favor of the department and shall specifically authorize  
2596 recovery by the department of the damages sustained in case the  
2597 licensee commits fraud or unfair practices in connection with  
2598 his or her business as a public adjuster apprentice. The  
2599 aggregate liability of the surety for all such damages may not  
2600 exceed the amount of the bond, and the bond may not be  
2601 terminated by the issuing insurer unless written notice of at  
2602 least 30 days is given to the licensee and filed with the  
2603 department.

2604        (6)~~(4)~~ A public adjuster apprentice shall complete at a  
 2605 minimum 100 hours of employment per month for 12 months of  
 2606 employment under the supervision of a licensed and appointed  
 2607 all-lines public adjuster in order to qualify for licensure as a  
 2608 public adjuster. The department may adopt rules that establish  
 2609 standards for such employment requirements.

2610        (7)~~(5)~~ An appointing public adjusting firm shall maintain  
 2611 no more than 12 public adjuster apprentices simultaneously;  
 2612 however, a supervising public adjuster shall be responsible for  
 2613 no more than 3 public adjuster apprentices simultaneously and  
 2614 accountable for the acts of all ~~a~~ public adjuster apprentices  
 2615 that apprentice~~which~~ are related to transacting business as a  
 2616 public adjuster apprentice.

2617        (8)~~(6)~~ An apprentice license is effective for 18 months  
 2618 unless the license expires due to lack of maintaining an  
 2619 appointment; is surrendered by the licensee; is terminated,  
 2620 suspended, or revoked by the department; or is canceled by the  
 2621 department upon issuance of a public adjuster license. The  
 2622 department may not issue a public adjuster apprentice license to  
 2623 any individual who has held such a license in this state within  
 2624 2 years after expiration, surrender, termination, revocation, or  
 2625 cancellation of the license.

2626        (9)~~(7)~~ After completing the requirements for employment as  
 2627 a public adjuster apprentice, the licensee may file an  
 2628 application for a public adjuster license. The applicant and  
 2629 supervising public adjuster or public adjusting firm must each  
 2630 file a sworn affidavit, on a form prescribed by the department,  
 2631 verifying that the employment of the public adjuster apprentice

2632 meets the requirements of this section.

2633 ~~(10)-(8)~~ In no event shall a public adjuster apprentice  
 2634 licensed under this section perform any of the functions for  
 2635 which a public adjuster's license is required after expiration  
 2636 of the public adjuster apprentice license without having  
 2637 obtained a public adjuster license.

2638 ~~(11)-(9)~~ A public adjuster apprentice has the same  
 2639 authority as the licensed public adjuster or public adjusting  
 2640 firm that employs the apprentice except that an apprentice may  
 2641 not execute contracts for the services of a public adjuster or  
 2642 public adjusting firm and may not solicit contracts for the  
 2643 services except under the direct supervision and guidance of the  
 2644 supervisory public adjuster. An individual may not be, act as,  
 2645 or hold himself or herself out to be a public adjuster  
 2646 apprentice unless the individual is licensed and holds a current  
 2647 appointment by a licensed public all-lines adjuster or a public  
 2648 adjusting firm that employs a licensed all-lines public  
 2649 adjuster.

2650 Section 21. Subsection (7) is added to section 627.7011,  
 2651 Florida Statutes, to read:

2652 627.7011 Homeowners' policies; offer of replacement cost  
 2653 coverage and law and ordinance coverage.--

2654 (7) This section does not prohibit an insurer from  
 2655 exercising its right to repair damaged property in compliance  
 2656 with its policy and s. 627.702(7).

2657 Section 22. By February 1, 2010, the Office of Program  
 2658 Policy Analysis and Government Accountability shall submit a  
 2659 report to the Speaker of the House of Representatives, the

2660 President of the Senate, the Commissioner of Insurance, the  
 2661 Chief Financial Officer, and the Governor reviewing the laws  
 2662 governing public adjusters as defined in s. 626.854, Florida  
 2663 Statutes. The report shall include a review of relevant  
 2664 Citizens Property Insurance Corporation claims and statistics  
 2665 involving public adjusters, public adjuster claims submission  
 2666 practices, and a review of the laws of this state and rules  
 2667 governing public adjusters. The report shall also review state  
 2668 laws governing public adjusters throughout the United States.  
 2669 The review shall encompass a review of both catastrophe and  
 2670 noncatastrophe related claims, with a specific focus on new and  
 2671 supplemental or reopened catastrophe claims originated in 2009  
 2672 which relate to hurricanes that occurred in 2004 and 2005. The  
 2673 study shall review the effects on consumers of the laws of this  
 2674 state relating to public adjusters.

2675 Section 23. In the interest of full disclosure and  
 2676 transparency to real property insurance policy owners and since  
 2677 most real property insurance policies sold in this state are  
 2678 subject to assessments to make up for the funding deficiencies  
 2679 of the Citizens Property Insurance Corporation or the Florida  
 2680 Hurricane Catastrophe Fund, the following warning shall be  
 2681 printed in bold type of not less than 16 points and shall be  
 2682 displayed on the declarations page or on the renewal notice of  
 2683 every real property insurance policy sold or issued in this  
 2684 state that is or may be subject to assessment by the Citizens  
 2685 Property Insurance Corporation or the Florida Hurricane  
 2686 Catastrophe Fund:

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WARNING

The premium you are about to pay may NOT be the full cost of this insurance policy. If a hurricane strikes Florida, you may be forced to pay additional moneys to offset the inability of the state-owned Citizens Property Insurance Corporation or the Florida Hurricane Catastrophe Fund to pay claims resulting from the losses due to the hurricane.

Section 24. Paragraph (o) of subsection (1) of section 626.9541, Florida Statutes, is amended to read:

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

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

(o) Illegal dealings in premiums; excess or reduced charges for insurance.--

1. Knowingly collecting any sum as a premium or charge for insurance, which is not then provided, or is not in due course to be provided, subject to acceptance of the risk by the insurer, by an insurance policy issued by an insurer as permitted by this code.

2. Knowingly collecting as a premium or charge for insurance any sum in excess of or less than the premium or charge applicable to such insurance, in accordance with the applicable classifications and rates as filed with and approved by the office, and as specified in the policy; or, in cases when

2716 | classifications, premiums, or rates are not required by this  
2717 | code to be so filed and approved, premiums and charges collected  
2718 | from a Florida resident in excess of or less than those  
2719 | specified in the policy and as fixed by the insurer. This  
2720 | provision shall not be deemed to prohibit the charging and  
2721 | collection, by surplus lines agents licensed under part VIII of  
2722 | this chapter, of the amount of applicable state and federal  
2723 | taxes, or fees as authorized by s. 626.916(4), in addition to  
2724 | the premium required by the insurer or the charging and  
2725 | collection, by licensed agents, of the exact amount of any  
2726 | discount or other such fee charged by a credit card facility in  
2727 | connection with the use of a credit card, as authorized by  
2728 | subparagraph (q)3., in addition to the premium required by the  
2729 | insurer. This subparagraph shall not be construed to prohibit  
2730 | collection of a premium for a universal life or a variable or  
2731 | indeterminate value insurance policy made in accordance with the  
2732 | terms of the contract.

2733 |         3.a. Imposing or requesting an additional premium for a  
2734 | policy of motor vehicle liability, personal injury protection,  
2735 | medical payment, or collision insurance or any combination  
2736 | thereof or refusing to renew the policy solely because the  
2737 | insured was involved in a motor vehicle accident unless the  
2738 | insurer's file contains information from which the insurer in  
2739 | good faith determines that the insured was substantially at  
2740 | fault in the accident.

2741 |         b. An insurer which imposes and collects such a surcharge  
2742 | or which refuses to renew such policy shall, in conjunction with  
2743 | the notice of premium due or notice of nonrenewal, notify the

2744 | named insured that he or she is entitled to reimbursement of  
 2745 | such amount or renewal of the policy under the conditions listed  
 2746 | below and will subsequently reimburse him or her or renew the  
 2747 | policy, if the named insured demonstrates that the operator  
 2748 | involved in the accident was:

2749 |       (I) Lawfully parked;

2750 |       (II) Reimbursed by, or on behalf of, a person responsible  
 2751 | for the accident or has a judgment against such person;

2752 |       (III) Struck in the rear by another vehicle headed in the  
 2753 | same direction and was not convicted of a moving traffic  
 2754 | violation in connection with the accident;

2755 |       (IV) Hit by a "hit-and-run" driver, if the accident was  
 2756 | reported to the proper authorities within 24 hours after  
 2757 | discovering the accident;

2758 |       (V) Not convicted of a moving traffic violation in  
 2759 | connection with the accident, but the operator of the other  
 2760 | automobile involved in such accident was convicted of a moving  
 2761 | traffic violation;

2762 |       (VI) Finally adjudicated not to be liable by a court of  
 2763 | competent jurisdiction;

2764 |       (VII) In receipt of a traffic citation which was dismissed  
 2765 | or nolle prossed; or

2766 |       (VIII) Not at fault as evidenced by a written statement  
 2767 | from the insured establishing facts demonstrating lack of fault  
 2768 | which are not rebutted by information in the insurer's file from  
 2769 | which the insurer in good faith determines that the insured was  
 2770 | substantially at fault.

2771 c. In addition to the other provisions of this  
2772 subparagraph, an insurer may not fail to renew a policy if the  
2773 insured has had only one accident in which he or she was at  
2774 fault within the current 3-year period. However, an insurer may  
2775 nonrenew a policy for reasons other than accidents in accordance  
2776 with s. 627.728. This subparagraph does not prohibit nonrenewal  
2777 of a policy under which the insured has had three or more  
2778 accidents, regardless of fault, during the most recent 3-year  
2779 period.

2780 4. Imposing or requesting an additional premium for, or  
2781 refusing to renew, a policy for motor vehicle insurance solely  
2782 because the insured committed a noncriminal traffic infraction  
2783 as described in s. 318.14 unless the infraction is:

2784 a. A second infraction committed within an 18-month  
2785 period, or a third or subsequent infraction committed within a  
2786 36-month period.

2787 b. A violation of s. 316.183, when such violation is a  
2788 result of exceeding the lawful speed limit by more than 15 miles  
2789 per hour.

2790 5. Upon the request of the insured, the insurer and  
2791 licensed agent shall supply to the insured the complete proof of  
2792 fault or other criteria which justifies the additional charge or  
2793 cancellation.

2794 6. No insurer shall impose or request an additional  
2795 premium for motor vehicle insurance, cancel or refuse to issue a  
2796 policy, or refuse to renew a policy because the insured or the  
2797 applicant is a handicapped or physically disabled person, so  
2798 long as such handicap or physical disability does not

2799 | substantially impair such person's mechanically assisted driving  
2800 | ability.

2801 |         7. No insurer may cancel or otherwise terminate any  
2802 | insurance contract or coverage, or require execution of a  
2803 | consent to rate endorsement, during the stated policy term for  
2804 | the purpose of offering to issue, or issuing, a similar or  
2805 | identical contract or coverage to the same insured with the same  
2806 | exposure at a higher premium rate or continuing an existing  
2807 | contract or coverage with the same exposure at an increased  
2808 | premium.

2809 |         8. No insurer may issue a nonrenewal notice on any  
2810 | insurance contract or coverage, or require execution of a  
2811 | consent to rate endorsement, for the purpose of offering to  
2812 | issue, or issuing, a similar or identical contract or coverage  
2813 | to the same insured at a higher premium rate or continuing an  
2814 | existing contract or coverage at an increased premium without  
2815 | meeting any applicable notice requirements.

2816 |         9. No insurer shall, with respect to premiums charged for  
2817 | motor vehicle insurance, unfairly discriminate solely on the  
2818 | basis of age, sex, marital status, or scholastic achievement.

2819 |         10. Imposing or requesting an additional premium for motor  
2820 | vehicle comprehensive or uninsured motorist coverage solely  
2821 | because the insured was involved in a motor vehicle accident or  
2822 | was convicted of a moving traffic violation.

2823 |         11. No insurer shall cancel or issue a nonrenewal notice  
2824 | on any insurance policy or contract without complying with any  
2825 | applicable cancellation or nonrenewal provision required under  
2826 | the Florida Insurance Code.

2827           12. No insurer shall impose or request an additional  
2828 premium, cancel a policy, or issue a nonrenewal notice on any  
2829 insurance policy or contract because of any traffic infraction  
2830 when adjudication has been withheld and no points have been  
2831 assessed pursuant to s. 318.14(9) and (10). However, this  
2832 subparagraph does not apply to traffic infractions involving  
2833 accidents in which the insurer has incurred a loss due to the  
2834 fault of the insured.

2835           13. Notwithstanding this paragraph, a licensed general  
2836 lines agent may also collect a reasonable service charge, not to  
2837 exceed \$5, from the insured when the licensed general lines  
2838 agent processes, as a convenience and accommodation to the  
2839 insured, an installment payment from the insured to the  
2840 insurance company or premium finance company when such payments  
2841 can be made directly to the insurance company or premium finance  
2842 company by the insured. In no case may an agent collect more  
2843 than one service charge for any single payment, and a schedule  
2844 of any such service charge must be prominently posted in the  
2845 public area of the agency and also on the agency's website if a  
2846 service charge is to be collected.

2847           Section 25. Subsection (7) is added to section 624.46226,  
2848 Florida Statutes, to read:

2849           624.46226 Public housing authorities self-insurance funds;  
2850 exemption for taxation and assessments.--

2851           (7) Reinsurance companies complying with s. 624.610 may  
2852 issue coverage directly to a public housing authority self-  
2853 insuring its liabilities under this section. A public housing  
2854 authority purchasing reinsurance shall be considered an insurer

2855 for the sole purpose of entering into such reinsurance  
2856 contracts. Contracts of reinsurance issued to public housing  
2857 authorities self-insuring under this section shall receive the  
2858 same tax treatment as reinsurance contracts issued to insurance  
2859 companies. However, the purchase of reinsurance coverage by a  
2860 public housing authority self-insuring under this section shall  
2861 not be construed as authorization to otherwise act as an  
2862 insurer.

2863 Section 26. All rating agencies or rating services must  
2864 clearly state in their public reports and ratings whether they  
2865 allowed any reinsurance from the Florida Hurricane Catastrophe  
2866 Fund to be counted as an asset of the rated entity.

2867 Section 27. This act shall take effect upon becoming a  
2868 law.