

**By** the Committees on General Government Appropriations; and  
Banking and Insurance; and Senators Bennett, Dockery, and Hill

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1                                   A bill to be entitled  
2           An act relating to residential property insurance;  
3           amending s. 627.062, F.S.; authorizing certain  
4           insurers to use a rate different from otherwise  
5           applicable filed rates; prohibiting the consideration  
6           of certain policies when making a specified  
7           calculation; limiting the maximum average statewide  
8           increase for certain rate filings; preserving the  
9           authority of the Office of Insurance Regulation to  
10          disapprove rates as inadequate or disapprove a rate  
11          filing for using certain rating factors; authorizing  
12          the office to direct an insurer to make a specified  
13          type of rate filing under certain circumstances;  
14          amending s. 627.351, F.S.; providing requirements for  
15          the levy of the Citizens policyholder surcharge;  
16          prohibiting the corporation from levying certain  
17          regular assessments until after levying the full  
18          amount of a Citizens policyholder surcharge; requiring  
19          the corporation's plan of operation to require agents  
20          to obtain an acknowledgement of potential surcharge  
21          and assessment liability from applicants and  
22          policyholders; requiring the corporation to  
23          permanently retain a copy of such acknowledgments;  
24          specifying that the acknowledgement creates a  
25          conclusive presumption of understanding and acceptance  
26          by the policyholder; creating s. 627.7031, F.S.;  
27          authorizing certain insurers to offer or renew  
28          policies at rates established under certain  
29          circumstances; prohibiting certain insurers from

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30 purchasing TICL option coverage from the Florida  
31 Hurricane Catastrophe Fund under certain  
32 circumstances; requiring that certain policies contain  
33 a specified rate notice; requiring insurers to offer  
34 applicants or insureds an estimate of the premium for  
35 a policy from Citizens Property Insurance Corporation  
36 reflecting similar coverage, limits, and deductibles;  
37 requiring applicants or insureds to provide a signed  
38 premium comparison acknowledgement; specifying  
39 criteria for insurer compliance with certain  
40 requirements; specifying acknowledgement contents;  
41 requiring insurers and agents to retain a copy of the  
42 acknowledgement for a specified time; specifying a  
43 presumption created by a signed acknowledgement;  
44 specifying types of residential property insurance  
45 policies that are not eligible for certain rates or  
46 subject to other requirements; requiring written  
47 notice of certain nonrenewals; preserving insurer  
48 authority to cancel policies; specifying a criterion  
49 for what constitutes an offer to renew a policy;  
50 providing an effective date.

51  
52 Be It Enacted by the Legislature of the State of Florida:

53  
54 Section 1. Paragraph (1) is added to subsection (2) of  
55 section 627.062, Florida Statutes, to read:

56 627.062 Rate standards.—

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

58 (1)1. An insurer complying with the requirements of s.

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59 627.7031 may use a rate for residential property insurance, as  
60 defined in s. 627.4025, different from the otherwise applicable  
61 filed rate as provided in this paragraph.

62 2. Policies subject to this paragraph may not be counted in  
63 the calculation under s. 627.171(2).

64 3. Such rates shall be filed with the office as a separate  
65 filing. The filing must be accompanied by an actuary's  
66 certification stating that the filing was prepared in accordance  
67 with current actuarial standards of practice of the Actuarial  
68 Standards Board and that the rates are within a range consistent  
69 with applicable actuarial principles or, when the percentage  
70 limitations of this paragraph do not allow for a rate within a  
71 range consistent with applicable actuarial principles, the  
72 certification must state that the rates are below such range.  
73 The initial rates used by an insurer under this paragraph may  
74 not provide for rates that represent more than a 10 percent  
75 statewide average rate increase over the most recently filed and  
76 approved rate. A rate filing made pursuant to this paragraph  
77 submitted in any year following the implementation of such  
78 initial rates may not provide for rates that represent more than  
79 a 10 percent statewide average rate increase in any one year  
80 over the rates in effect under this paragraph at the time of the  
81 filing. A rate filing made pursuant to this paragraph may not  
82 provide for a percentage rate increase as to any one  
83 policyholder which exceeds two times the statewide average rate  
84 increase provided in the filing.

85 4. This paragraph does not affect the authority of the  
86 office to disapprove a rate as inadequate or to disapprove a  
87 rate filing for charging any insured or applicant a higher

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88 premium solely because of the insured's or applicant's race,  
89 color, creed, marital status, sex, or national origin. Upon  
90 finding that an insurer has used any such factor in charging an  
91 insured or applicant a higher premium, the office may direct the  
92 insurer to make a new filing for a new rate that does not use  
93 such factor.

94  
95 The provisions of this subsection shall not apply to workers'  
96 compensation and employer's liability insurance and to motor  
97 vehicle insurance.

98 Section 2. Paragraphs (b) and (c) of subsection (6) of  
99 section 627.351, Florida Statutes, are amended, present  
100 paragraphs (g) through (ff) of subsection (6) of that section  
101 are redesignated as paragraphs (f) through (ee), respectively,  
102 and present paragraph (f) of that subsection is redesignated as  
103 paragraph (ff) of that subsection, to read:

104 627.351 Insurance risk apportionment plans.—

105 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

106 (b)1. All insurers authorized to write one or more subject  
107 lines of business in this state are subject to assessment by the  
108 corporation and, for the purposes of this subsection, are  
109 referred to collectively as "assessable insurers." Insurers  
110 writing one or more subject lines of business in this state  
111 pursuant to part VIII of chapter 626 are not assessable  
112 insurers, but insureds who procure one or more subject lines of  
113 business in this state pursuant to part VIII of chapter 626 are  
114 subject to assessment by the corporation and are referred to  
115 collectively as "assessable insureds." An authorized insurer's  
116 assessment liability shall begin on the first day of the

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117 calendar year following the year in which the insurer was issued  
118 a certificate of authority to transact insurance for subject  
119 lines of business in this state and shall terminate 1 year after  
120 the end of the first calendar year during which the insurer no  
121 longer holds a certificate of authority to transact insurance  
122 for subject lines of business in this state.

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

126 (I) A personal lines account for personal residential  
127 policies issued by the corporation or issued by the Residential  
128 Property and Casualty Joint Underwriting Association and renewed  
129 by the corporation that provide comprehensive, multiperil  
130 coverage on risks that are not located in areas eligible for  
131 coverage in the Florida Windstorm Underwriting Association as  
132 those areas were defined on January 1, 2002, and for such  
133 policies that do not provide coverage for the peril of wind on  
134 risks that are located in such areas;

135 (II) A commercial lines account for commercial residential  
136 and commercial nonresidential policies issued by the corporation  
137 or issued by the Residential Property and Casualty Joint  
138 Underwriting Association and renewed by the corporation that  
139 provide coverage for basic property perils on risks that are not  
140 located in areas eligible for coverage in the Florida Windstorm  
141 Underwriting Association as those areas were defined on January  
142 1, 2002, and for such policies that do not provide coverage for  
143 the peril of wind on risks that are located in such areas; and

144 (III) A high-risk account for personal residential policies  
145 and commercial residential and commercial nonresidential

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146 property policies issued by the corporation or transferred to  
147 the corporation that provide coverage for the peril of wind on  
148 risks that are located in areas eligible for coverage in the  
149 Florida Windstorm Underwriting Association as those areas were  
150 defined on January 1, 2002. The corporation may offer policies  
151 that provide multiperil coverage and the corporation shall  
152 continue to offer policies that provide coverage only for the  
153 peril of wind for risks located in areas eligible for coverage  
154 in the high-risk account. In issuing multiperil coverage, the  
155 corporation may use its approved policy forms and rates for the  
156 personal lines account. An applicant or insured who is eligible  
157 to purchase a multiperil policy from the corporation may  
158 purchase a multiperil policy from an authorized insurer without  
159 prejudice to the applicant's or insured's eligibility to  
160 prospectively purchase a policy that provides coverage only for  
161 the peril of wind from the corporation. An applicant or insured  
162 who is eligible for a corporation policy that provides coverage  
163 only for the peril of wind may elect to purchase or retain such  
164 policy and also purchase or retain coverage excluding wind from  
165 an authorized insurer without prejudice to the applicant's or  
166 insured's eligibility to prospectively purchase a policy that  
167 provides multiperil coverage from the corporation. It is the  
168 goal of the Legislature that there would be an overall average  
169 savings of 10 percent or more for a policyholder who currently  
170 has a wind-only policy with the corporation, and an ex-wind  
171 policy with a voluntary insurer or the corporation, and who then  
172 obtains a multiperil policy from the corporation. It is the  
173 intent of the Legislature that the offer of multiperil coverage  
174 in the high-risk account be made and implemented in a manner

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175 that does not adversely affect the tax-exempt status of the  
176 corporation or creditworthiness of or security for currently  
177 outstanding financing obligations or credit facilities of the  
178 high-risk account, the personal lines account, or the commercial  
179 lines account. The high-risk account must also include quota  
180 share primary insurance under subparagraph (c)2. The area  
181 eligible for coverage under the high-risk account also includes  
182 the area within Port Canaveral, which is bordered on the south  
183 by the City of Cape Canaveral, bordered on the west by the  
184 Banana River, and bordered on the north by Federal Government  
185 property.

186       b. The three separate accounts must be maintained as long  
187 as financing obligations entered into by the Florida Windstorm  
188 Underwriting Association or Residential Property and Casualty  
189 Joint Underwriting Association are outstanding, in accordance  
190 with the terms of the corresponding financing documents. When  
191 the financing obligations are no longer outstanding, in  
192 accordance with the terms of the corresponding financing  
193 documents, the corporation may use a single account for all  
194 revenues, assets, liabilities, losses, and expenses of the  
195 corporation. Consistent with the requirement of this  
196 subparagraph and prudent investment policies that minimize the  
197 cost of carrying debt, the board shall exercise its best efforts  
198 to retire existing debt or to obtain approval of necessary  
199 parties to amend the terms of existing debt, so as to structure  
200 the most efficient plan to consolidate the three separate  
201 accounts into a single account. By February 1, 2007, the board  
202 shall submit a report to the Financial Services Commission, the  
203 President of the Senate, and the Speaker of the House of

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204 Representatives which includes an analysis of consolidating the  
205 accounts, the actions the board has taken to minimize the cost  
206 of carrying debt, and its recommendations for executing the most  
207 efficient plan.

208 c. Creditors of the Residential Property and Casualty Joint  
209 Underwriting Association and of the accounts specified in sub-  
210 sub-subparagraphs a.(I) and (II) may have a claim against, and  
211 recourse to, the accounts referred to in sub-sub-subparagraphs  
212 a.(I) and (II) and shall have no claim against, or recourse to,  
213 the account referred to in sub-sub-subparagraph a.(III).

214 Creditors of the Florida Windstorm Underwriting Association  
215 shall have a claim against, and recourse to, the account  
216 referred to in sub-sub-subparagraph a.(III) and shall have no  
217 claim against, or recourse to, the accounts referred to in sub-  
218 sub-subparagraphs a.(I) and (II).

219 d. Revenues, assets, liabilities, losses, and expenses not  
220 attributable to particular accounts shall be prorated among the  
221 accounts.

222 e. The Legislature finds that the revenues of the  
223 corporation are revenues that are necessary to meet the  
224 requirements set forth in documents authorizing the issuance of  
225 bonds under this subsection.

226 f. No part of the income of the corporation may inure to  
227 the benefit of any private person.

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

229 a. After accounting for the Citizens policyholder surcharge  
230 imposed under sub-subparagraph i., when the remaining projected  
231 deficit incurred in a particular calendar year is not greater  
232 than 6 percent of the aggregate statewide direct written premium



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233 for the subject lines of business for the prior calendar year,  
234 the entire deficit shall be recovered through regular  
235 assessments of assessable insurers under paragraph (p) and  
236 assessable insureds.

237       b. After accounting for the Citizens policyholder surcharge  
238 imposed under sub-subparagraph i., when the remaining projected  
239 deficit incurred in a particular calendar year exceeds 6 percent  
240 of the aggregate statewide direct written premium for the  
241 subject lines of business for the prior calendar year, the  
242 corporation shall levy regular assessments on assessable  
243 insurers under paragraph (p) and on assessable insureds in an  
244 amount equal to the greater of 6 percent of the deficit or 6  
245 percent of the aggregate statewide direct written premium for  
246 the subject lines of business for the prior calendar year. Any  
247 remaining deficit shall be recovered through emergency  
248 assessments under sub-subparagraph d.

249       c. Each assessable insurer's share of the amount being  
250 assessed under sub-subparagraph a. or sub-subparagraph b. shall  
251 be in the proportion that the assessable insurer's direct  
252 written premium for the subject lines of business for the year  
253 preceding the assessment bears to the aggregate statewide direct  
254 written premium for the subject lines of business for that year.  
255 The assessment percentage applicable to each assessable insured  
256 is the ratio of the amount being assessed under sub-subparagraph  
257 a. or sub-subparagraph b. to the aggregate statewide direct  
258 written premium for the subject lines of business for the prior  
259 year. Assessments levied by the corporation on assessable  
260 insurers under sub-subparagraphs a. and b. shall be paid as  
261 required by the corporation's plan of operation and paragraph

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262 (p). Assessments levied by the corporation on assessable  
263 insureds under sub-subparagraphs a. and b. shall be collected by  
264 the surplus lines agent at the time the surplus lines agent  
265 collects the surplus lines tax required by s. 626.932 and shall  
266 be paid to the Florida Surplus Lines Service Office at the time  
267 the surplus lines agent pays the surplus lines tax to the  
268 Florida Surplus Lines Service Office. Upon receipt of regular  
269 assessments from surplus lines agents, the Florida Surplus Lines  
270 Service Office shall transfer the assessments directly to the  
271 corporation as determined by the corporation.

272 d. Upon a determination by the board of governors that a  
273 deficit in an account exceeds the amount that will be recovered  
274 through regular assessments under sub-subparagraph a. or sub-  
275 subparagraph b., plus the amount that is expected to be  
276 recovered through surcharges under sub-subparagraph i., as to  
277 the remaining projected deficit the board shall levy, after  
278 verification by the office, emergency assessments, for as many  
279 years as necessary to cover the deficits, to be collected by  
280 assessable insurers and the corporation and collected from  
281 assessable insureds upon issuance or renewal of policies for  
282 subject lines of business, excluding National Flood Insurance  
283 policies. The amount of the emergency assessment collected in a  
284 particular year shall be a uniform percentage of that year's  
285 direct written premium for subject lines of business and all  
286 accounts of the corporation, excluding National Flood Insurance  
287 Program policy premiums, as annually determined by the board and  
288 verified by the office. The office shall verify the arithmetic  
289 calculations involved in the board's determination within 30  
290 days after receipt of the information on which the determination

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291 was based. Notwithstanding any other provision of law, the  
292 corporation and each assessable insurer that writes subject  
293 lines of business shall collect emergency assessments from its  
294 policyholders without such obligation being affected by any  
295 credit, limitation, exemption, or deferment. Emergency  
296 assessments levied by the corporation on assessable insureds  
297 shall be collected by the surplus lines agent at the time the  
298 surplus lines agent collects the surplus lines tax required by  
299 s. 626.932 and shall be paid to the Florida Surplus Lines  
300 Service Office at the time the surplus lines agent pays the  
301 surplus lines tax to the Florida Surplus Lines Service Office.  
302 The emergency assessments so collected shall be transferred  
303 directly to the corporation on a periodic basis as determined by  
304 the corporation and shall be held by the corporation solely in  
305 the applicable account. The aggregate amount of emergency  
306 assessments levied for an account under this sub-subparagraph in  
307 any calendar year may, at the discretion of the board of  
308 governors, be less than but may not exceed the greater of 10  
309 percent of the amount needed to cover the deficit, plus  
310 interest, fees, commissions, required reserves, and other costs  
311 associated with financing of the original deficit, or 10 percent  
312 of the aggregate statewide direct written premium for subject  
313 lines of business and for all accounts of the corporation for  
314 the prior year, plus interest, fees, commissions, required  
315 reserves, and other costs associated with financing the deficit.

316 e. The corporation may pledge the proceeds of assessments,  
317 projected recoveries from the Florida Hurricane Catastrophe  
318 Fund, other insurance and reinsurance recoverables, policyholder  
319 surcharges and other surcharges, and other funds available to

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320 the corporation as the source of revenue for and to secure bonds  
321 issued under paragraph (p), bonds or other indebtedness issued  
322 under subparagraph (c)3., or lines of credit or other financing  
323 mechanisms issued or created under this subsection, or to retire  
324 any other debt incurred as a result of deficits or events giving  
325 rise to deficits, or in any other way that the board determines  
326 will efficiently recover such deficits. The purpose of the lines  
327 of credit or other financing mechanisms is to provide additional  
328 resources to assist the corporation in covering claims and  
329 expenses attributable to a catastrophe. As used in this  
330 subsection, the term "assessments" includes regular assessments  
331 under sub-subparagraph a., sub-subparagraph b., or subparagraph  
332 (p)1. and emergency assessments under sub-subparagraph d.  
333 Emergency assessments collected under sub-subparagraph d. are  
334 not part of an insurer's rates, are not premium, and are not  
335 subject to premium tax, fees, or commissions; however, failure  
336 to pay the emergency assessment shall be treated as failure to  
337 pay premium. The emergency assessments under sub-subparagraph d.  
338 shall continue as long as any bonds issued or other indebtedness  
339 incurred with respect to a deficit for which the assessment was  
340 imposed remain outstanding, unless adequate provision has been  
341 made for the payment of such bonds or other indebtedness  
342 pursuant to the documents governing such bonds or other  
343 indebtedness.

344 f. As used in this subsection for purposes of any deficit  
345 incurred on or after January 25, 2007, the term "subject lines  
346 of business" means insurance written by assessable insurers or  
347 procured by assessable insureds for all property and casualty  
348 lines of business in this state, but not including workers'

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349 compensation or medical malpractice. As used in the sub-  
350 subparagraph, the term "property and casualty lines of business"  
351 includes all lines of business identified on Form 2, Exhibit of  
352 Premiums and Losses, in the annual statement required of  
353 authorized insurers by s. 624.424 and any rule adopted under  
354 this section, except for those lines identified as accident and  
355 health insurance and except for policies written under the  
356 National Flood Insurance Program or the Federal Crop Insurance  
357 Program. For purposes of this sub-subparagraph, the term  
358 "workers' compensation" includes both workers' compensation  
359 insurance and excess workers' compensation insurance.

360 g. The Florida Surplus Lines Service Office shall determine  
361 annually the aggregate statewide written premium in subject  
362 lines of business procured by assessable insureds and shall  
363 report that information to the corporation in a form and at a  
364 time the corporation specifies to ensure that the corporation  
365 can meet the requirements of this subsection and the  
366 corporation's financing obligations.

367 h. The Florida Surplus Lines Service Office shall verify  
368 the proper application by surplus lines agents of assessment  
369 percentages for regular assessments and emergency assessments  
370 levied under this subparagraph on assessable insureds and shall  
371 assist the corporation in ensuring the accurate, timely  
372 collection and payment of assessments by surplus lines agents as  
373 required by the corporation.

374 i. (I) If a deficit is incurred in any account in 2008 or  
375 thereafter, the board of governors shall levy a Citizens  
376 policyholder surcharge against all policyholders of the  
377 corporation.

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378        (II) The Citizens policyholder surcharge for a 12-month  
379 period, which shall be levied collected at the time of issuance  
380 or renewal of a policy, as a uniform percentage of the premium  
381 for the policy of up to 15 percent of such premium, which funds  
382 shall be used to offset the deficit.

383        (III) The Citizens policyholder surcharge is payable upon  
384 cancellation or termination of the policy, upon renewal of the  
385 policy, or upon issuance of a new policy by Citizens within the  
386 first 12 months after the date of the levy or the period of time  
387 necessary to fully collect the Citizens policyholder surcharge  
388 amount.

389        (IV) The corporation may not levy any regular assessments  
390 under paragraph (q) pursuant to sub-subparagraph a. or sub-  
391 subparagraph b. with respect to a particular year's deficit  
392 until the corporation has first levied a Citizens policyholder  
393 surcharge under this sub-subparagraph in the full amount  
394 authorized by this sub-subparagraph.

395        (V) Citizens policyholder surcharges under this sub-  
396 subparagraph are not considered premium and are not subject to  
397 commissions, fees, or premium taxes. However, failure to pay  
398 such surcharges shall be treated as failure to pay premium.

399        j. If the amount of any assessments or surcharges collected  
400 from corporation policyholders, assessable insurers or their  
401 policyholders, or assessable insureds exceeds the amount of the  
402 deficits, such excess amounts shall be remitted to and retained  
403 by the corporation in a reserve to be used by the corporation,  
404 as determined by the board of governors and approved by the  
405 office, to pay claims or reduce any past, present, or future  
406 plan-year deficits or to reduce outstanding debt.

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

408 1. Must provide for adoption of residential property and  
409 casualty insurance policy forms and commercial residential and  
410 nonresidential property insurance forms, which forms must be  
411 approved by the office prior to use. The corporation shall adopt  
412 the following policy forms:

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

417 b. Basic personal lines policy forms that are policies  
418 similar to an HO-8 policy or a dwelling fire policy that provide  
419 coverage meeting the requirements of the secondary mortgage  
420 market, but which coverage is more limited than the coverage  
421 under a standard policy.

422 c. Commercial lines residential and nonresidential policy  
423 forms that are generally similar to the basic perils of full  
424 coverage obtainable for commercial residential structures and  
425 commercial nonresidential structures in the admitted voluntary  
426 market.

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

432 e. Commercial lines nonresidential property insurance forms  
433 that cover the peril of wind only. The forms are applicable only  
434 to nonresidential properties located in areas eligible for  
435 coverage under the high-risk account referred to in sub-

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436 subparagraph (b)2.a.

437 f. The corporation may adopt variations of the policy forms  
438 listed in sub-subparagraphs a.-e. that contain more restrictive  
439 coverage.

440 2.a. Must provide that the corporation adopt a program in  
441 which the corporation and authorized insurers enter into quota  
442 share primary insurance agreements for hurricane coverage, as  
443 defined in s. 627.4025(2)(a), for eligible risks, and adopt  
444 property insurance forms for eligible risks which cover the  
445 peril of wind only. As used in this subsection, the term:

446 (I) "Quota share primary insurance" means an arrangement in  
447 which the primary hurricane coverage of an eligible risk is  
448 provided in specified percentages by the corporation and an  
449 authorized insurer. The corporation and authorized insurer are  
450 each solely responsible for a specified percentage of hurricane  
451 coverage of an eligible risk as set forth in a quota share  
452 primary insurance agreement between the corporation and an  
453 authorized insurer and the insurance contract. The  
454 responsibility of the corporation or authorized insurer to pay  
455 its specified percentage of hurricane losses of an eligible  
456 risk, as set forth in the quota share primary insurance  
457 agreement, may not be altered by the inability of the other  
458 party to the agreement to pay its specified percentage of  
459 hurricane losses. Eligible risks that are provided hurricane  
460 coverage through a quota share primary insurance arrangement  
461 must be provided policy forms that set forth the obligations of  
462 the corporation and authorized insurer under the arrangement,  
463 clearly specify the percentages of quota share primary insurance  
464 provided by the corporation and authorized insurer, and



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465 conspicuously and clearly state that neither the authorized  
466 insurer nor the corporation may be held responsible beyond its  
467 specified percentage of coverage of hurricane losses.

468 (II) "Eligible risks" means personal lines residential and  
469 commercial lines residential risks that meet the underwriting  
470 criteria of the corporation and are located in areas that were  
471 eligible for coverage by the Florida Windstorm Underwriting  
472 Association on January 1, 2002.

473 b. The corporation may enter into quota share primary  
474 insurance agreements with authorized insurers at corporation  
475 coverage levels of 90 percent and 50 percent.

476 c. If the corporation determines that additional coverage  
477 levels are necessary to maximize participation in quota share  
478 primary insurance agreements by authorized insurers, the  
479 corporation may establish additional coverage levels. However,  
480 the corporation's quota share primary insurance coverage level  
481 may not exceed 90 percent.

482 d. Any quota share primary insurance agreement entered into  
483 between an authorized insurer and the corporation must provide  
484 for a uniform specified percentage of coverage of hurricane  
485 losses, by county or territory as set forth by the corporation  
486 board, for all eligible risks of the authorized insurer covered  
487 under the quota share primary insurance agreement.

488 e. Any quota share primary insurance agreement entered into  
489 between an authorized insurer and the corporation is subject to  
490 review and approval by the office. However, such agreement shall  
491 be authorized only as to insurance contracts entered into  
492 between an authorized insurer and an insured who is already  
493 insured by the corporation for wind coverage.

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494 f. For all eligible risks covered under quota share primary  
495 insurance agreements, the exposure and coverage levels for both  
496 the corporation and authorized insurers shall be reported by the  
497 corporation to the Florida Hurricane Catastrophe Fund. For all  
498 policies of eligible risks covered under quota share primary  
499 insurance agreements, the corporation and the authorized insurer  
500 shall maintain complete and accurate records for the purpose of  
501 exposure and loss reimbursement audits as required by Florida  
502 Hurricane Catastrophe Fund rules. The corporation and the  
503 authorized insurer shall each maintain duplicate copies of  
504 policy declaration pages and supporting claims documents.

505 g. The corporation board shall establish in its plan of  
506 operation standards for quota share agreements which ensure that  
507 there is no discriminatory application among insurers as to the  
508 terms of quota share agreements, pricing of quota share  
509 agreements, incentive provisions if any, and consideration paid  
510 for servicing policies or adjusting claims.

511 h. The quota share primary insurance agreement between the  
512 corporation and an authorized insurer must set forth the  
513 specific terms under which coverage is provided, including, but  
514 not limited to, the sale and servicing of policies issued under  
515 the agreement by the insurance agent of the authorized insurer  
516 producing the business, the reporting of information concerning  
517 eligible risks, the payment of premium to the corporation, and  
518 arrangements for the adjustment and payment of hurricane claims  
519 incurred on eligible risks by the claims adjuster and personnel  
520 of the authorized insurer. Entering into a quota sharing  
521 insurance agreement between the corporation and an authorized  
522 insurer shall be voluntary and at the discretion of the

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523 authorized insurer.

524 3. May provide that the corporation may employ or otherwise  
525 contract with individuals or other entities to provide  
526 administrative or professional services that may be appropriate  
527 to effectuate the plan. The corporation shall have the power to  
528 borrow funds, by issuing bonds or by incurring other  
529 indebtedness, and shall have other powers reasonably necessary  
530 to effectuate the requirements of this subsection, including,  
531 without limitation, the power to issue bonds and incur other  
532 indebtedness in order to refinance outstanding bonds or other  
533 indebtedness. The corporation may, but is not required to, seek  
534 judicial validation of its bonds or other indebtedness under  
535 chapter 75. The corporation may issue bonds or incur other  
536 indebtedness, or have bonds issued on its behalf by a unit of  
537 local government pursuant to subparagraph (p)2., in the absence  
538 of a hurricane or other weather-related event, upon a  
539 determination by the corporation, subject to approval by the  
540 office, that such action would enable it to efficiently meet the  
541 financial obligations of the corporation and that such  
542 financings are reasonably necessary to effectuate the  
543 requirements of this subsection. The corporation is authorized  
544 to take all actions needed to facilitate tax-free status for any  
545 such bonds or indebtedness, including formation of trusts or  
546 other affiliated entities. The corporation shall have the  
547 authority to pledge assessments, projected recoveries from the  
548 Florida Hurricane Catastrophe Fund, other reinsurance  
549 recoverables, market equalization and other surcharges, and  
550 other funds available to the corporation as security for bonds  
551 or other indebtedness. In recognition of s. 10, Art. I of the

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552 State Constitution, prohibiting the impairment of obligations of  
553 contracts, it is the intent of the Legislature that no action be  
554 taken whose purpose is to impair any bond indenture or financing  
555 agreement or any revenue source committed by contract to such  
556 bond or other indebtedness.

557 4.a. Must require that the corporation operate subject to  
558 the supervision and approval of a board of governors consisting  
559 of eight individuals who are residents of this state, from  
560 different geographical areas of this state. The Governor, the  
561 Chief Financial Officer, the President of the Senate, and the  
562 Speaker of the House of Representatives shall each appoint two  
563 members of the board. At least one of the two members appointed  
564 by each appointing officer must have demonstrated expertise in  
565 insurance. The Chief Financial Officer shall designate one of  
566 the appointees as chair. All board members serve at the pleasure  
567 of the appointing officer. All members of the board of governors  
568 are subject to removal at will by the officers who appointed  
569 them. All board members, including the chair, must be appointed  
570 to serve for 3-year terms beginning annually on a date  
571 designated by the plan. However, for the first term beginning on  
572 or after July 1, 2009, each appointing officer shall appoint one  
573 member of the board for a 2-year term and one member for a 3-  
574 year term. Any board vacancy shall be filled for the unexpired  
575 term by the appointing officer. The Chief Financial Officer  
576 shall appoint a technical advisory group to provide information  
577 and advice to the board of governors in connection with the  
578 board's duties under this subsection. The executive director and  
579 senior managers of the corporation shall be engaged by the board  
580 and serve at the pleasure of the board. Any executive director

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581 appointed on or after July 1, 2006, is subject to confirmation  
582 by the Senate. The executive director is responsible for  
583 employing other staff as the corporation may require, subject to  
584 review and concurrence by the board.

585       b. The board shall create a Market Accountability Advisory  
586 Committee to assist the corporation in developing awareness of  
587 its rates and its customer and agent service levels in  
588 relationship to the voluntary market insurers writing similar  
589 coverage. The members of the advisory committee shall consist of  
590 the following 11 persons, one of whom must be elected chair by  
591 the members of the committee: four representatives, one  
592 appointed by the Florida Association of Insurance Agents, one by  
593 the Florida Association of Insurance and Financial Advisors, one  
594 by the Professional Insurance Agents of Florida, and one by the  
595 Latin American Association of Insurance Agencies; three  
596 representatives appointed by the insurers with the three highest  
597 voluntary market share of residential property insurance  
598 business in the state; one representative from the Office of  
599 Insurance Regulation; one consumer appointed by the board who is  
600 insured by the corporation at the time of appointment to the  
601 committee; one representative appointed by the Florida  
602 Association of Realtors; and one representative appointed by the  
603 Florida Bankers Association. All members must serve for 3-year  
604 terms and may serve for consecutive terms. The committee shall  
605 report to the corporation at each board meeting on insurance  
606 market issues which may include rates and rate competition with  
607 the voluntary market; service, including policy issuance, claims  
608 processing, and general responsiveness to policyholders,  
609 applicants, and agents; and matters relating to depopulation.

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

612           a. Subject to the provisions of s. 627.3517, with respect  
613 to personal lines residential risks, if the risk is offered  
614 coverage from an authorized insurer at the insurer's approved  
615 rate under either a standard policy including wind coverage or,  
616 if consistent with the insurer's underwriting rules as filed  
617 with the office, a basic policy including wind coverage, for a  
618 new application to the corporation for coverage, the risk is not  
619 eligible for any policy issued by the corporation unless the  
620 premium for coverage from the authorized insurer is more than 15  
621 percent greater than the premium for comparable coverage from  
622 the corporation. If the risk is not able to obtain any such  
623 offer, the risk is eligible for either a standard policy  
624 including wind coverage or a basic policy including wind  
625 coverage issued by the corporation; however, if the risk could  
626 not be insured under a standard policy including wind coverage  
627 regardless of market conditions, the risk shall be eligible for  
628 a basic policy including wind coverage unless rejected under  
629 subparagraph 8. However, with regard to a policyholder of the  
630 corporation or a policyholder removed from the corporation  
631 through an assumption agreement until the end of the assumption  
632 period, the policyholder remains eligible for coverage from the  
633 corporation regardless of any offer of coverage from an  
634 authorized insurer or surplus lines insurer. The corporation  
635 shall determine the type of policy to be provided on the basis  
636 of objective standards specified in the underwriting manual and  
637 based on generally accepted underwriting practices.

638           (I) If the risk accepts an offer of coverage through the

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639 market assistance plan or an offer of coverage through a  
640 mechanism established by the corporation before a policy is  
641 issued to the risk by the corporation or during the first 30  
642 days of coverage by the corporation, and the producing agent who  
643 submitted the application to the plan or to the corporation is  
644 not currently appointed by the insurer, the insurer shall:

645 (A) Pay to the producing agent of record of the policy, for  
646 the first year, an amount that is the greater of the insurer's  
647 usual and customary commission for the type of policy written or  
648 a fee equal to the usual and customary commission of the  
649 corporation; or

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

655

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

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

663 (A) Pay to the producing agent of record of the corporation  
664 policy, for the first year, an amount that is the greater of the  
665 insurer's usual and customary commission for the type of policy  
666 written or a fee equal to the usual and customary commission of  
667 the corporation; or

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

673

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

677 b. With respect to commercial lines residential risks, for  
678 a new application to the corporation for coverage, if the risk  
679 is offered coverage under a policy including wind coverage from  
680 an authorized insurer at its approved rate, the risk is not  
681 eligible for any policy issued by the corporation unless the  
682 premium for coverage from the authorized insurer is more than 15  
683 percent greater than the premium for comparable coverage from  
684 the corporation. If the risk is not able to obtain any such  
685 offer, the risk is eligible for a policy including wind coverage  
686 issued by the corporation. However, with regard to a  
687 policyholder of the corporation or a policyholder removed from  
688 the corporation through an assumption agreement until the end of  
689 the assumption period, the policyholder remains eligible for  
690 coverage from the corporation regardless of any offer of  
691 coverage from an authorized insurer or surplus lines insurer.

692 (I) If the risk accepts an offer of coverage through the  
693 market assistance plan or an offer of coverage through a  
694 mechanism established by the corporation before a policy is  
695 issued to the risk by the corporation or during the first 30  
696 days of coverage by the corporation, and the producing agent who



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697 submitted the application to the plan or the corporation is not  
698 currently appointed by the insurer, the insurer shall:

699 (A) Pay to the producing agent of record of the policy, for  
700 the first year, an amount that is the greater of the insurer's  
701 usual and customary commission for the type of policy written or  
702 a fee equal to the usual and customary commission of the  
703 corporation; or

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

709

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

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

717 (A) Pay to the producing agent of record of the corporation  
718 policy, for the first year, an amount that is the greater of the  
719 insurer's usual and customary commission for the type of policy  
720 written or a fee equal to the usual and customary commission of  
721 the corporation; or

722 (B) Offer to allow the producing agent of record of the  
723 corporation policy to continue servicing the policy for a period  
724 of not less than 1 year and offer to pay the agent the greater  
725 of the insurer's or the corporation's usual and customary

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726 commission for the type of policy written.

727

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

731 c. For purposes of determining comparable coverage under  
732 sub-subparagraphs a. and b., the comparison shall be based on  
733 those forms and coverages that are reasonably comparable. The  
734 corporation may rely on a determination of comparable coverage  
735 and premium made by the producing agent who submits the  
736 application to the corporation, made in the agent's capacity as  
737 the corporation's agent. A comparison may be made solely of the  
738 premium with respect to the main building or structure only on  
739 the following basis: the same coverage A or other building  
740 limits; the same percentage hurricane deductible that applies on  
741 an annual basis or that applies to each hurricane for commercial  
742 residential property; the same percentage of ordinance and law  
743 coverage, if the same limit is offered by both the corporation  
744 and the authorized insurer; the same mitigation credits, to the  
745 extent the same types of credits are offered both by the  
746 corporation and the authorized insurer; the same method for loss  
747 payment, such as replacement cost or actual cash value, if the  
748 same method is offered both by the corporation and the  
749 authorized insurer in accordance with underwriting rules; and  
750 any other form or coverage that is reasonably comparable as  
751 determined by the board. If an application is submitted to the  
752 corporation for wind-only coverage in the high-risk account, the  
753 premium for the corporation's wind-only policy plus the premium  
754 for the ex-wind policy that is offered by an authorized insurer

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755 to the applicant shall be compared to the premium for multiperil  
756 coverage offered by an authorized insurer, subject to the  
757 standards for comparison specified in this subparagraph. If the  
758 corporation or the applicant requests from the authorized  
759 insurer a breakdown of the premium of the offer by types of  
760 coverage so that a comparison may be made by the corporation or  
761 its agent and the authorized insurer refuses or is unable to  
762 provide such information, the corporation may treat the offer as  
763 not being an offer of coverage from an authorized insurer at the  
764 insurer's approved rate.

765 6. Must include rules for classifications of risks and  
766 rates therefor.

767 7. Must provide that if premium and investment income for  
768 an account attributable to a particular calendar year are in  
769 excess of projected losses and expenses for the account  
770 attributable to that year, such excess shall be held in surplus  
771 in the account. Such surplus shall be available to defray  
772 deficits in that account as to future years and shall be used  
773 for that purpose prior to assessing assessable insurers and  
774 assessable insureds as to any calendar year.

775 8. Must provide objective criteria and procedures to be  
776 uniformly applied for all applicants in determining whether an  
777 individual risk is so hazardous as to be uninsurable. In making  
778 this determination and in establishing the criteria and  
779 procedures, the following shall be considered:

780 a. Whether the likelihood of a loss for the individual risk  
781 is substantially higher than for other risks of the same class;  
782 and

783 b. Whether the uncertainty associated with the individual

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784 risk is such that an appropriate premium cannot be determined.

785

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

789 9. Must provide that the corporation shall make its best  
790 efforts to procure catastrophe reinsurance at reasonable rates,  
791 to cover its projected 100-year probable maximum loss as  
792 determined by the board of governors.

793 10. The policies issued by the corporation must provide  
794 that, if the corporation or the market assistance plan obtains  
795 an offer from an authorized insurer to cover the risk at its  
796 approved rates, the risk is no longer eligible for renewal  
797 through the corporation, except as otherwise provided in this  
798 subsection.

799 11. Corporation policies and applications must include a  
800 notice that the corporation policy could, under this section, be  
801 replaced with a policy issued by an authorized insurer that does  
802 not provide coverage identical to the coverage provided by the  
803 corporation. The notice shall also specify that acceptance of  
804 corporation coverage creates a conclusive presumption that the  
805 applicant or policyholder is aware of this potential.

806 12. May establish, subject to approval by the office,  
807 different eligibility requirements and operational procedures  
808 for any line or type of coverage for any specified county or  
809 area if the board determines that such changes to the  
810 eligibility requirements and operational procedures are  
811 justified due to the voluntary market being sufficiently stable  
812 and competitive in such area or for such line or type of

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813 coverage and that consumers who, in good faith, are unable to  
814 obtain insurance through the voluntary market through ordinary  
815 methods would continue to have access to coverage from the  
816 corporation. When coverage is sought in connection with a real  
817 property transfer, such requirements and procedures shall not  
818 provide for an effective date of coverage later than the date of  
819 the closing of the transfer as established by the transferor,  
820 the transferee, and, if applicable, the lender.

821 13. Must provide that, with respect to the high-risk  
822 account, any assessable insurer with a surplus as to  
823 policyholders of \$25 million or less writing 25 percent or more  
824 of its total countrywide property insurance premiums in this  
825 state may petition the office, within the first 90 days of each  
826 calendar year, to qualify as a limited apportionment company. A  
827 regular assessment levied by the corporation on a limited  
828 apportionment company for a deficit incurred by the corporation  
829 for the high-risk account in 2006 or thereafter may be paid to  
830 the corporation on a monthly basis as the assessments are  
831 collected by the limited apportionment company from its insureds  
832 pursuant to s. 627.3512, but the regular assessment must be paid  
833 in full within 12 months after being levied by the corporation.  
834 A limited apportionment company shall collect from its  
835 policyholders any emergency assessment imposed under sub-  
836 subparagraph (b)3.d. The plan shall provide that, if the office  
837 determines that any regular assessment will result in an  
838 impairment of the surplus of a limited apportionment company,  
839 the office may direct that all or part of such assessment be  
840 deferred as provided in subparagraph (p)4. However, there shall  
841 be no limitation or deferment of an emergency assessment to be

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842 collected from policyholders under sub-subparagraph (b)3.d.

843 14. Must provide that the corporation appoint as its  
844 licensed agents only those agents who also hold an appointment  
845 as defined in s. 626.015(3) with an insurer who at the time of  
846 the agent's initial appointment by the corporation is authorized  
847 to write and is actually writing personal lines residential  
848 property coverage, commercial residential property coverage, or  
849 commercial nonresidential property coverage within the state.

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

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

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

859 18. May require commercial property to meet specified  
860 hurricane mitigation construction features as a condition of  
861 eligibility for coverage.

862 19.a. Shall require the agent to obtain from any applicant  
863 for coverage the following acknowledgement, signed by the  
864 applicant, and shall require the agent of record to obtain the  
865 following acknowledgment from each corporation policyholder,  
866 signed by the policyholder, prior to the policy's first renewal  
867 after the effective date of this act:

868  
869 ACKNOWLEDGEMENT OF POTENTIAL SURCHARGE AND ASSESSMENT

870 LIABILITY:

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871           1. I UNDERSTAND, AS A CITIZENS PROPERTY INSURANCE  
872           CORPORATION POLICYHOLDER, THAT IF THE CORPORATION  
873           SUSTAINS A DEFICIT AS A RESULT OF HURRICANE LOSSES OR  
874           FOR ANY OTHER REASON, MY POLICY COULD BE SUBJECT TO  
875           CITIZENS POLICYHOLDER SURCHARGES, WHICH WOULD BE DUE  
876           AND PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION  
877           OF THE POLICY, AND THAT THE SURCHARGES COULD BE AS  
878           HIGH AS 15 PERCENT OF MY PREMIUM FOR DEFICITS IN EACH  
879           OF THREE CITIZENS ACCOUNTS, OR A DIFFERENT AMOUNT AS  
880           ESTABLISHED BY THE FLORIDA LEGISLATURE.

881           2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO  
882           EMERGENCY ASSESSMENTS TO THE SAME EXTENT AS  
883           POLICYHOLDERS OF OTHER INSURANCE COMPANIES.

884  
885           b. The corporation shall permanently maintain a signed copy  
886           of the signed acknowledgement required by this subparagraph, and  
887           the agent may also retain a copy.

888           c. The signed acknowledgement form creates a conclusive  
889           presumption that the policyholder understood and accepted his or  
890           her potential surcharge and assessment liability as a Citizens  
891           policyholder.

892           Section 3. Section 627.7031, Florida Statutes, is created  
893 to read:

894           627.7031 Residential property insurance option.-

895           (1) An insurer holding a certificate of authority to write  
896           property insurance in this state may offer or renew policies at  
897           rates established in accordance with s. 627.062 (2) (1), subject  
898           to all of the requirements and prohibitions of this section.

899           (2) An insurer offering or renewing policies at rates

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900 established in accordance with s. 627.062(2)(1) may not purchase  
901 coverage from the Florida Hurricane Catastrophe Fund under the  
902 temporary increase in coverage limit option under s.  
903 215.555(17).

904 (3)(a) Before the effective date of a newly issued or  
905 renewal policy at rates established in accordance with s.  
906 627.062(2)(1), the applicant or insured must be given the  
907 following notice, printed in at least 12-point boldfaced type:

908  
909 THE RATE FOR THIS POLICY IS NOT SUBJECT TO FULL RATE  
910 REGULATION BY THE FLORIDA OFFICE OF INSURANCE  
911 REGULATION AND MAY BE HIGHER THAN RATES APPROVED BY  
912 THAT OFFICE. A RESIDENTIAL PROPERTY POLICY SUBJECT TO  
913 FULL RATE REGULATION REQUIREMENTS MAY BE AVAILABLE  
914 FROM THIS INSURER, ANOTHER INSURER, OR CITIZENS  
915 PROPERTY INSURANCE CORPORATION. PLEASE DISCUSS YOUR  
916 POLICY OPTIONS WITH AN INSURANCE AGENT WHO CAN PROVIDE  
917 A CITIZENS QUOTE. YOU MAY WISH TO VIEW THE OFFICE OF  
918 INSURANCE REGULATION'S WEBSITE AT  
919 WWW.SHOPANDCOMPARERATES.COM FOR MORE INFORMATION ABOUT  
920 CHOICES AVAILABLE TO YOU.

921  
922 (b) For policies renewed at a rate established in  
923 accordance with s. 627.062(2)(1), the notice described in  
924 paragraph (a) must be provided in writing at the same time as  
925 the renewal notice on a document separate from the renewal  
926 notice, but may be contained within the same mailing as the  
927 renewal notice.

928 (4) Before the effective date of a newly issued policy at



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929 rates established in accordance with s. 627.062(2)(1), or before  
930 the effective date of the first renewal at rates established in  
931 accordance with s. 627.062(2)(1) of a policy originally issued  
932 before the effective date of this section, the applicant or  
933 insured must:

934 (a) Be provided or offered, for comparison purposes, an  
935 estimate of the premium for a policy from Citizens Property  
936 Insurance Corporation reflecting substantially similar  
937 coverages, limits, and deductibles to the extent available.

938 (b) Provide the insurer or agent with a signed copy of the  
939 following acknowledgement form, which must be retained by the  
940 insurer or agent for at least 3 years. If the acknowledgement  
941 form is signed by the insured or if the insured remits payment  
942 in the amount of the rate established in accordance with s.  
943 627.062(2)(1) after being mailed or otherwise provided the  
944 acknowledgement form specified in this paragraph, and after  
945 being mailed, otherwise provided, or offered the comparison  
946 specified in paragraph (a), an insurer renewing a policy at such  
947 rate shall be deemed to comply with this section, and it is  
948 presumed that the insured has been informed and understands the  
949 information contained in the comparison and acknowledgement  
950 forms:

951  
952 ACKNOWLEDGEMENT

953 1. I HAVE REVIEWED THE REQUIRED DISCLOSURES AND  
954 THE REQUIRED PREMIUM COMPARISON.

955 2. I UNDERSTAND THAT THE RATE FOR THIS  
956 RESIDENTIAL PROPERTY INSURANCE POLICY IS NOT SUBJECT  
957 TO FULL RATE REGULATION BY THE FLORIDA OFFICE OF

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958 INSURANCE REGULATION AND MAY BE HIGHER THAN RATES  
959 APPROVED BY THAT OFFICE.

960 3. I UNDERSTAND THAT A RESIDENTIAL PROPERTY  
961 INSURANCE POLICY SUBJECT TO FULL RATE REGULATION  
962 REQUIREMENTS MAY BE AVAILABLE FROM CITIZENS PROPERTY  
963 INSURANCE CORPORATION.

964 4. I UNDERSTAND THAT THE FLORIDA OFFICE OF  
965 INSURANCE REGULATION'S WEBSITE  
966 WWW.SHOPANDCOMPARERATES.COM CONTAINS RESIDENTIAL  
967 PROPERTY INSURANCE RATE COMPARISON INFORMATION.

968 5. I UNDERSTAND THAT IF CITIZENS PROPERTY  
969 INSURANCE CORPORATION INCURS A DEFICIT BECAUSE OF  
970 HURRICANE LOSSES OR OTHER LOSSES, I MAY BE REQUIRED TO  
971 PAY AN ASSESSMENT BASED UPON THE PREMIUM FOR THIS  
972 POLICY AND THAT A POLICYHOLDER OF CITIZENS PROPERTY  
973 INSURANCE CORPORATION MAY BE REQUIRED TO PAY A  
974 DIFFERENT ASSESSMENT.

975  
976 (5) The following types of residential property insurance  
977 policies are not eligible for rates established in accordance  
978 with s. 627.062(2)(1) and are not subject to the other  
979 provisions of this section:

980 (a) Residential property insurance policies that exclude  
981 coverage for the perils of windstorm or hurricane.

982 (b) Residential property insurance policies that are  
983 subject to a consent decree, agreement, understanding, or other  
984 arrangement between the insurer and the office relating to rates  
985 or premiums for policies removed from Citizens Property  
986 Insurance Corporation.

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987       (6) Notwithstanding s. 627.4133, an insurer that has issued  
988 a policy under this section shall provide the named insured  
989 written notice of nonrenewal at least 180 days before the  
990 effective date of the nonrenewal as to subsequent nonrenewals.  
991 However, this subsection does not prohibit an insurer from  
992 cancelling a policy as permitted under s. 627.4133. The offer of  
993 a policy at rates authorized by this section constitutes an  
994 offer to renew the policy at the rates specified in the offer  
995 and does not constitute a nonrenewal.

996           Section 4. This act shall take effect January 1, 2011.