



946762

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/29/2011	.	
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The Committee on Banking and Insurance (Hays) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

Section 1. Section 627.0655, Florida Statutes, is amended to read:

627.0655 Policyholder ~~loss or expense-related~~ premium discounts.—An insurer or person authorized to engage in the business of insurance in this state may include a discount, in the premium charged an insured for any policy, contract, or certificate of insurance if, ~~a discount based on the fact that~~ another policy, contract, or certificate of any type has been



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13 purchased by the insured:

14 (1) From the same insurer or insurer group;

15 (2) For policies issued or renewed before January 1, 2013,  
16 from the Citizens Property Insurance Corporation created under  
17 s. 627.351(6) if the same insurance agent is servicing both  
18 policies; or

19 (3) For policies issued or renewed before January 1, 2013,  
20 from an insurer that has removed the policy from the Citizens  
21 Property Insurance Corporation if the same insurance agent is  
22 servicing both policies.

23 Section 2. Paragraphs (a), (b), (c), (d), (n), (o), (q),  
24 (s), (w), (x), (y), (aa), and (ee) of subsection (6) of section  
25 627.351, Florida Statutes, are amended to read:

26 627.351 Insurance risk apportionment plans.—

27 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

28 (a) ~~1. It is~~ The public purpose of this subsection is to  
29 ensure that there is the existence of an orderly market for  
30 property insurance for residents Floridians and Florida  
31 businesses of this state.

32 1. The Legislature finds that actual and threatened  
33 catastrophic losses to property from hurricanes in this state  
34 have caused insurers to be unwilling or unable to provide  
35 property insurance coverage to the extent sought and needed. The  
36 Legislature declares that it is in the public interest and  
37 serves a public purpose that property in this state be  
38 adequately insured in order to facilitate the remediation,  
39 reconstruction, and replacement of damaged or destroyed  
40 property. Such efforts are necessary in order to avoid or reduce  
41 negative effects to the public health, safety, and welfare; the



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42 economy of the state; and the revenues of state and local  
43 governments. It is necessary, therefore, to provide property  
44 insurance to applicants who are entitled to procure insurance  
45 through the voluntary market but who, in good faith, are unable  
46 to do so. The Legislature finds that private insurers are  
47 unwilling or unable to provide affordable property insurance  
48 coverage in this state to the extent sought and needed. The  
49 absence of affordable property insurance threatens the public  
50 health, safety, and welfare and likewise threatens the economic  
51 health of the state. The state therefore has a compelling public  
52 interest and a public purpose to assist in assuring that  
53 property in the state is insured and that it is insured at  
54 affordable rates so as to facilitate the remediation,  
55 reconstruction, and replacement of damaged or destroyed property  
56 in order to reduce or avoid the negative effects otherwise  
57 resulting to the public health, safety, and welfare, to the  
58 economy of the state, and to the revenues of the state and local  
59 governments which are needed to provide for the public welfare.  
60 It is necessary, therefore, to provide affordable property  
61 insurance to applicants who are in good faith entitled to  
62 procure insurance through the voluntary market but are unable to  
63 do so. The Legislature intends, therefore, by this subsection  
64 that affordable property insurance be provided and that it  
65 continue to be provided, as long as necessary, through Citizens  
66 Property Insurance Corporation, a government entity that is an  
67 integral part of the state, and that is not a private insurance  
68 company. To that end, Citizens Property Insurance Corporation  
69 shall strive to increase the availability of affordable property  
70 insurance in this state, while achieving efficiencies and



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71 ~~economies, and while providing service to policyholders,~~  
72 ~~applicants, and agents which is no less than the quality~~  
73 ~~generally provided in the voluntary market, for the achievement~~  
74 ~~of the foregoing public purposes. Because it is essential for~~  
75 ~~this government entity to have the maximum financial resources~~  
76 ~~to pay claims following a catastrophic hurricane, it is the~~  
77 ~~intent of the Legislature that Citizens Property Insurance~~  
78 ~~Corporation continue to be an integral part of the state and~~  
79 ~~that the income of the corporation be exempt from federal income~~  
80 ~~taxation and that interest on the debt obligations issued by the~~  
81 ~~corporation be exempt from federal income taxation.~~

82 a. It is also the intent of the Legislature that  
83 policyholders, applicants, and agents of the corporation receive  
84 service and treatment of the highest possible level and never  
85 less than that generally provided in the voluntary market. The  
86 corporation must be held to service standards no less than those  
87 applied to insurers in the voluntary market by the office with  
88 respect to responsiveness, timeliness, customer courtesy, and  
89 overall dealings with policyholders, applicants, or agents of  
90 the corporation. It is also the intent of the Legislature that  
91 the corporation operate efficiently and economically.

92 b. Because it is essential that the corporation have the  
93 maximum financial resources necessary to pay claims following a  
94 catastrophic hurricane, the Legislature also intends that the  
95 income of the corporation and interest on the debt obligations  
96 issued by the corporation be exempt from federal income  
97 taxation.

98 2. The Residential Property and Casualty Joint Underwriting  
99 Association originally created by this statute shall be known~~7~~



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100 ~~as of July 1, 2002,~~ as the Citizens Property Insurance  
101 Corporation. The corporation shall provide insurance for  
102 residential and commercial property, for applicants who are ~~in~~  
103 ~~good faith~~ entitled, but, in good faith, are unable~~r~~ to procure  
104 insurance through the voluntary market. The corporation shall  
105 operate pursuant to a plan of operation approved by order of the  
106 Financial Services Commission. The plan is subject to continuous  
107 review by the commission. The commission may, by order, withdraw  
108 approval of all or part of a plan if the commission determines  
109 that conditions have changed since approval was granted and that  
110 the purposes of the plan require changes in the plan. ~~The~~  
111 ~~corporation shall continue to operate pursuant to the plan of~~  
112 ~~operation approved by the Office of Insurance Regulation until~~  
113 ~~October 1, 2006.~~ For the purposes of this subsection,  
114 residential coverage includes both personal lines residential  
115 coverage, which consists of the type of coverage provided by  
116 homeowner's, mobile home owner's, dwelling, tenant's,  
117 condominium unit owner's, and similar policies;~~r~~ and commercial  
118 lines residential coverage, which consists of the type of  
119 coverage provided by condominium association, apartment  
120 building, and similar policies.

121 3. With respect to coverage for personal lines residential  
122 structures:

123 a. Effective January 1, 2009, a ~~personal lines residential~~  
124 structure that has a dwelling replacement cost of \$2 million or  
125 more, or a single condominium unit that has a combined dwelling  
126 and contents ~~content~~ replacement cost of \$2 million or more is  
127 not eligible for coverage by the corporation. Such dwellings  
128 insured by the corporation on December 31, 2008, may continue to



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129 be covered by the corporation until the end of the policy term.  
130 However, such dwellings ~~that are insured by the corporation and~~  
131 ~~become ineligible for coverage due to the provisions of this~~  
132 ~~subparagraph~~ may reapply and obtain coverage if the property  
133 owner provides the corporation with a sworn affidavit from one  
134 or more insurance agents, on a form provided by the corporation,  
135 stating that the agents have made their best efforts to obtain  
136 coverage and that the property has been rejected for coverage by  
137 at least one authorized insurer and at least three surplus lines  
138 insurers. If such conditions are met, the dwelling may be  
139 insured by the corporation for up to 3 years, after which time  
140 the dwelling is ineligible for coverage. ~~The office shall~~  
141 ~~approve the method used by the corporation for valuing the~~  
142 ~~dwelling replacement cost for the purposes of this subparagraph.~~  
143 ~~If a policyholder is insured by the corporation prior to being~~  
144 ~~determined to be ineligible pursuant to this subparagraph and~~  
145 ~~such policyholder files a lawsuit challenging the determination,~~  
146 ~~the policyholder may remain insured by the corporation until the~~  
147 ~~conclusion of the litigation.~~

148 b. Effective January 1, 2012, a structure that has a  
149 dwelling replacement cost of \$1 million or more, or a single  
150 condominium unit that has a combined dwelling and contents  
151 replacement cost of \$1 million or more is not eligible for  
152 coverage by the corporation. Such dwellings insured by the  
153 corporation on December 31, 2011, may continue to be covered by  
154 the corporation only until the end of the policy term.

155 c. Effective January 1, 2014, a structure insured in the  
156 personal lines account of the corporation that has a dwelling  
157 replacement cost of \$750,000 or more, or a single condominium



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158 unit that has a combined dwelling and contents replacement cost  
159 of \$750,000 or more is not eligible for coverage by the  
160 corporation. Such dwellings insured by the corporation on  
161 December 31, 2013, may continue to be covered by the corporation  
162 until the end of the policy term.

163 d. Effective January 1, 2016, a structure insured in the  
164 personal lines account of the corporation that has a dwelling  
165 replacement cost of \$500,000 or more, or a single condominium  
166 unit that has a combined dwelling and contents replacement cost  
167 of \$500,000 or more is not eligible for coverage by the  
168 corporation. Such dwellings insured by the corporation on  
169 December 31, 2015, may continue to be covered by the corporation  
170 until the end of the policy term.

171 4. Any structure for which a permit for construction is  
172 obtained on or after June 1, 2011, seaward of the coastal  
173 construction control line established pursuant to s. 161.053, is  
174 not eligible for coverage by the corporation.

175 ~~4. It is the intent of the Legislature that policyholders,~~  
176 ~~applicants, and agents of the corporation receive service and~~  
177 ~~treatment of the highest possible level but never less than that~~  
178 ~~generally provided in the voluntary market. It also is intended~~  
179 ~~that the corporation be held to service standards no less than~~  
180 ~~those applied to insurers in the voluntary market by the office~~  
181 ~~with respect to responsiveness, timeliness, customer courtesy,~~  
182 ~~and overall dealings with policyholders, applicants, or agents~~  
183 ~~of the corporation.~~

184 5. Effective January 1, 2009, a personal lines residential  
185 structure that is located in the "wind-borne debris region," as  
186 defined in s. 1609.2, International Building Code (2006), and



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187 that has an insured value on the structure of \$750,000 or more  
188 is not eligible for coverage by the corporation unless the  
189 structure has opening protections as required under the Florida  
190 Building Code for a newly constructed residential structure in  
191 that area. A residential structure shall be deemed to comply  
192 with ~~the requirements of~~ this subparagraph if it has shutters or  
193 opening protections on all openings and if such opening  
194 protections complied with the Florida Building Code at the time  
195 they were installed.

196 6. In recognition of the corporation's status as a  
197 government entity, policies issued by the corporation must  
198 include a provision stating that as a condition of coverage with  
199 the corporation, policyholders may not engage the services of a  
200 public adjuster to represent the policyholder with respect to  
201 any claim filed under a policy issued by the corporation until  
202 after the corporation has tendered an offer with respect to such  
203 claim. For any claim filed under any policy of the corporation,  
204 a public adjuster may not request payment or be paid, on a  
205 contingency basis or based in any way, directly or indirectly,  
206 on a percentage of the claim amount, and may be paid only a  
207 reasonable hourly fee based on the actual hours of work  
208 performed, subject to a maximum of 5 percent of the additional  
209 amount actually paid over the amount which was originally  
210 offered by the corporation for any one claim.

211 (b)1. All insurers authorized to write one or more subject  
212 lines of business in this state are subject to assessment by the  
213 corporation and, for the purposes of this subsection, are  
214 referred to collectively as "assessable insurers." Insurers  
215 writing one or more subject lines of business in this state





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216 pursuant to part VIII of chapter 626 are not assessable  
217 insurers, but insureds who procure one or more subject lines of  
218 business in this state pursuant to part VIII of chapter 626 are  
219 subject to assessment by the corporation and are referred to  
220 collectively as "assessable insureds." An ~~authorized~~ insurer's  
221 assessment liability begins ~~shall begin~~ on the first day of the  
222 calendar year following the year in which the insurer was issued  
223 a certificate of authority to transact insurance for subject  
224 lines of business in this state and terminates ~~shall terminate~~ 1  
225 year after the end of the first calendar year during which the  
226 insurer no longer holds a certificate of authority to transact  
227 insurance for subject lines of business in this state.

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

231 (I) A personal lines account for personal residential  
232 policies issued by the corporation, or issued by the Residential  
233 Property and Casualty Joint Underwriting Association and renewed  
234 by the corporation, which provides basic ~~that provide~~  
235 ~~comprehensive~~, multiperil coverage on risks that are not located  
236 in areas eligible for coverage by ~~in~~ the Florida Windstorm  
237 Underwriting Association as those areas were defined on January  
238 1, 2002, and for ~~such~~ policies that do not provide coverage for  
239 the peril of wind on risks that are located in such areas;

240 (II) A commercial lines account for commercial residential  
241 and commercial nonresidential policies issued by the  
242 corporation, or issued by the Residential Property and Casualty  
243 Joint Underwriting Association and renewed by the corporation, which provides ~~that provide~~  
244 coverage for basic property perils



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245 on risks that are not located in areas eligible for coverage by  
246 ~~in~~ the Florida Windstorm Underwriting Association as those areas  
247 were defined on January 1, 2002, and for ~~such~~ policies that do  
248 not provide coverage for the peril of wind on risks that are  
249 located in such areas; and

250 (III) A high-risk account for personal residential policies  
251 and commercial residential and commercial nonresidential  
252 property policies issued by the corporation or transferred to  
253 the corporation, which provides ~~that provide~~ coverage for the  
254 peril of wind on risks that are located in areas eligible for  
255 coverage by ~~in~~ the Florida Windstorm Underwriting Association as  
256 those areas were defined on January 1, 2002. The corporation may  
257 offer policies that provide multiperil coverage and the  
258 corporation shall continue to offer policies that provide  
259 coverage only for the peril of wind for risks located in areas  
260 eligible for coverage in the high-risk account. In issuing  
261 multiperil coverage, the corporation may use its approved policy  
262 forms and rates for the personal lines account. An applicant or  
263 insured who is eligible to purchase a multiperil policy from the  
264 corporation may purchase a multiperil policy from an authorized  
265 insurer without prejudice to the applicant's or insured's  
266 eligibility to prospectively purchase a policy that provides  
267 coverage only for the peril of wind from the corporation. An  
268 applicant or insured who is eligible for a corporation policy  
269 that provides coverage only for the peril of wind may elect to  
270 purchase or retain such policy and also purchase or retain  
271 coverage excluding wind from an authorized insurer without  
272 prejudice to the applicant's or insured's eligibility to  
273 prospectively purchase a policy that provides multiperil



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274 coverage from the corporation. ~~It is the goal of the Legislature~~  
275 ~~that there would be an overall average savings of 10 percent or~~  
276 ~~more for a policyholder who currently has a wind only policy~~  
277 ~~with the corporation, and an ex-wind policy with a voluntary~~  
278 ~~insurer or the corporation, and who then obtains a multiperil~~  
279 ~~policy from the corporation.~~ It is the intent of the Legislature  
280 that the offer of multiperil coverage in the high-risk account  
281 be made and implemented in a manner that does not adversely  
282 affect the tax-exempt status of the corporation or  
283 creditworthiness of or security for currently outstanding  
284 financing obligations or credit facilities of the high-risk  
285 account, the personal lines account, or the commercial lines  
286 account. ~~The high-risk account must also include quota share~~  
287 ~~primary insurance under subparagraph (c)2.~~ The area eligible for  
288 coverage under the high-risk account also includes the area  
289 within Port Canaveral, which is bordered on the south by the  
290 City of Cape Canaveral, bordered on the west by the Banana  
291 River, and bordered on the north by Federal Government property.

292 b. The three separate accounts must be maintained as long  
293 as financing obligations entered into by the Florida Windstorm  
294 Underwriting Association or Residential Property and Casualty  
295 Joint Underwriting Association are outstanding, in accordance  
296 with the terms of the corresponding financing documents. If ~~When~~  
297 the financing obligations are no longer outstanding, ~~in~~  
298 ~~accordance with the terms of the corresponding financing~~  
299 ~~documents,~~ the corporation may use a single account for all  
300 revenues, assets, liabilities, losses, and expenses of the  
301 corporation. Consistent with ~~the requirement of this~~  
302 subparagraph and prudent investment policies that minimize the



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303 cost of carrying debt, the board shall exercise its best efforts  
304 to retire existing debt or ~~to~~ obtain the approval of necessary  
305 parties to amend the terms of existing debt, so as to structure  
306 the most efficient plan to consolidate the three separate  
307 accounts into a single account.

308 c. Creditors of the Residential Property and Casualty Joint  
309 Underwriting Association and of the accounts specified in sub-  
310 sub-subparagraphs a.(I) and (II) may have a claim against, and  
311 recourse to, those ~~the~~ accounts ~~referred to in sub-sub-~~  
312 ~~subparagraphs a.(I) and (II) and shall have~~ no claim against, or  
313 recourse to, the account referred to in sub-sub-subparagraph  
314 a.(III). Creditors of the Florida Windstorm Underwriting  
315 Association ~~shall~~ have a claim against, and recourse to, the  
316 account referred to in sub-sub-subparagraph a.(III) and ~~shall~~  
317 ~~have~~ no claim against, or recourse to, the accounts referred to  
318 in sub-sub-subparagraphs a.(I) and (II).

319 d. Revenues, assets, liabilities, losses, and expenses not  
320 attributable to particular accounts shall be prorated among the  
321 accounts.

322 e. The Legislature finds that the revenues of the  
323 corporation are revenues that are necessary to meet the  
324 requirements set forth in documents authorizing the issuance of  
325 bonds under this subsection.

326 f. No part of the income of the corporation may inure to  
327 the benefit of any private person.

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

329 a. After accounting for the ~~Citizens~~ policyholder surcharge  
330 imposed under sub-subparagraph i., if ~~when~~ the remaining  
331 projected deficit incurred in a particular calendar year is not



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332 greater than 6 percent of the aggregate statewide direct written  
333 premium for the subject lines of business for the prior calendar  
334 year, the entire deficit shall be recovered through regular  
335 assessments of assessable insurers under paragraph (q) and  
336 assessable insureds.

337 b. After accounting for the Citizens policyholder surcharge  
338 imposed under sub-subparagraph i., when the remaining projected  
339 deficit incurred in a particular calendar year exceeds 6 percent  
340 of the aggregate statewide direct written premium for the  
341 subject lines of business for the prior calendar year, the  
342 corporation shall levy regular assessments on assessable  
343 insurers under paragraph (q) and on assessable insureds in an  
344 amount equal to the greater of 6 percent of the deficit or 6  
345 percent of the aggregate statewide direct written premium for  
346 the subject lines of business for the prior calendar year. Any  
347 remaining deficit shall be recovered through emergency  
348 assessments under sub-subparagraph d.

349 c. Each assessable insurer's share of the amount being  
350 assessed under sub-subparagraph a. or sub-subparagraph b. must  
351 ~~shall~~ be in the proportion that the assessable insurer's direct  
352 written premium for the subject lines of business for the year  
353 preceding the assessment bears to the aggregate statewide direct  
354 written premium for the subject lines of business for that year.  
355 The applicable assessment percentage ~~applicable to each~~  
356 ~~assessable insured~~ is the ratio of the amount being assessed  
357 under sub-subparagraph a. or sub-subparagraph b. to the  
358 aggregate statewide direct written premium for the subject lines  
359 of business for the prior year. Assessments levied by the  
360 corporation on assessable insurers under sub-subparagraphs a.



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361 and b. must ~~shall~~ be paid as required by the corporation's plan  
362 of operation and paragraph (q). Assessments levied by the  
363 corporation on assessable insureds under sub-subparagraphs a.  
364 and b. shall be collected by the surplus lines agent at the time  
365 the surplus lines agent collects the surplus lines tax required  
366 by s. 626.932, and ~~shall be~~ paid to the Florida Surplus Lines  
367 Service Office at the time the surplus lines agent pays the  
368 surplus lines tax to that ~~the Florida Surplus Lines Service~~  
369 office. Upon receipt of regular assessments from surplus lines  
370 agents, the Florida Surplus Lines Service Office shall transfer  
371 the assessments directly to the corporation as determined by the  
372 corporation.

373 d. Upon a determination by the board of governors that a  
374 deficit in an account exceeds the amount that will be recovered  
375 through regular assessments under sub-subparagraph a. or sub-  
376 subparagraph b., plus the amount that is expected to be  
377 recovered through surcharges under sub-subparagraph i., ~~as to~~  
378 ~~the remaining projected deficit~~ the board ~~shall levy~~, after  
379 verification by the office, shall levy emergency assessments,  
380 for as many years as necessary to cover the deficits, to be  
381 collected by assessable insurers and the corporation and  
382 collected from assessable insureds upon issuance or renewal of  
383 policies for subject lines of business, excluding National Flood  
384 Insurance policies. The amount of the emergency assessment  
385 collected in a particular year must ~~shall~~ be a uniform  
386 percentage of that year's direct written premium for subject  
387 lines of business ~~and all accounts of the corporation~~, excluding  
388 National Flood Insurance Program policy premiums, as annually  
389 determined by the board and verified by the office. For all



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390 accounts of the corporation, the amount of the emergency  
391 assessment levied in a particular year must be a uniform  
392 percentage equal to 1 1/2 times the uniform percentage emergency  
393 assessment levied on subject lines of business. The office shall  
394 verify the arithmetic calculations involved in the board's  
395 determination within 30 days after receipt of the information on  
396 which the determination was based. Notwithstanding any other  
397 provision of law, the corporation and each assessable insurer  
398 that writes subject lines of business shall collect emergency  
399 assessments from its policyholders without such obligation being  
400 affected by any credit, limitation, exemption, or deferment.  
401 Emergency assessments levied by the corporation on assessable  
402 insureds shall be collected by the surplus lines agent at the  
403 time the surplus lines agent collects the surplus lines tax  
404 required by s. 626.932 and ~~shall be~~ paid to the Florida Surplus  
405 Lines Service Office at the time the surplus lines agent pays  
406 the surplus lines tax to that ~~the Florida Surplus Lines Service~~  
407 ~~office.~~ The emergency assessments ~~so~~ collected shall be  
408 transferred directly to the corporation on a periodic basis as  
409 determined by the corporation and ~~shall be~~ held by the  
410 corporation solely in the applicable account. The aggregate  
411 amount of emergency assessments levied for an account under this  
412 sub-subparagraph in any calendar year may, ~~at the discretion of~~  
413 ~~the board of governors,~~ be less than but ~~may~~ not exceed the  
414 greater of 10 percent of the amount needed to cover the deficit,  
415 plus interest, fees, commissions, required reserves, and other  
416 costs associated with financing ~~of~~ the original deficit, or 10  
417 percent of the aggregate statewide direct written premium for  
418 subject lines of business and 15 percent for all accounts of the



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419 corporation for the prior year, plus interest, fees,  
420 commissions, required reserves, and other costs associated with  
421 financing the deficit.

422 e. The corporation may pledge the proceeds of assessments,  
423 projected recoveries from the Florida Hurricane Catastrophe  
424 Fund, other insurance and reinsurance recoverables, policyholder  
425 surcharges and other surcharges, and other funds available to  
426 the corporation as the source of revenue for and to secure bonds  
427 issued under paragraph (q), bonds or other indebtedness issued  
428 under subparagraph (c)~~2.3.~~, or lines of credit or other  
429 financing mechanisms issued or created under this subsection, or  
430 to retire any other debt incurred as a result of deficits or  
431 events giving rise to deficits, or in any other way that the  
432 board determines will efficiently recover such deficits. The  
433 purpose of the lines of credit or other financing mechanisms is  
434 to provide additional resources to assist the corporation in  
435 covering claims and expenses attributable to a catastrophe. As  
436 used in this subsection, the term "assessments" includes regular  
437 assessments under sub-subparagraph a., sub-subparagraph b., or  
438 subparagraph (q)1. and emergency assessments under sub-  
439 subparagraph d. Emergency assessments collected under sub-  
440 subparagraph d. are not part of an insurer's rates, are not  
441 premium, and are not subject to premium tax, fees, or  
442 commissions; however, failure to pay the emergency assessment  
443 shall be treated as failure to pay premium. The emergency  
444 assessments under sub-subparagraph d. shall continue as long as  
445 any bonds issued or other indebtedness incurred with respect to  
446 a deficit for which the assessment was imposed remain  
447 outstanding, unless adequate provision has been made for the





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448 payment of such bonds or other indebtedness pursuant to the  
449 documents governing such bonds or ~~other~~ indebtedness.

450 f. As used in this subsection for purposes of any deficit  
451 incurred on or after January 25, 2007, the term "subject lines  
452 of business" means insurance written by assessable insurers or  
453 procured by assessable insureds for all property and casualty  
454 lines of business in this state, but not including workers'  
455 compensation or medical malpractice. As used in this ~~the~~ sub-  
456 subparagraph, the term "property and casualty lines of business"  
457 includes all lines of business identified on Form 2, Exhibit of  
458 Premiums and Losses, in the annual statement required of  
459 authorized insurers under ~~by~~ s. 624.424 and any rule adopted  
460 under this section, except for those lines identified as  
461 accident and health insurance and except for policies written  
462 under the National Flood Insurance Program or the Federal Crop  
463 Insurance Program. For purposes of this sub-subparagraph, the  
464 term "workers' compensation" includes both workers' compensation  
465 insurance and excess workers' compensation insurance.

466 g. The Florida Surplus Lines Service Office shall determine  
467 annually the aggregate statewide written premium in subject  
468 lines of business procured by assessable insureds and ~~shall~~  
469 report that information to the corporation in a form and at a  
470 time the corporation specifies to ensure that the corporation  
471 can meet the requirements of this subsection and the  
472 corporation's financing obligations.

473 h. The Florida Surplus Lines Service Office shall verify  
474 the proper application by surplus lines agents of assessment  
475 percentages for regular assessments and emergency assessments  
476 levied under this subparagraph on assessable insureds and ~~shall~~



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477 assist the corporation in ensuring the accurate, timely  
478 collection and payment of assessments by surplus lines agents as  
479 required by the corporation.

480 i. If a deficit is incurred in any account in 2011 ~~2008~~ or  
481 thereafter, the board of governors shall levy a ~~Citizens~~  
482 policyholder surcharge against all policyholders of the  
483 corporation. ~~for a 12-month period, which~~

484 (I) The surcharge shall be levied ~~collected at the time of~~  
485 ~~issuance or renewal of a policy,~~ as a uniform percentage of the  
486 premium for the policy of up to 15 percent of such premium,  
487 which funds shall be used to offset the deficit.

488 (II) It is the intent of the Legislature that the  
489 policyholder's liability for the surcharge attach on the date of  
490 the order levying the surcharge. The surcharge is payable upon  
491 cancellation or termination of the policy, upon renewal of the  
492 policy, or upon issuance of a new policy by the corporation  
493 within the first 12 months after the date of the levy or the  
494 period of time necessary to fully collect the surcharge amount.

495 (III) The corporation may not levy any regular assessments  
496 under paragraph (q) pursuant to sub-subparagraph a. or sub-  
497 subparagraph b. with respect to a particular year's deficit  
498 until the corporation has first levied a surcharge under this  
499 sub-subparagraph in the full amount authorized by this sub-  
500 subparagraph.

501 (IV) The surcharge is ~~Citizens policyholder surcharges~~  
502 ~~under this sub-subparagraph are~~ not considered premium and is  
503 ~~are~~ not subject to commissions, fees, or premium taxes. However,  
504 failure to pay the surcharge ~~such surcharges~~ shall be treated as  
505 failure to pay premium.



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506           j. If the amount of any assessments or surcharges collected  
507 from corporation policyholders, assessable insurers or their  
508 policyholders, or assessable insureds exceeds the amount of the  
509 deficits, such excess amounts shall be remitted to and retained  
510 by the corporation in a reserve to be used by the corporation,  
511 as determined by the board of governors and approved by the  
512 office, to pay claims or reduce any past, present, or future  
513 plan-year deficits or to reduce outstanding debt.

514           (c) The ~~plan of operation of the~~ corporation:

515           1. Must provide ~~for adoption of~~ residential property and  
516 casualty insurance policy forms and commercial residential and  
517 nonresidential property insurance forms, which ~~forms~~ must be  
518 approved by the office before ~~prior to~~ use. The corporation  
519 shall adopt and offer only the following policy forms:

520           a. Standard personal lines policy forms that are similar  
521 ~~comprehensive multiperil policies providing full coverage of a~~  
522 ~~residential property equivalent~~ to the coverage provided in the  
523 private insurance market under an HO-3, HO-4, or HO-6 policy.  
524 The corporation shall cease to offer or renew HO-3 policy forms  
525 on December 31, 2012.

526           b. Basic personal lines policy forms that are policies  
527 similar to an HO-8 policy or a dwelling fire policy that provide  
528 coverage meeting the requirements of the secondary mortgage  
529 market, but which ~~coverage~~ is more limited than the coverage  
530 under a standard policy.

531           c. Commercial lines residential and nonresidential policy  
532 forms that are generally similar to the basic perils of full  
533 coverage obtainable for commercial residential structures and  
534 commercial nonresidential structures in the admitted voluntary



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535 market.

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

541 e. Commercial lines nonresidential property insurance forms  
542 that cover the peril of wind only. The forms are applicable only  
543 to nonresidential properties located in areas eligible for  
544 coverage under the high-risk account referred to in sub-  
545 subparagraph (b)2.a.

546 f. The corporation may adopt variations of the policy forms  
547 listed in sub-subparagraphs a.-e. which ~~that~~ contain more  
548 restrictive coverage.

549 ~~2.a. Must provide that the corporation adopt a program in~~  
550 ~~which the corporation and authorized insurers enter into quota~~  
551 ~~share primary insurance agreements for hurricane coverage, as~~  
552 ~~defined in s. 627.4025(2)(a), for eligible risks, and adopt~~  
553 ~~property insurance forms for eligible risks which cover the~~  
554 ~~peril of wind only. As used in this subsection, the term:~~

555 (I) ~~"Quota share primary insurance" means an arrangement in~~  
556 ~~which the primary hurricane coverage of an eligible risk is~~  
557 ~~provided in specified percentages by the corporation and an~~  
558 ~~authorized insurer. The corporation and authorized insurer are~~  
559 ~~each solely responsible for a specified percentage of hurricane~~  
560 ~~coverage of an eligible risk as set forth in a quota share~~  
561 ~~primary insurance agreement between the corporation and an~~  
562 ~~authorized insurer and the insurance contract. The~~  
563 ~~responsibility of the corporation or authorized insurer to pay~~



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564 ~~its specified percentage of hurricane losses of an eligible~~  
565 ~~risk, as set forth in the quota share primary insurance~~  
566 ~~agreement, may not be altered by the inability of the other~~  
567 ~~party to the agreement to pay its specified percentage of~~  
568 ~~hurricane losses. Eligible risks that are provided hurricane~~  
569 ~~coverage through a quota share primary insurance arrangement~~  
570 ~~must be provided policy forms that set forth the obligations of~~  
571 ~~the corporation and authorized insurer under the arrangement,~~  
572 ~~clearly specify the percentages of quota share primary insurance~~  
573 ~~provided by the corporation and authorized insurer, and~~  
574 ~~conspicuously and clearly state that neither the authorized~~  
575 ~~insurer nor the corporation may be held responsible beyond its~~  
576 ~~specified percentage of coverage of hurricane losses.~~

577 ~~(II) "Eligible risks" means personal lines residential and~~  
578 ~~commercial lines residential risks that meet the underwriting~~  
579 ~~criteria of the corporation and are located in areas that were~~  
580 ~~eligible for coverage by the Florida Windstorm Underwriting~~  
581 ~~Association on January 1, 2002.~~

582 ~~b. The corporation may enter into quota share primary~~  
583 ~~insurance agreements with authorized insurers at corporation~~  
584 ~~coverage levels of 90 percent and 50 percent.~~

585 ~~e. If the corporation determines that additional coverage~~  
586 ~~levels are necessary to maximize participation in quota share~~  
587 ~~primary insurance agreements by authorized insurers, the~~  
588 ~~corporation may establish additional coverage levels. However,~~  
589 ~~the corporation's quota share primary insurance coverage level~~  
590 ~~may not exceed 90 percent.~~

591 ~~d. Any quota share primary insurance agreement entered into~~  
592 ~~between an authorized insurer and the corporation must provide~~



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593 ~~for a uniform specified percentage of coverage of hurricane~~  
594 ~~losses, by county or territory as set forth by the corporation~~  
595 ~~board, for all eligible risks of the authorized insurer covered~~  
596 ~~under the quota share primary insurance agreement.~~

597 ~~e. Any quota share primary insurance agreement entered into~~  
598 ~~between an authorized insurer and the corporation is subject to~~  
599 ~~review and approval by the office. However, such agreement shall~~  
600 ~~be authorized only as to insurance contracts entered into~~  
601 ~~between an authorized insurer and an insured who is already~~  
602 ~~insured by the corporation for wind coverage.~~

603 ~~f. For all eligible risks covered under quota share primary~~  
604 ~~insurance agreements, the exposure and coverage levels for both~~  
605 ~~the corporation and authorized insurers shall be reported by the~~  
606 ~~corporation to the Florida Hurricane Catastrophe Fund. For all~~  
607 ~~policies of eligible risks covered under quota share primary~~  
608 ~~insurance agreements, the corporation and the authorized insurer~~  
609 ~~shall maintain complete and accurate records for the purpose of~~  
610 ~~exposure and loss reimbursement audits as required by Florida~~  
611 ~~Hurricane Catastrophe Fund rules. The corporation and the~~  
612 ~~authorized insurer shall each maintain duplicate copies of~~  
613 ~~policy declaration pages and supporting claims documents.~~

614 ~~g. The corporation board shall establish in its plan of~~  
615 ~~operation standards for quota share agreements which ensure that~~  
616 ~~there is no discriminatory application among insurers as to the~~  
617 ~~terms of quota share agreements, pricing of quota share~~  
618 ~~agreements, incentive provisions if any, and consideration paid~~  
619 ~~for servicing policies or adjusting claims.~~

620 ~~h. The quota share primary insurance agreement between the~~  
621 ~~corporation and an authorized insurer must set forth the~~



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622 ~~specific terms under which coverage is provided, including, but~~  
623 ~~not limited to, the sale and servicing of policies issued under~~  
624 ~~the agreement by the insurance agent of the authorized insurer~~  
625 ~~producing the business, the reporting of information concerning~~  
626 ~~eligible risks, the payment of premium to the corporation, and~~  
627 ~~arrangements for the adjustment and payment of hurricane claims~~  
628 ~~incurred on eligible risks by the claims adjuster and personnel~~  
629 ~~of the authorized insurer. Entering into a quota sharing~~  
630 ~~insurance agreement between the corporation and an authorized~~  
631 ~~insurer shall be voluntary and at the discretion of the~~  
632 ~~authorized insurer.~~

633 2.3. ~~May provide that the corporation may~~ employ or  
634 otherwise contract with individuals or other entities to provide  
635 administrative or professional services ~~that may be appropriate~~  
636 ~~to effectuate the plan.~~

637 a. The corporation may ~~shall have the power to~~ borrow  
638 funds, by issuing bonds or by incurring other indebtedness, and  
639 shall have other powers reasonably necessary to effectuate the  
640 requirements of this subsection, including, without limitation,  
641 the power to issue bonds and incur other indebtedness in order  
642 to refinance outstanding bonds or other indebtedness. The  
643 corporation may, ~~but is not required to,~~ seek judicial  
644 validation of its bonds or other indebtedness under chapter 75.  
645 The corporation may issue bonds or incur other indebtedness, or  
646 have bonds issued on its behalf by a unit of local government  
647 pursuant to subparagraph (q)2., in the absence of a hurricane or  
648 other weather-related event, upon a determination by the  
649 corporation, subject to approval by the office, that such action  
650 would enable it to efficiently meet the financial obligations of



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651 the corporation and that such financings are reasonably  
652 necessary to effectuate the requirements of this subsection. The  
653 corporation may ~~is authorized to~~ take all actions needed to  
654 facilitate tax-free status for ~~any~~ such bonds or indebtedness,  
655 including formation of trusts or other affiliated entities. The  
656 corporation may ~~shall have the authority to~~ pledge assessments,  
657 projected recoveries from the Florida Hurricane Catastrophe  
658 Fund, other reinsurance recoverables, market equalization and  
659 other surcharges, and other funds available to the corporation  
660 as security for bonds or other indebtedness. In recognition of  
661 s. 10, Art. I of the State Constitution, prohibiting the  
662 impairment of obligations of contracts, it is the intent of the  
663 Legislature that no action be taken whose purpose is to impair  
664 any bond indenture or financing agreement or any revenue source  
665 committed by contract to such bond or other indebtedness.

666 b. To ensure that the corporation is operating in an  
667 efficient and economic manner while providing quality service to  
668 policyholders, applicants, and agents, the board shall  
669 commission an independent third-party consultant having  
670 expertise in insurance company management or insurance company  
671 management consulting to prepare a report and make  
672 recommendations on the relative costs and benefits of  
673 outsourcing various policy issuance and service functions to  
674 private servicing carriers or entities performing similar  
675 functions in the private market for a fee, rather than  
676 performing such functions in-house. In making such  
677 recommendations, the consultant shall consider how other  
678 residual markets, both in this state and around the country,  
679 outsource appropriate functions or use servicing carriers to





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680 better match expenses with revenues that fluctuate based on a  
681 widely varying policy count. The report must be completed by  
682 February 1, 2012. Upon receiving the report, the board shall  
683 develop a plan to implement the report and submit the plan to  
684 the Financial Services Commission. The commission has 30 days  
685 after receiving the plan to review and make additions or  
686 corrections, if any. Upon the commission's approval of the plan,  
687 the board shall begin implementing the plan by January 1, 2013.

688 3.4.a. ~~Must require that the corporation~~ operate subject to  
689 the supervision and approval of a board of governors consisting  
690 of eight individuals who are residents of this state, from  
691 different geographical areas of this state.

692 a. The Governor, the Chief Financial Officer, the President  
693 of the Senate, and the Speaker of the House of Representatives  
694 shall each appoint two members of the board. At least one of the  
695 two members appointed by each appointing officer must have  
696 demonstrated expertise in insurance, and be within the scope of  
697 the exemption provided in s. 112.313(7)(b). The Chief Financial  
698 Officer shall designate one of the appointees as chair. All  
699 board members serve at the pleasure of the appointing officer.  
700 All members of the board ~~of governors~~ are subject to removal at  
701 will by the officers who appointed them. All board members,  
702 including the chair, must be appointed to serve for 3-year terms  
703 beginning annually on a date designated by the plan. However,  
704 for the first term beginning on or after July 1, 2009, each  
705 appointing officer shall appoint one member of the board for a  
706 2-year term and one member for a 3-year term. A ~~Any~~ board  
707 vacancy shall be filled for the unexpired term by the appointing  
708 officer. The Chief Financial Officer shall appoint a technical



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709 advisory group to provide information and advice to the board ~~of~~  
710 ~~governors~~ in connection with the board's duties under this  
711 subsection. The executive director and senior managers of the  
712 corporation shall be engaged by the board and serve at the  
713 pleasure of the board. Any executive director appointed on or  
714 after July 1, 2006, is subject to confirmation by the Senate.  
715 The executive director is responsible for employing other staff  
716 as the corporation may require, subject to review and  
717 concurrence by the board.

718 b. The board shall create a Market Accountability Advisory  
719 Committee to assist the corporation in developing awareness of  
720 its rates and its customer and agent service levels in  
721 relationship to the voluntary market insurers writing similar  
722 coverage, and to provide advice on issues regarding agent  
723 appointments and compensation.

724 (I) The members of the advisory committee shall consist of  
725 the following 11 persons, one of whom must be elected chair by  
726 the members of the committee: four representatives, one  
727 appointed by the Florida Association of Insurance Agents, one by  
728 the National Florida Association of Insurance and Financial  
729 Advisors-Florida Advisors, one by the Professional Insurance  
730 Agents of Florida, and one by the Latin American Association of  
731 Insurance Agencies; three representatives appointed by the  
732 insurers with the three highest voluntary market share of  
733 residential property insurance business in the state; one  
734 representative from the Office of Insurance Regulation; one  
735 consumer appointed by the board who is insured by the  
736 corporation at the time of appointment to the committee; one  
737 representative appointed by the Florida Association of Realtors;



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738 and one representative appointed by the Florida Bankers  
739 Association. All members shall be appointed to ~~must serve for~~ 3-  
740 year terms and may serve for consecutive terms.

741 (II) The committee shall report to the corporation at each  
742 board meeting on insurance market issues which may include rates  
743 and rate competition with the voluntary market; service,  
744 including policy issuance, claims processing, and general  
745 responsiveness to policyholders, applicants, and agents; and  
746 matters relating to depopulation, producer compensation, or  
747 agency agreements.

748 4.5. Must provide a procedure for determining the  
749 eligibility of a risk for coverage, as follows:

750 a. Subject to ~~the provisions of~~ s. 627.3517, with respect  
751 to personal lines residential risks, if the risk is offered  
752 coverage from an authorized insurer at the insurer's approved  
753 rate under ~~either~~ a standard policy including wind coverage or,  
754 if consistent with the insurer's underwriting rules as filed  
755 with the office, a basic policy including wind coverage, for a  
756 new application to the corporation for coverage, the risk is not  
757 eligible for any policy issued by the corporation ~~unless the~~  
758 ~~premium for coverage from the authorized insurer is more than 15~~  
759 ~~percent greater than the premium for comparable coverage from~~  
760 ~~the corporation.~~ If the risk is not able to obtain ~~any~~ such  
761 offer, the risk is eligible for ~~either~~ a standard policy  
762 including wind coverage or a basic policy including wind  
763 coverage issued by the corporation; however, if the risk could  
764 not be insured under a standard policy including wind coverage  
765 regardless of market conditions, the risk is ~~shall be~~ eligible  
766 for a basic policy including wind coverage unless rejected under



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767 subparagraph 9. 8. Notwithstanding these limitations, an  
768 application for coverage having an effective date before January  
769 1, 2015, is eligible for coverage by the corporation if the  
770 premium for coverage from an authorized insurer exceeds the  
771 premium from the corporation by more than 25 percent. However,  
772 ~~with regard to a policyholder of the corporation or a~~  
773 ~~policyholder removed from the corporation through an assumption~~  
774 ~~agreement until the end of the assumption period, the~~  
775 ~~policyholder remains eligible for coverage from the corporation~~  
776 ~~regardless of any offer of coverage from an authorized insurer~~  
777 ~~or surplus lines insurer.~~ The corporation shall determine the  
778 type of policy to be provided on the basis of objective  
779 standards specified in the underwriting manual and based on  
780 generally accepted underwriting practices.

781 (I) If the risk accepts an offer of coverage through the  
782 market assistance plan or ~~an offer of coverage~~ through a  
783 mechanism established by the corporation before a policy is  
784 issued to the risk by the corporation or during the first 30  
785 days of coverage by the corporation, and the producing agent who  
786 submitted the application to the plan or to the corporation is  
787 not currently appointed by the insurer, the insurer shall:

788 (A) Pay to the producing agent of record of the policy, for  
789 the first year, an amount that is the greater of the insurer's  
790 usual and customary commission for the type of policy written or  
791 a fee equal to the usual and customary commission of the  
792 corporation; or

793 (B) Offer to allow the producing agent of record of the  
794 policy to continue servicing the policy for at least ~~a period of~~  
795 ~~not less than~~ 1 year and offer to pay the agent the greater of



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796 the insurer's or the corporation's usual and customary  
797 commission for the type of policy written.

798  
799 If the producing agent is unwilling or unable to accept  
800 appointment, the new insurer shall pay the agent in accordance  
801 with sub-sub-sub-subparagraph (A).

802 (II) ~~If~~ When the corporation enters into a contractual  
803 agreement for a take-out plan, the producing agent of record of  
804 the corporation policy is entitled to retain any unearned  
805 commission on the policy, and the insurer shall:

806 (A) Pay to the producing agent ~~of record of the corporation~~  
807 ~~policy~~, for the first year, an amount that is the greater of the  
808 insurer's usual and customary commission for the type of policy  
809 written or a fee equal to the usual and customary commission of  
810 the corporation; or

811 (B) Offer to allow the producing agent ~~of record of the~~  
812 ~~corporation policy~~ to continue servicing the policy for at least  
813 ~~a period of not less than~~ 1 year and offer to pay the agent the  
814 greater of the insurer's or the corporation's usual and  
815 customary commission for the type of policy written.

816  
817 If the producing agent is unwilling or unable to accept  
818 appointment, the new insurer shall pay the agent in accordance  
819 with sub-sub-sub-subparagraph (A).

820 b. Subject to s. 627.3517, with respect to commercial lines  
821 residential risks, ~~for a new application to the corporation for~~  
822 ~~coverage~~, if the risk is offered coverage under a policy  
823 including wind coverage from an authorized insurer at its  
824 approved rate, the risk is not eligible for a ~~any~~ policy issued



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825 by the corporation ~~unless the premium for coverage from the~~  
826 ~~authorized insurer is more than 15 percent greater than the~~  
827 ~~premium for comparable coverage from the corporation.~~ If the  
828 risk is not able to obtain any such offer, the risk is eligible  
829 for a policy including wind coverage issued by the corporation.  
830 Notwithstanding these limitations, an application for coverage  
831 having an effective date before January 1, 2015, is eligible for  
832 coverage by the corporation if the premium for coverage from an  
833 authorized insurer exceeds the premium from the corporation by  
834 more than 25 percent. ~~However, with regard to a policyholder of~~  
835 ~~the corporation or a policyholder removed from the corporation~~  
836 ~~through an assumption agreement until the end of the assumption~~  
837 ~~period, the policyholder remains eligible for coverage from the~~  
838 ~~corporation regardless of any offer of coverage from an~~  
839 ~~authorized insurer or surplus lines insurer.~~

840 (I) If the risk accepts an offer of coverage through the  
841 market assistance plan or ~~an offer of coverage~~ through a  
842 mechanism established by the corporation before a policy is  
843 issued to the risk by the corporation or during the first 30  
844 days of coverage by the corporation, and the producing agent who  
845 submitted the application to the plan or the corporation is not  
846 currently appointed by the insurer, the insurer shall:

847 (A) Pay to the producing agent ~~of record of the policy~~, for  
848 the first year, an amount that is the greater of the insurer's  
849 usual and customary commission for the type of policy written or  
850 a fee equal to the usual and customary commission of the  
851 corporation; or

852 (B) Offer to allow the producing agent ~~of record of the~~  
853 ~~policy~~ to continue servicing the policy for at least ~~a period of~~



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854 ~~not less than~~ 1 year and offer to pay the agent the greater of  
855 the insurer's or the corporation's usual and customary  
856 commission for the type of policy written.

857  
858 If the producing agent is unwilling or unable to accept  
859 appointment, the new insurer shall pay the agent in accordance  
860 with sub-sub-sub-subparagraph (A).

861 (II) ~~If~~ ~~When~~ the corporation enters into a contractual  
862 agreement for a take-out plan, the producing agent of record of  
863 the corporation policy is entitled to retain any unearned  
864 commission on the policy, and the insurer shall:

865 (A) Pay to the producing agent ~~of record of the corporation~~  
866 ~~policy~~, for the first year, an amount that is the greater of the  
867 insurer's usual and customary commission for the type of policy  
868 written or a fee equal to the usual and customary commission of  
869 the corporation; or

870 (B) Offer to allow the producing agent ~~of record of the~~  
871 ~~corporation policy~~ to continue servicing the policy for at least  
872 ~~a period of not less than~~ 1 year and offer to pay the agent the  
873 greater of the insurer's or the corporation's usual and  
874 customary commission for the type of policy written.

875  
876 If the producing agent is unwilling or unable to accept  
877 appointment, the new insurer shall pay the agent in accordance  
878 with sub-sub-sub-subparagraph (A).

879 c. Effective upon this act becoming a law, the corporation  
880 shall cease to accept applications for or issue new policies  
881 covering commercial nonresidential risks. ~~For purposes of~~  
882 ~~determining comparable coverage under sub-subparagraphs a. and~~



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883 ~~b., the comparison shall be based on those forms and coverages~~  
884 ~~that are reasonably comparable. The corporation may rely on a~~  
885 ~~determination of comparable coverage and premium made by the~~  
886 ~~producing agent who submits the application to the corporation,~~  
887 ~~made in the agent's capacity as the corporation's agent. A~~  
888 ~~comparison may be made solely of the premium with respect to the~~  
889 ~~main building or structure only on the following basis: the same~~  
890 ~~coverage A or other building limits; the same percentage~~  
891 ~~hurricane deductible that applies on an annual basis or that~~  
892 ~~applies to each hurricane for commercial residential property;~~  
893 ~~the same percentage of ordinance and law coverage, if the same~~  
894 ~~limit is offered by both the corporation and the authorized~~  
895 ~~insurer; the same mitigation credits, to the extent the same~~  
896 ~~types of credits are offered both by the corporation and the~~  
897 ~~authorized insurer; the same method for loss payment, such as~~  
898 ~~replacement cost or actual cash value, if the same method is~~  
899 ~~offered both by the corporation and the authorized insurer in~~  
900 ~~accordance with underwriting rules; and any other form or~~  
901 ~~coverage that is reasonably comparable as determined by the~~  
902 ~~board. If an application is submitted to the corporation for~~  
903 ~~wind-only coverage in the high-risk account, the premium for the~~  
904 ~~corporation's wind-only policy plus the premium for the ex-wind~~  
905 ~~policy that is offered by an authorized insurer to the applicant~~  
906 ~~shall be compared to the premium for multiperil coverage offered~~  
907 ~~by an authorized insurer, subject to the standards for~~  
908 ~~comparison specified in this subparagraph. If the corporation or~~  
909 ~~the applicant requests from the authorized insurer a breakdown~~  
910 ~~of the premium of the offer by types of coverage so that a~~  
911 ~~comparison may be made by the corporation or its agent and the~~





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912 ~~authorized insurer refuses or is unable to provide such~~  
913 ~~information, the corporation may treat the offer as not being an~~  
914 ~~offer of coverage from an authorized insurer at the insurer's~~  
915 ~~approved rate.~~

916 ~~5.6.~~ Must include rules for classifications of risks and  
917 rates ~~therefor.~~

918 ~~6.7.~~ Must provide that if premium and investment income for  
919 an account attributable to a particular calendar year are in  
920 excess of projected losses and expenses for the account  
921 attributable to that year, such excess shall be held in surplus  
922 in the account. Such surplus must ~~shall~~ be available to defray  
923 deficits in that account as to future years and ~~shall be~~ used  
924 for that purpose before ~~prior to~~ assessing assessable insurers  
925 and assessable insureds as to any calendar year.

926 ~~7.8.~~ Must provide objective criteria and procedures to be  
927 uniformly applied to ~~for~~ all applicants in determining whether  
928 an individual risk is so hazardous as to be uninsurable. In  
929 making this determination and in establishing the criteria and  
930 procedures, the following must ~~shall~~ be considered:

931 a. Whether the likelihood of a loss for the individual risk  
932 is substantially higher than for other risks of the same class;  
933 and

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

936  
937 The acceptance or rejection of a risk by the corporation  
938 shall be construed as the private placement of insurance, and  
939 the provisions of chapter 120 do ~~shall~~ not apply.

940 ~~8.9.~~ ~~Must provide that the corporation~~ Shall make its best



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941 efforts to procure catastrophe reinsurance at reasonable rates,  
942 to cover its projected 100-year probable maximum loss as  
943 determined by the board of governors.

944 ~~9.10. Must issue~~ The policies ~~that~~ issued by the  
945 ~~corporation must~~ provide that, if the corporation or the market  
946 assistance plan obtains an offer from an authorized insurer to  
947 cover the risk at its approved rates or from a surplus lines  
948 insurer, the risk is no longer eligible for renewal through the  
949 corporation, except as otherwise provided in this subsection.

950 ~~10.11. Must~~ Corporation Policies and applications must  
951 include a notice in the corporation policies and applications  
952 that the corporation policy could, under this section, be  
953 replaced with a policy issued by an ~~authorized~~ insurer which  
954 ~~that~~ does not provide coverage identical to the coverage  
955 provided by the corporation. The notice must ~~shall~~ also specify  
956 that acceptance of corporation coverage creates a conclusive  
957 presumption that the applicant or policyholder is aware of this  
958 potential.

959 ~~11.12.~~ May establish, subject to approval by the office,  
960 different eligibility requirements and operational procedures  
961 for any line or type of coverage for any specified county or  
962 area if the board determines that such changes ~~to the~~  
963 ~~eligibility requirements and operational procedures~~ are  
964 justified due to the voluntary market being sufficiently stable  
965 and competitive in such area or for such line or type of  
966 coverage and that consumers who, in good faith, are unable to  
967 obtain insurance through the voluntary market through ordinary  
968 methods ~~would~~ continue to have access to coverage from the  
969 corporation. If ~~When~~ coverage is sought in connection with a



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970 real property transfer, the ~~such~~ requirements and procedures may  
971 ~~shall~~ not provide ~~for~~ an effective date of coverage later than  
972 the date of the closing of the transfer as established by the  
973 transferor, the transferee, and, if applicable, the lender.

974 12.13. Must provide that, with respect to the high-risk  
975 account, any assessable insurer with a surplus as to  
976 policyholders of \$25 million or less writing 25 percent or more  
977 of its total countrywide property insurance premiums in this  
978 state may petition the office, within the first 90 days of each  
979 calendar year, to qualify as a limited apportionment company. A  
980 regular assessment levied by the corporation on a limited  
981 apportionment company for a deficit incurred by the corporation  
982 for the high-risk account ~~in 2006 or thereafter~~ may be paid to  
983 the corporation on a monthly basis as the assessments are  
984 collected by the limited apportionment company from its insureds  
985 pursuant to s. 627.3512, but the regular assessment must be paid  
986 in full within 12 months after being levied by the corporation.  
987 A limited apportionment company shall collect from its  
988 policyholders any emergency assessment imposed under sub-  
989 subparagraph (b)3.d. ~~The plan shall provide that,~~ If the office  
990 determines that any regular assessment will result in an  
991 impairment of the surplus of a limited apportionment company,  
992 the office may direct that all or part of such assessment be  
993 deferred as provided in subparagraph (q)4. However, ~~there shall~~  
994 ~~be no limitation or deferment of~~ an emergency assessment to be  
995 collected from policyholders under sub-subparagraph (b)3.d. may  
996 not be limited or deferred.

997 13.14. Effective January 1, 2012, ~~must provide that the~~  
998 ~~corporation~~ appoint as its licensed agents only those agents who



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999 also hold an appointment as defined in s. 626.015(3) with an  
1000 insurer who ~~at the time of the agent's initial appointment by~~  
1001 ~~the corporation~~ is authorized to write and is actually writing  
1002 personal lines residential property coverage, commercial  
1003 residential property coverage, or commercial nonresidential  
1004 property coverage within the state.

1005 ~~14.15.~~ Must provide, ~~by July 1, 2007,~~ a premium payment  
1006 plan option to its policyholders which, ~~allows~~ at a minimum,  
1007 allows for quarterly and semiannual payment of premiums. A  
1008 monthly payment plan may, ~~but is not required to,~~ be offered.

1009 ~~15.16.~~ Must limit coverage on mobile homes or manufactured  
1010 homes built before ~~prior to~~ 1994 to actual cash value of the  
1011 dwelling rather than replacement costs of the dwelling.

1012 ~~16.17.~~ May provide such limits of coverage as the board  
1013 determines, consistent with the requirements of this subsection.

1014 ~~17.18.~~ May require commercial property to meet specified  
1015 hurricane mitigation construction features as a condition of  
1016 eligibility for coverage.

1017 18. As of January 1, 2012, must require that the agent  
1018 obtain from an applicant for coverage from the corporation an  
1019 acknowledgement signed by the applicant, which includes, at a  
1020 minimum, the following statement:

1021  
1022 ACKNOWLEDGEMENT OF POTENTIAL SURCHARGE AND ASSESSMENT

1023 LIABILITY:

1024  
1025 1. AS A POLICYHOLDER OF CITIZENS PROPERTY  
1026 INSURANCE CORPORATION, I UNDERSTAND THAT IF THE  
1027 CORPORATION SUSTAINS A DEFICIT AS A RESULT OF



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1028 HURRICANE LOSSES OR FOR ANY OTHER REASON, MY POLICY  
1029 COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
1030 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF  
1031 THE POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH  
1032 AS 45 PERCENT OF MY PREMIUM, OR A DIFFERENT AMOUNT AS  
1033 IMPOSED BY THE FLORIDA LEGISLATURE.

1034 2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO  
1035 EMERGENCY ASSESSMENTS TO THE SAME EXTENT AS  
1036 POLICYHOLDERS OF OTHER INSURANCE COMPANIES, OR A  
1037 DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
1038 LEGISLATURE.

1039 3. I ALSO UNDERSTAND THAT CITIZENS PROPERTY  
1040 INSURANCE CORPORATION IS NOT SUPPORTED BY THE FULL  
1041 FAITH AND CREDIT OF THE STATE OF FLORIDA.

1042  
1043 a. The corporation shall maintain, in electronic format or  
1044 otherwise, a copy of the applicant's signed acknowledgement and  
1045 provide a copy of the statement to the policyholder as part of  
1046 the first renewal after the effective date of this sub-  
1047 subparagraph.

1048 b. The signed acknowledgement form creates a conclusive  
1049 presumption that the policyholder understood and accepted his or  
1050 her potential surcharge and assessment liability as a  
1051 policyholder of the corporation.

1052 19. Upon notice and determination by the Department of  
1053 Financial Services that an agent appointed by the corporation  
1054 has violated s. 626.9541(1)(h), immediately terminate the  
1055 agent's appointment to represent the corporation.

1056 20. Must provide that new or renewal policies issued by the



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1057 corporation on or after February 1, 2012, do not include  
1058 coverage for attached or detached screen enclosures. The  
1059 corporation shall exclude such coverage using a notice of  
1060 coverage change, which may be included with the policy renewal,  
1061 and not by issuance of a notice of nonrenewal of the excluded  
1062 coverage upon renewal of the current policy.

1063 21. Must provide that new or renewal personal residential  
1064 policies issued by the corporation on or after February 1, 2013,  
1065 do not provide coverage for detached structures on the residence  
1066 premises which are separated from the dwelling by clear space.  
1067 Structures connected to the dwelling by only a fence, utility  
1068 line, or similar connection are considered to be detached  
1069 structures.

1070 22. Must provide that new or renewal personal residential  
1071 policies issued by the corporation on or after February 1, 2013,  
1072 do not provide coverage for watercraft, trailers, jewelry, furs,  
1073 firearms, silverware, business property on premises, business  
1074 property away from premises, or grave markers.

1075 23. Must offer sinkhole coverage. However, effective  
1076 February 1, 2012, coverage is not included for losses to  
1077 appurtenant structures, driveways, sidewalks, decks, or patios  
1078 which are directly or indirectly caused by sinkhole activity.  
1079 The corporation shall exclude such coverage using a notice of  
1080 coverage change, which may be included with the policy renewal,  
1081 and not by issuance of a notice of nonrenewal of the excluded  
1082 coverage upon renewal of the current policy.

1083 24. As a condition for making payment for damage caused by  
1084 the peril of sinkhole, regardless of whether such payment is  
1085 made pursuant to the contract, mediation, neutral evaluation,



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1086 appraisal, arbitration, settlement, or litigation, the payment  
1087 must be dedicated entirely to the costs of repairing the  
1088 structure or remediation of the land. Unless this condition is  
1089 met, the corporation is prohibited from making payment.

1090 (d)1. All prospective employees for senior management  
1091 positions, as defined by the plan of operation, are subject to  
1092 background checks as a prerequisite for employment. The office  
1093 shall conduct the background checks ~~on such prospective~~  
1094 ~~employees~~ pursuant to ss. 624.34, 624.404(3), and 628.261.

1095 2. On or before July 1 of each year, employees of the  
1096 corporation must ~~are required to~~ sign and submit a statement  
1097 attesting that they do not have a conflict of interest, as  
1098 defined in part III of chapter 112. As a condition of  
1099 employment, all prospective employees must ~~are required to~~ sign  
1100 and submit to the corporation a conflict-of-interest statement.

1101 3. Senior managers and members of the board of governors  
1102 are subject to ~~the provisions of~~ part III of chapter 112,  
1103 including, but not limited to, the code of ethics and public  
1104 disclosure and reporting of financial interests, pursuant to s.  
1105 112.3145.

1106 a. Senior managers and board members are also required to  
1107 file such disclosures with the Commission on Ethics and the  
1108 Office of Insurance Regulation. The executive director of the  
1109 corporation or his or her designee shall notify each existing  
1110 and newly appointed ~~and existing appointed~~ member of the board  
1111 of governors and senior managers of their duty to comply with  
1112 the reporting requirements of part III of chapter 112. At least  
1113 quarterly, the executive director or his or her designee shall  
1114 submit to the Commission on Ethics a list of names of the senior



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1115 managers and members of the board of governors who are subject  
1116 to the public disclosure requirements under s. 112.3145.

1117 b. Notwithstanding s. 112.3143(2), a board member may not  
1118 vote on any measure that would inure to his or her special  
1119 private gain or loss; that he or she knows would inure to the  
1120 special private gain or loss of any principal by whom he or she  
1121 is retained or to the parent organization or subsidiary of a  
1122 corporate principal by which he or she is retained, other than  
1123 an agency as defined in s. 112.312; or that he or she knows  
1124 would inure to the special private gain or loss of a relative or  
1125 business associate of the public officer. Before the vote is  
1126 taken, such member must publicly state to the assembly the  
1127 nature of his or her interest in the matter from which he or she  
1128 is abstaining and, within 15 days after the vote occurs,  
1129 disclose the nature of his or her interest as a public record in  
1130 a memorandum filed with the person responsible for recording the  
1131 minutes of the meeting, who shall incorporate the memorandum in  
1132 the minutes.

1133 4. Notwithstanding s. 112.3148 or s. 112.3149, or any other  
1134 provision of law, an employee or board member may not knowingly  
1135 accept, directly or indirectly, any gift or expenditure from a  
1136 person or entity, or an employee or representative of such  
1137 person or entity, which ~~that~~ has a contractual relationship with  
1138 the corporation or who is under consideration for a contract. An  
1139 employee or board member who fails to comply with subparagraph  
1140 3. or this subparagraph is subject to penalties provided under  
1141 ss. 112.317 and 112.3173.

1142 5. Any senior manager of the corporation who is employed on  
1143 or after January 1, 2007, regardless of the date of hire, who





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1144 subsequently retires or terminates employment is prohibited from  
1145 representing another person or entity before the corporation for  
1146 2 years after retirement or termination of employment from the  
1147 corporation.

1148         6. Any senior manager of the corporation who is employed on  
1149 or after January 1, 2007, regardless of the date of hire, who  
1150 subsequently retires or terminates employment is prohibited from  
1151 having any employment or contractual relationship for 2 years  
1152 with an insurer that has entered into a take-out bonus agreement  
1153 with the corporation.

1154         ~~(n)4. It is the intent of the Legislature that the rates~~  
1155 ~~for coverage provided by the corporation be actuarially~~  
1156 ~~determined and not be competitive with rates charged in the~~  
1157 ~~admitted voluntary market such that the corporation functions as~~  
1158 ~~a residual market mechanism that provides insurance only if such~~  
1159 ~~insurance cannot be procured in the voluntary market. To achieve~~  
1160 ~~this goal, for any rate filing made by the corporation on or~~  
1161 ~~after July 1, 2011: Rates for coverage provided by the~~  
1162 ~~corporation shall be actuarially sound and subject to the~~  
1163 ~~requirements of s. 627.062, except as otherwise provided in this~~  
1164 ~~paragraph. The corporation shall file its recommended rates with~~  
1165 ~~the office at least annually. The corporation shall provide any~~  
1166 ~~additional information regarding the rates which the office~~  
1167 ~~requires. The office shall consider the recommendations of the~~  
1168 ~~board and issue a final order establishing the rates for the~~  
1169 ~~corporation within 45 days after the recommended rates are~~  
1170 ~~filed. The corporation may not pursue an administrative~~  
1171 ~~challenge or judicial review of the final order of the office.~~

1172         1. The corporation shall file its recommended rates with



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1173 the office at least annually. The office shall consider the  
1174 recommended rates and issue a final order establishing the rates  
1175 within 45 days after the recommended rates are filed. The  
1176 corporation may not pursue an administrative challenge or  
1177 judicial review of the office's final order.

1178 2. In developing its rates, the corporation shall use an  
1179 appropriate industry expense equalization factor to ensure that  
1180 its rates include standard industry ratemaking expense  
1181 provisions. The industry expense equalization factor must  
1182 include a catastrophe risk load, a provision for taxes, a market  
1183 provision for reinsurance costs, and an industry expense  
1184 provision for general expenses, acquisition expenses, and  
1185 commissions.

1186 3. The corporation shall implement a rate increase each  
1187 year for each residential line of business it writes, which may  
1188 not exceed 20 percent by territory and 25 percent for any single  
1189 policy, excluding coverage changes and surcharges. This  
1190 subparagraph expires January 1, 2015, and does not apply to  
1191 rates for sinkhole coverage or costs for the purchase of private  
1192 reinsurance, if any.

1193 4.2. In addition to the rates otherwise determined pursuant  
1194 to this paragraph, the corporation shall impose and collect an  
1195 amount equal to the premium tax provided for in s. 624.509 to  
1196 augment the financial resources of the corporation.

1197 ~~3. After the public hurricane loss projection model under~~  
1198 ~~s. 627.06281 has been found to be accurate and reliable by the~~  
1199 ~~Florida Commission on Hurricane Loss Projection Methodology,~~  
1200 ~~that model shall serve as the minimum benchmark for determining~~  
1201 ~~the windstorm portion of the corporation's rates. This~~



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1202 ~~subparagraph does not require or allow the corporation to adopt~~  
1203 ~~rates lower than the rates otherwise required or allowed by this~~  
1204 ~~paragraph.~~

1205 ~~4. The rate filings for the corporation which were approved~~  
1206 ~~by the office and which took effect January 1, 2007, are~~  
1207 ~~rescinded, except for those rates that were lowered. As soon as~~  
1208 ~~possible, the corporation shall begin using the lower rates that~~  
1209 ~~were in effect on December 31, 2006, and shall provide refunds~~  
1210 ~~to policyholders who have paid higher rates as a result of that~~  
1211 ~~rate filing. The rates in effect on December 31, 2006, shall~~  
1212 ~~remain in effect for the 2007 and 2008 calendar years except for~~  
1213 ~~any rate change that results in a lower rate. The next rate~~  
1214 ~~change that may increase rates shall take effect pursuant to a~~  
1215 ~~new rate filing recommended by the corporation and established~~  
1216 ~~by the office, subject to the requirements of this paragraph.~~

1217 ~~5. Beginning on July 15, 2009, and each year thereafter,~~  
1218 ~~the corporation must make a recommended actuarially sound rate~~  
1219 ~~filing for each personal and commercial line of business it~~  
1220 ~~writes, to be effective no earlier than January 1, 2010.~~

1221 ~~6. Beginning on or after January 1, 2010, and~~  
1222 ~~notwithstanding the board's recommended rates and the office's~~  
1223 ~~final order regarding the corporation's filed rates under~~  
1224 ~~subparagraph 1., the corporation shall implement a rate increase~~  
1225 ~~each year which does not exceed 10 percent for any single policy~~  
1226 ~~issued by the corporation, excluding coverage changes and~~  
1227 ~~surcharges.~~

1228 ~~5.7.~~ The corporation may also implement an increase to  
1229 reflect the effect on the corporation of the cash buildup factor  
1230 pursuant to s. 215.555(5)(b).



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1231           6. This paragraph does not require or allow the corporation  
1232 to reduce rates.

1233           ~~8. The corporation's implementation of rates as prescribed~~  
1234 ~~in subparagraph 6. shall cease for any line of business written~~  
1235 ~~by the corporation upon the corporation's implementation of~~  
1236 ~~actuarially sound rates. Thereafter, the corporation shall~~  
1237 ~~annually make a recommended actuarially sound rate filing for~~  
1238 ~~each commercial and personal line of business the corporation~~  
1239 ~~writes.~~

1240           (o) If coverage in an account is deactivated pursuant to  
1241 paragraph (p), coverage through the corporation shall be  
1242 reactivated by order of the office only under one of the  
1243 following circumstances:

1244           1. If the market assistance plan receives a minimum of 100  
1245 applications for coverage within a 3-month period, or 200  
1246 applications for coverage within a 1-year period or less for  
1247 residential coverage, unless the market assistance plan provides  
1248 a quotation from admitted carriers at their filed rates for at  
1249 least 90 percent of such applicants. A ~~Any~~ market assistance  
1250 plan application that is rejected because an individual risk is  
1251 so hazardous as to be uninsurable using the criteria specified  
1252 in subparagraph (c)7. ~~may (e)8. shall~~ not be included in the  
1253 minimum percentage calculation ~~provided herein.~~ If ~~In the event~~  
1254 ~~that~~ there is a legal or administrative challenge to a  
1255 determination by the office that the conditions of this  
1256 subparagraph have been met for eligibility for coverage by ~~in~~  
1257 the corporation, an ~~any~~ eligible risk may obtain coverage during  
1258 the pendency of such challenge.

1259           2. In response to a state of emergency declared by the



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1260 Governor under s. 252.36, the office may activate coverage by  
1261 order during ~~for the period of~~ the emergency upon a finding by  
1262 the office that the emergency significantly affects the  
1263 availability of residential property insurance.

1264 (q)1. The corporation shall certify to the office its needs  
1265 for annual assessments as to a particular calendar year, and for  
1266 any interim assessments that it deems to be necessary to sustain  
1267 operations as to a particular year pending the receipt of annual  
1268 assessments. Upon verification, the office shall approve such  
1269 certification, and the corporation shall levy such annual or  
1270 interim assessments. Such assessments must ~~shall~~ be prorated as  
1271 provided in paragraph (b). The corporation shall take all  
1272 reasonable and prudent steps necessary to collect the amount of  
1273 assessment due from each assessable insurer, including, if  
1274 prudent, filing suit to collect such assessment. If the  
1275 corporation is unable to collect an assessment from any  
1276 assessable insurer, the uncollected assessments shall be levied  
1277 as an additional assessment against the assessable insurers and  
1278 any assessable insurer required to pay an additional assessment  
1279 ~~as a result of such failure to pay~~ shall have a cause of action  
1280 against such nonpaying assessable insurer. Assessments shall be  
1281 included as an appropriate factor in the making of rates. The  
1282 failure of a surplus lines agent to collect and remit any  
1283 regular or emergency assessment levied by the corporation is  
1284 ~~considered to be~~ a violation of s. 626.936 and subjects the  
1285 surplus lines agent to the penalties provided in that section.

1286 2. The governing body of any unit of local government, ~~any~~  
1287 residents of which are insured by the corporation, may issue  
1288 bonds as defined in s. 125.013 or s. 166.101 ~~from time to time~~



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1289 to fund an assistance program, in conjunction with the  
1290 corporation, for the purpose of defraying deficits of the  
1291 corporation. In order to avoid needless and indiscriminate  
1292 proliferation, duplication, and fragmentation of such assistance  
1293 programs, any unit of local government, ~~any~~ residents of which  
1294 are insured by the corporation, may provide for the payment of  
1295 losses, regardless of whether or not the losses occurred within  
1296 or outside of the territorial jurisdiction of the local  
1297 government. Revenue bonds under this subparagraph may not be  
1298 issued until validated pursuant to chapter 75, unless a state of  
1299 emergency is declared by executive order or proclamation of the  
1300 Governor pursuant to s. 252.36 making such findings as are  
1301 necessary to determine that it is in the best interests of, and  
1302 necessary for, the protection of the public health, safety, and  
1303 general welfare of residents of this state and declaring it an  
1304 essential public purpose to permit certain municipalities or  
1305 counties to issue such bonds to ~~as will~~ permit relief to  
1306 claimants and policyholders of the corporation. Any such unit of  
1307 local government may enter into such contracts with the  
1308 corporation and with any other entity created pursuant to this  
1309 subsection as are necessary to carry out this paragraph. Any  
1310 bonds issued under this subparagraph are ~~shall be~~ payable from  
1311 and secured by moneys received by the corporation from emergency  
1312 assessments under sub-subparagraph (b)3.d., and assigned and  
1313 pledged to or on behalf of the unit of local government for the  
1314 benefit of the holders of such bonds. The funds, credit,  
1315 property, and taxing power of the state or of the unit of local  
1316 government may ~~shall~~ not be pledged for the payment of such  
1317 bonds.



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1318           3.~~a~~. The corporation shall adopt one or more programs  
1319 subject to approval by the office for the reduction of both new  
1320 and renewal writings in the corporation. ~~Beginning January 1,~~  
1321 ~~2008,~~

1322           a. Any program the corporation adopts for the payment of  
1323 bonuses to an insurer for each risk the insurer removes from the  
1324 corporation must ~~shall~~ comply with s. 627.3511(2) and may not  
1325 exceed the amount referenced in s. 627.3511(2) for each risk  
1326 removed. The corporation may consider any prudent and not  
1327 unfairly discriminatory approach to reducing corporation  
1328 writings, and may adopt a credit against assessment liability or  
1329 other liability that provides an incentive for insurers to take  
1330 risks out of the corporation and to keep risks out of the  
1331 corporation by maintaining or increasing voluntary writings in  
1332 counties or areas in which corporation risks are highly  
1333 concentrated and a program to provide a formula under which an  
1334 insurer voluntarily taking risks out of the corporation by  
1335 maintaining or increasing voluntary writings will be relieved  
1336 wholly or partially from assessments under sub-subparagraphs  
1337 (b)3.a. and b. However, any "take-out bonus" or payment to an  
1338 insurer must be conditioned on the property being insured for at  
1339 least 5 years by the insurer, unless canceled or nonrenewed by  
1340 the policyholder. If the policy is canceled or nonrenewed by the  
1341 policyholder before the end of the 5-year period, the amount of  
1342 the take-out bonus must be prorated for the time period the  
1343 policy was insured. If ~~When~~ the corporation enters into a  
1344 contractual agreement for a take-out plan, the producing agent  
1345 of record of the corporation policy is entitled to retain any  
1346 unearned commission on such policy, and the insurer shall



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1347 either:

1348 (I) Pay to the producing agent of record of the policy, for  
1349 the first year, an amount that ~~which~~ is the greater of the  
1350 insurer's usual and customary commission for the type of policy  
1351 written or a policy fee equal to the usual and customary  
1352 commission of the corporation; or

1353 (II) Offer to allow the producing agent of record of the  
1354 policy to continue servicing the policy for at least ~~a period of~~  
1355 ~~not less than~~ 1 year and offer to pay the agent the insurer's  
1356 usual and customary commission for the type of policy written.  
1357 If the producing agent is unwilling or unable to accept  
1358 appointment by the new insurer, the new insurer shall pay the  
1359 agent in accordance with sub-sub-subparagraph (I).

1360 b. Any credit or exemption from regular assessments adopted  
1361 under this subparagraph shall last no longer than the 3 years  
1362 following the cancellation or expiration of the policy by the  
1363 corporation. With the approval of the office, the board may  
1364 extend such credits for an additional year if the insurer  
1365 guarantees an additional year of renewability for all policies  
1366 removed from the corporation, or for 2 additional years if the  
1367 insurer guarantees 2 additional years of renewability for all  
1368 policies so removed.

1369 c. ~~There shall be~~ No credit, limitation, exemption, or  
1370 deferment from emergency assessments may ~~to~~ be collected from  
1371 policyholders pursuant to sub-subparagraph (b)3.d.

1372 4. The plan must ~~shall~~ provide for the deferment, in whole  
1373 or in part, of the assessment of an assessable insurer, other  
1374 than an emergency assessment collected from policyholders  
1375 pursuant to sub-subparagraph (b)3.d., if the office finds that





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1376 payment of the assessment would endanger or impair the solvency  
1377 of the insurer. ~~If In the event~~ an assessment against an  
1378 assessable insurer is deferred in whole or in part, the amount  
1379 ~~by which such assessment is~~ deferred may be assessed against the  
1380 other assessable insurers in a manner consistent with the basis  
1381 for assessments set forth in paragraph (b).

1382 5. ~~Effective July 1, 2007,~~ In order to evaluate the costs  
1383 and benefits of approved take-out plans, if the corporation pays  
1384 a bonus or other payment to an insurer for an approved take-out  
1385 plan, it shall maintain a record of the address or such other  
1386 identifying information on the property or risk removed in order  
1387 to track if and when the property or risk is later insured by  
1388 the corporation.

1389 6. Any policy taken out, assumed, or removed from the  
1390 corporation is, as of the effective date of the take-out,  
1391 assumption, or removal, direct insurance issued by the insurer  
1392 and not by the corporation, even if the corporation continues to  
1393 service the policies. This subparagraph applies to policies of  
1394 the corporation and not policies taken out, assumed, or removed  
1395 from any other entity.

1396 d. Notwithstanding any other provision of law, for purposes  
1397 of a depopulation, take-out, or keep-out program adopted by the  
1398 corporation, including an initial or renewal offer of coverage  
1399 made to a policyholder removed from the corporation pursuant to  
1400 such program, an eligible surplus lines insurer may participate  
1401 in the program in the same manner and on the same terms as an  
1402 authorized insurer, except as provided under this subparagraph.  
1403 To qualify for participation, the surplus lines insurer must  
1404 first obtain approval from the office for its depopulation,



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1405 take-out, or keep-out plan and then comply with all of the  
1406 corporation's requirements for such plan applicable to admitted  
1407 insurers and with all statutory provisions applicable to the  
1408 removal of policies from the corporation. In considering a  
1409 surplus lines insurer's request for approval for its plan, the  
1410 office must determine that the surplus lines insurer meets the  
1411 following requirements:

1412 (I) Maintains surplus of \$50 million on a company or pooled  
1413 basis;

1414 (II) Maintains an A.M. Best Financial Strength Rating of  
1415 "A-" or better;

1416 (III) Maintains reserves, surplus, reinsurance, and  
1417 reinsurance equivalents sufficient to cover the insurer's 100-  
1418 year probable maximum hurricane loss at least twice in a single  
1419 hurricane season, and submits such reinsurance to the office to  
1420 review for purposes of the take-out;

1421 (IV) Provides prominent notice to the policyholder before  
1422 the assumption of the policy that surplus lines policies are not  
1423 provided coverage by the Florida Insurance Guaranty Association,  
1424 and an outline of any substantial differences in coverage  
1425 between the existing policy and the policy being offered to the  
1426 insured; and

1427 (V) Provides similar policy coverage.

1428  
1429 This sub-subparagraph does not subject any surplus lines insurer  
1430 to requirements in addition to part VIII of chapter 626. Surplus  
1431 lines brokers making an offer of coverage under this sub-  
1432 paragraph are not required to comply with s. 626.916(1)(a),  
1433 (b), (c), and (e).



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1434 (s)1. There is ~~shall be~~ no liability on the part of, and no  
1435 cause of action ~~of any nature~~ shall arise against, any  
1436 assessable insurer or its agents or employees, the corporation  
1437 or its agents or employees, members of the board of governors or  
1438 their respective designees at a board meeting, corporation  
1439 committee members, or the office or its representatives, for any  
1440 action taken by them in the performance of their duties or  
1441 responsibilities under this subsection.

1442 a. As part of the immunity, the corporation, as a  
1443 governmental entity serving a public purpose, is not liable for  
1444 any claim for bad faith whether or not brought pursuant to s.  
1445 624.155, and this subsection or any other provision of law does  
1446 not create liability or a cause of action for bad faith or a  
1447 claim for extracontractual damages.

1448 b. Such immunity does not apply to:

1449 (I)~~a.~~ Any of the foregoing persons or entities for any  
1450 willful tort;

1451 (II)~~b.~~ The corporation or its producing agents for breach  
1452 of any contract or agreement pertaining to insurance coverage;

1453 (III)~~c.~~ The corporation with respect to issuance or payment  
1454 of debt;

1455 (IV)~~d.~~ An ~~Any~~ assessable insurer with respect to any action  
1456 to enforce an assessable insurer's obligations to the  
1457 corporation under this subsection; or

1458 (V)~~e.~~ The corporation in any pending or future action for  
1459 breach of contract or for benefits under a policy issued by the  
1460 corporation. ~~‡~~ In any such action, the corporation is not ~~shall~~  
1461 ~~be~~ liable to the policyholders and beneficiaries for attorney's  
1462 fees under s. 627.428.



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1463           2. The corporation shall manage its claim employees,  
1464 independent adjusters, and others who handle claims to ensure  
1465 they carry out the corporation's duty to its policyholders to  
1466 handle claims carefully, timely, diligently, and in good faith,  
1467 balanced against the corporation's duty to the state to manage  
1468 its assets responsibly in order to minimize its assessment  
1469 potential.

1470           (w) Notwithstanding any other provision of law:

1471           1. The pledge or sale of, the lien upon, and the security  
1472 interest in any rights, revenues, or other assets of the  
1473 corporation created or purported to be created pursuant to any  
1474 financing documents to secure any bonds or other indebtedness of  
1475 the corporation shall be and remain valid and enforceable,  
1476 notwithstanding the commencement of and during the continuation  
1477 of, and after, any rehabilitation, insolvency, liquidation,  
1478 bankruptcy, receivership, conservatorship, reorganization, or  
1479 similar proceeding against the corporation under the laws of  
1480 this state.

1481           2. ~~No~~ Such proceeding does not shall relieve the  
1482 corporation of its obligation, or otherwise affect its ability  
1483 to perform its obligation, to continue to collect, or levy and  
1484 collect, assessments, market equalization or other surcharges  
1485 ~~under subparagraph (c)10.~~, or any other rights, revenues, or  
1486 other assets of the corporation pledged pursuant to any  
1487 financing documents.

1488           3. Each such pledge or sale of, lien upon, and security  
1489 interest in, including the priority of such pledge, lien, or  
1490 security interest, any such assessments, market equalization or  
1491 other surcharges, or other rights, revenues, or other assets



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1492 which are collected, or levied and collected, after the  
1493 commencement of and during the pendency of, or after, any such  
1494 proceeding continues ~~shall continue~~ unaffected by such  
1495 proceeding. As used in this subsection, the term "financing  
1496 documents" means any agreement or agreements, instrument or  
1497 instruments, or other document or documents now existing or  
1498 hereafter created evidencing any bonds or other indebtedness of  
1499 the corporation or pursuant to which any such bonds or other  
1500 indebtedness has been or may be issued and pursuant to which any  
1501 rights, revenues, or other assets of the corporation are pledged  
1502 or sold to secure the repayment of such bonds or indebtedness,  
1503 together with the payment of interest on such bonds or such  
1504 indebtedness, or the payment of any other obligation or  
1505 financial product, as defined in the plan of operation of the  
1506 corporation related to such bonds or indebtedness.

1507 4. Any such pledge or sale of assessments, revenues,  
1508 contract rights, or other rights or assets of the corporation  
1509 constitutes ~~shall constitute~~ a lien and security interest, or  
1510 sale, as the case may be, that is immediately effective and  
1511 attaches to such assessments, revenues, or contract rights or  
1512 other rights or assets, whether or not imposed or collected at  
1513 the time the pledge or sale is made. ~~Any~~ Such pledge or sale is  
1514 effective, valid, binding, and enforceable against the  
1515 corporation or other entity making such pledge or sale, and  
1516 valid and binding against and superior to any competing claims  
1517 or obligations owed to any other person or entity, including  
1518 policyholders in this state, asserting rights in any such  
1519 assessments, revenues, or contract rights or other rights or  
1520 assets to the extent set forth in and in accordance with the



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1521 terms of the pledge or sale contained in the applicable  
1522 financing documents, whether or not any such person or entity  
1523 has notice of such pledge or sale and without the need for any  
1524 physical delivery, recordation, filing, or other action.

1525       5. ~~If As long as~~ the corporation has any bonds outstanding,  
1526 the corporation may not file a voluntary petition under chapter  
1527 9 of the federal Bankruptcy Code or such corresponding chapter  
1528 or sections as may be in effect, ~~from time to time~~, and a public  
1529 officer or any organization, entity, or other person may not  
1530 authorize the corporation to be or become a debtor under chapter  
1531 9 of the federal Bankruptcy Code or such corresponding chapter  
1532 or sections as may be in effect, ~~from time to time~~, during any  
1533 such period.

1534       6. If ordered by a court ~~of competent jurisdiction~~, the  
1535 corporation may assume policies or otherwise provide coverage  
1536 for policyholders of an insurer placed in liquidation under  
1537 chapter 631, under such forms, rates, terms, and conditions as  
1538 the corporation deems appropriate, subject to approval by the  
1539 office.

1540       (x)1. The following records of the corporation are  
1541 confidential and exempt from ~~the provisions of~~ s. 119.07(1) and  
1542 s. 24(a), Art. I of the State Constitution:

1543       a. Underwriting files, except that a policyholder or an  
1544 applicant shall have access to his or her own underwriting  
1545 files. Confidential and exempt underwriting file records may  
1546 also be released to other governmental agencies upon written  
1547 request and demonstration of need; such records held by the  
1548 receiving agency remain confidential and exempt as provided  
1549 herein.



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1550           b. Claims files, until termination of all litigation and  
1551 settlement of all claims arising out of the same incident,  
1552 although portions of the claims files may remain exempt, as  
1553 otherwise provided by law. Confidential and exempt claims file  
1554 records may be released to other governmental agencies upon  
1555 written request and demonstration of need; such records held by  
1556 the receiving agency remain confidential and exempt as provided  
1557 herein.

1558           c. Records obtained or generated by an internal auditor  
1559 pursuant to a routine audit, until the audit is completed, or if  
1560 the audit is conducted as part of an investigation, until the  
1561 investigation is closed or ceases to be active. An investigation  
1562 is considered "active" while the investigation is being  
1563 conducted with a reasonable, good faith belief that it could  
1564 lead to the filing of administrative, civil, or criminal  
1565 proceedings.

1566           d. Matters reasonably encompassed in privileged attorney-  
1567 client communications.

1568           e. Proprietary information licensed to the corporation  
1569 under contract and the contract provides for the confidentiality  
1570 of such proprietary information.

1571           f. All information relating to the medical condition or  
1572 medical status of a corporation employee which is not relevant  
1573 to the employee's capacity to perform his or her duties, except  
1574 as otherwise provided in this paragraph. Information that is  
1575 exempt shall include, but is not limited to, information  
1576 relating to workers' compensation, insurance benefits, and  
1577 retirement or disability benefits.

1578           g. Upon an employee's entrance into the employee assistance



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1579 program, a program to assist any employee who has a behavioral  
1580 or medical disorder, substance abuse problem, or emotional  
1581 difficulty which affects the employee's job performance, all  
1582 records relative to that participation shall be confidential and  
1583 exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I  
1584 of the State Constitution, except as otherwise provided in s.  
1585 112.0455(11).

1586 h. Information relating to negotiations for financing,  
1587 reinsurance, depopulation, or contractual services, until the  
1588 conclusion of the negotiations.

1589 i. Minutes of closed meetings regarding underwriting files,  
1590 and minutes of closed meetings regarding an open claims file  
1591 until termination of all litigation and settlement of all claims  
1592 with regard to that claim, except that information otherwise  
1593 confidential or exempt by law shall be redacted.

1594 2. If an ~~authorized~~ insurer is considering underwriting a  
1595 risk insured by the corporation or has removed a risk from the  
1596 corporation, relevant underwriting files and confidential claims  
1597 files may be released to the insurer if ~~provided~~ the insurer  
1598 agrees in writing, notarized and under oath, to maintain the  
1599 confidentiality of such files. If a file is transferred to an  
1600 insurer, that file is no longer a public record because it is  
1601 not held by an agency subject to the provisions of the public  
1602 records law. Underwriting files and confidential claims files  
1603 may also be released to staff and the board of governors of the  
1604 market assistance plan established pursuant to s. 627.3515, who  
1605 must retain the confidentiality of such files, except such files  
1606 may be released to authorized insurers that are considering  
1607 assuming the risks to which the files apply if, ~~provided~~ the





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1608 insurer agrees in writing, notarized and under oath, to maintain  
1609 the confidentiality of such files. Finally, the corporation or  
1610 the board or staff of the market assistance plan may make the  
1611 following information obtained from underwriting files and  
1612 confidential claims files available to licensed general lines  
1613 insurance agents: name, address, and telephone number of the  
1614 residential property owner or insured; location of the risk;  
1615 rating information; loss history; and policy type. The receiving  
1616 licensed general lines insurance agent must retain the  
1617 confidentiality of the information received.

1618         3. A policyholder who has filed suit against the  
1619 corporation has the right to discover the contents of his or her  
1620 own claims file to the same extent that discovery of such  
1621 contents would be available from a private insurer in litigation  
1622 as provided by the Florida Rules of Civil Procedure, the Florida  
1623 Evidence Code, and other applicable law. Pursuant to subpoena, a  
1624 third party has the right to discover the contents of an  
1625 insured's or applicant's underwriting or claims file to the same  
1626 extent that discovery of such contents would be available from a  
1627 private insurer by subpoena as provided by the Florida Rules of  
1628 Civil Procedure, the Florida Evidence Code, and other applicable  
1629 law, and subject to any confidentiality protections requested by  
1630 the corporation and agreed to by the seeking party or ordered by  
1631 the court. The corporation may release confidential underwriting  
1632 and claims file contents and information as it deems necessary  
1633 and appropriate to underwrite or service insurance policies and  
1634 claims, subject to any confidentiality protections deemed  
1635 necessary and appropriate by the corporation.

1636         4. Portions of meetings of the corporation are exempt from



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1637 the provisions of s. 286.011 and s. 24(b), Art. I of the State  
1638 Constitution wherein confidential underwriting files or  
1639 confidential open claims files are discussed. All portions of  
1640 corporation meetings which are closed to the public shall be  
1641 recorded by a court reporter. The court reporter shall record  
1642 the times of commencement and termination of the meeting, all  
1643 discussion and proceedings, the names of all persons present at  
1644 any time, and the names of all persons speaking. No portion of  
1645 any closed meeting shall be off the record. Subject to the  
1646 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's  
1647 notes of any closed meeting shall be retained by the corporation  
1648 for a minimum of 5 years. A copy of the transcript, less any  
1649 exempt matters, of any closed meeting wherein claims are  
1650 discussed shall become public as to individual claims after  
1651 settlement of the claim.

1652 (y) It is the intent of the Legislature that the amendments  
1653 to this subsection enacted in 2002 should, over time, reduce the  
1654 probable maximum windstorm losses in the residual markets and  
1655 ~~should~~ reduce the potential assessments to be levied on property  
1656 insurers and policyholders statewide. ~~In furtherance of this~~  
1657 ~~intent:~~

1658 ~~1. The board shall, on or before February 1 of each year,~~  
1659 ~~provide a report to the President of the Senate and the Speaker~~  
1660 ~~of the House of Representatives showing the reduction or~~  
1661 ~~increase in the 100-year probable maximum loss attributable to~~  
1662 ~~wind-only coverages and the quota share program under this~~  
1663 ~~subsection combined, as compared to the benchmark 100-year~~  
1664 ~~probable maximum loss of the Florida Windstorm Underwriting~~  
1665 ~~Association. For purposes of this paragraph, the benchmark 100-~~



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1666 ~~year probable maximum loss of the Florida Windstorm Underwriting~~  
1667 ~~Association shall be the calculation dated February 2001 and~~  
1668 ~~based on November 30, 2000, exposures. In order to ensure~~  
1669 ~~comparability of data, the board shall use the same methods for~~  
1670 ~~calculating its probable maximum loss as were used to calculate~~  
1671 ~~the benchmark probable maximum loss.~~

1672 ~~2. Beginning December 1, 2010, if the report under~~  
1673 ~~subparagraph 1. for any year indicates that the 100-year~~  
1674 ~~probable maximum loss attributable to wind-only coverages and~~  
1675 ~~the quota share program combined does not reflect a reduction of~~  
1676 ~~at least 25 percent from the benchmark, the board shall reduce~~  
1677 ~~the boundaries of the high-risk area eligible for wind-only~~  
1678 ~~coverages under this subsection in a manner calculated to reduce~~  
1679 ~~such probable maximum loss to an amount at least 25 percent~~  
1680 ~~below the benchmark.~~

1681 ~~3. Beginning February 1, 2015, if the report under~~  
1682 ~~subparagraph 1. for any year indicates that the 100-year~~  
1683 ~~probable maximum loss attributable to wind-only coverages and~~  
1684 ~~the quota share program combined does not reflect a reduction of~~  
1685 ~~at least 50 percent from the benchmark, the boundaries of the~~  
1686 ~~high-risk area eligible for wind-only coverages under this~~  
1687 ~~subsection shall be reduced by the elimination of any area that~~  
1688 ~~is not seaward of a line 1,000 feet inland from the Intracoastal~~  
1689 ~~Waterway.~~

1690 (aa) As a condition of eligibility for coverage by the  
1691 corporation, an applicant or insured of a property located in  
1692 Special Flood Hazard Area, as defined by the National Flood  
1693 Insurance Program, must maintain in effect a separate flood  
1694 insurance policy having coverage limits for building and



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1695 contents at least equal to those provided under the  
1696 corporation's policy, subject to the maximum limits available  
1697 under the National Flood Insurance Program policy. This  
1698 requirement does not apply to an insured who is a tenant or a  
1699 condominium unit owner above the ground floor; a policy issued  
1700 by the corporation which excludes wind and hail coverage; a risk  
1701 that is not eligible for flood coverage under the National Flood  
1702 Insurance Program; or a mobile home that is located more than 2  
1703 miles from open water, including the ocean, the gulf, a bay, a  
1704 river, or the intracoastal waterway. This paragraph applies to  
1705 new policies issued by the corporation on or after January 1,  
1706 2012, and to policies renewed by the corporation on or after  
1707 January 1, 2013. The corporation shall not require the securing  
1708 of flood insurance as a condition of coverage if the insured or  
1709 applicant executes a form approved by the office affirming that  
1710 flood insurance is not provided by the corporation and that if  
1711 flood insurance is not secured by the applicant or insured in  
1712 addition to coverage by the corporation, the risk will not be  
1713 covered for flood damage. A corporation policyholder electing  
1714 not to secure flood insurance and executing a form as provided  
1715 herein making a claim for water damage against the corporation  
1716 shall have the burden of proving the damage was not caused by  
1717 flooding. Notwithstanding other provisions of this subsection,  
1718 the corporation may deny coverage to an applicant or insured who  
1719 refuses to execute the form described herein.

1720 ~~(cc) The office may establish a pilot program to offer~~  
1721 ~~optional sinkhole coverage in one or more counties or other~~  
1722 ~~territories of the corporation for the purpose of implementing~~  
1723 ~~s. 627.706, as amended by s. 30, chapter 2007-1, Laws of~~



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1724 ~~Florida. Under the pilot program, the corporation is not~~  
1725 ~~required to issue a notice of nonrenewal to exclude sinkhole~~  
1726 ~~coverage upon the renewal of existing policies, but may exclude~~  
1727 ~~such coverage using a notice of coverage change.~~

1728 Section 3. Subsection (4) of section 627.3511, Florida  
1729 Statutes, is amended to read:

1730 627.3511 Depopulation of Citizens Property Insurance  
1731 Corporation.—

1732 (4) AGENT BONUS.—~~If~~ When the corporation enters into a  
1733 contractual agreement for a take-out plan that provides a bonus  
1734 to the insurer, the producing agent of record of the corporation  
1735 policy is entitled to retain any unearned commission on such  
1736 policy, and the insurer shall ~~either~~:

1737 (a) Pay to the producing agent ~~of record of the association~~  
1738 ~~policy~~, for the first year, an amount that is the greater of the  
1739 insurer's usual and customary commission for the type of policy  
1740 written or a fee equal to the usual and customary commission of  
1741 the corporation; or

1742 (b) Offer to allow the producing agent ~~of record of the~~  
1743 ~~corporation policy~~ to continue servicing the policy for at least  
1744 ~~a period of not less than~~ 1 year and offer to pay the agent the  
1745 greater of the insurer's or the corporation's usual and  
1746 customary commission for the type of policy written.

1747  
1748 If the producing agent is unwilling or unable to accept  
1749 appointment, the new insurer shall pay the agent in accordance  
1750 with paragraph (a). The requirement ~~of this subsection~~ that the  
1751 producing agent of record is entitled to retain the unearned  
1752 commission on an association policy does not apply to a policy



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1753 for which coverage has been provided in the association for 30  
1754 days or less ~~or for which a cancellation notice has been issued~~  
1755 ~~pursuant to s. 627.351(6)(c)10. during the first 30 days of~~  
1756 ~~coverage.~~

1757 Section 5. This act shall take effect upon becoming a law.

1758  
1759 ===== T I T L E A M E N D M E N T =====

1760 And the title is amended as follows:

1761 Delete everything before the enacting clause  
1762 and insert:

1763 A bill to be entitled

1764 An act relating to the Citizens Property Insurance  
1765 Corporation; amending s. 627.0655, F.S.; discontinuing  
1766 policy discounts relating to the Citizens Property  
1767 Insurance Corporation after a certain date; amending  
1768 s. 627.351, F.S.; revising legislative intent;  
1769 deleting obsolete provisions relating to the  
1770 corporation's plan of operation; providing that  
1771 certain residential structures are not eligible for  
1772 coverage by the corporation after a certain date;  
1773 requiring policies issued by the corporation to  
1774 include a provision that prohibits policyholders from  
1775 engaging the services of a public adjuster until after  
1776 the corporation has tendered an offer; limiting an  
1777 adjuster's fee for a claim against the corporation;  
1778 specifying the percentage amount of emergency  
1779 assessments; revising provisions relating to  
1780 policyholder surcharges; prohibiting the corporation  
1781 from levying certain assessments with respect to a



1782 year's deficit until the corporation has first levied  
1783 a specified surcharge; requiring the corporation to  
1784 commission a consultant to prepare a report on  
1785 outsourcing various functions and submit such report  
1786 to the Financial Services Commission by a certain  
1787 date; revising provisions relating to wind coverage;  
1788 prohibiting the corporation from accepting  
1789 applications for commercial nonresidential risks;  
1790 requiring the policyholders to sign a statement  
1791 acknowledging that they may be assessed surcharges to  
1792 cover corporate deficits; providing that policies do  
1793 not include coverage for screen enclosures or any  
1794 structure detached from the house; providing that the  
1795 corporation does not cover specified personal  
1796 property; limiting coverage for damage from sinkholes  
1797 after a certain date and providing that the  
1798 corporation must require repair of the property as a  
1799 condition of any payment; requiring members of the  
1800 board of governors to abstain from voting on issues on  
1801 which they have a personal interest; requiring such  
1802 members to disclose the nature of their interest as a  
1803 public record; providing that the corporation operates  
1804 as a residual market mechanism; revising provisions  
1805 relating to corporation rates; providing that eligible  
1806 surplus lines insurers may participate in take-out  
1807 programs under certain conditions; clarifying that the  
1808 corporation is immune from certain liabilities;  
1809 revising requirements relating to confidential records  
1810 released by an insurer; deleting a requirement for an



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1811 annual report to the Legislature on losses  
1812 attributable to wind-only coverages; requiring owners  
1813 of properties in Special Flood Hazard Areas to  
1814 maintain a separate flood insurance policy after a  
1815 certain date; providing exceptions; amending s.  
1816 627.3511, F.S.; conforming a cross-reference;  
1817 providing an effective date.