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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/05/2011	.	
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The Committee on Rules (Alexander) recommended the following:

Senate Amendment (with directory and title amendments)

Delete line 1366
and insert:

(6) TAXPAYER-FUNDED ~~CITIZENS~~ PROPERTY INSURANCE
CORPORATION.-

(a)1. It is the public purpose of this subsection to ensure the existence of an orderly market for property insurance for Floridians and Florida businesses. The Legislature finds that private insurers are unwilling or unable to provide affordable property insurance coverage in this state to the extent sought and needed. The absence of affordable property insurance threatens the public health, safety, and welfare and likewise



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14 threatens the economic health of the state. The state therefore
15 has a compelling public interest and a public purpose to assist
16 in assuring that property in the state is insured and that it is
17 insured at affordable rates so as to facilitate the remediation,
18 reconstruction, and replacement of damaged or destroyed property
19 in order to reduce or avoid the negative effects otherwise
20 resulting to the public health, safety, and welfare, to the
21 economy of the state, and to the revenues of the state and local
22 governments which are needed to provide for the public welfare.
23 It is necessary, therefore, to provide affordable property
24 insurance to applicants who are in good faith entitled to
25 procure insurance through the voluntary market but are unable to
26 do so. The Legislature intends by this subsection that
27 affordable property insurance be provided and that it continue
28 to be provided, as long as necessary, through the Taxpayer-
29 Funded Citizens Property Insurance Corporation, a government
30 entity that is an integral part of the state, and that is not a
31 private insurance company. To that end, the Citizens Property
32 Insurance corporation shall strive to increase the availability
33 of affordable property insurance in this state, while achieving
34 efficiencies and economies, and while providing service to
35 policyholders, applicants, and agents which is no less than the
36 quality generally provided in the voluntary market, for the
37 achievement of the foregoing public purposes. Because it is
38 essential for this government entity to have the maximum
39 financial resources to pay claims following a catastrophic
40 hurricane, it is the intent of the Legislature that the Citizens
41 Property Insurance corporation continue to be an integral part
42 of the state and that the income of the corporation be exempt



43 from federal income taxation and that interest on the debt
44 obligations issued by the corporation be exempt from federal
45 income taxation.

46 2. The Residential Property and Casualty Joint Underwriting
47 Association originally created by this statute shall be known
48 ~~as of July 1, 2002,~~ as the Taxpayer-Funded ~~Citizens~~ Property
49 Insurance Corporation. The corporation shall provide insurance
50 for residential and commercial property, for applicants who are
51 in good faith entitled, but are unable, to procure insurance
52 through the voluntary market. The corporation shall operate
53 pursuant to a plan of operation approved by order of the
54 Financial Services Commission. The plan is subject to continuous
55 review by the commission. The commission may, by order, withdraw
56 approval of all or part of a plan if the commission determines
57 that conditions have changed since approval was granted and that
58 the purposes of the plan require changes in the plan. The
59 corporation shall continue to operate pursuant to the plan of
60 operation approved by the Office of Insurance Regulation until
61 October 1, 2006. For the purposes of this subsection,
62 residential coverage includes both personal lines residential
63 coverage, which consists of the type of coverage provided by
64 homeowner's, mobile home owner's, dwelling, tenant's,
65 condominium unit owner's, and similar policies, and commercial
66 lines residential coverage, which consists of the type of
67 coverage provided by condominium association, apartment
68 building, and similar policies.

69 3. Effective January 1, 2009, a personal lines residential
70 structure that has a dwelling replacement cost of \$2 million or
71 more, or a single condominium unit that has a combined dwelling



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72 and content replacement cost of \$2 million or more is not
73 eligible for coverage by the corporation. Such dwellings insured
74 by the corporation on December 31, 2008, may continue to be
75 covered by the corporation until the end of the policy term.
76 However, such dwellings that are insured by the corporation and
77 become ineligible for coverage due to the provisions of this
78 subparagraph may reapply and obtain coverage if the property
79 owner provides the corporation with a sworn affidavit from one
80 or more insurance agents, on a form provided by the corporation,
81 stating that the agents have made their best efforts to obtain
82 coverage and that the property has been rejected for coverage by
83 at least one authorized insurer and at least three surplus lines
84 insurers. If such conditions are met, the dwelling may be
85 insured by the corporation for up to 3 years, after which time
86 the dwelling is ineligible for coverage. The office shall
87 approve the method used by the corporation for valuing the
88 dwelling replacement cost for the purposes of this subparagraph.
89 If a policyholder is insured by the corporation prior to being
90 determined to be ineligible pursuant to this subparagraph and
91 such policyholder files a lawsuit challenging the determination,
92 the policyholder may remain insured by the corporation until the
93 conclusion of the litigation.

94 4. It is the intent of the Legislature that policyholders,
95 applicants, and agents of the corporation receive service and
96 treatment of the highest possible level but never less than that
97 generally provided in the voluntary market. It also is intended
98 that the corporation be held to service standards no less than
99 those applied to insurers in the voluntary market by the office
100 with respect to responsiveness, timeliness, customer courtesy,



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101 and overall dealings with policyholders, applicants, or agents
102 of the corporation.

103 5. Effective January 1, 2009, a personal lines residential
104 structure that is located in the "wind-borne debris region," as
105 defined in s. 1609.2, International Building Code (2006), and
106 that has an insured value on the structure of \$750,000 or more
107 is not eligible for coverage by the corporation unless the
108 structure has opening protections as required under the Florida
109 Building Code for a newly constructed residential structure in
110 that area. A residential structure shall be deemed to comply
111 with the requirements of this subparagraph if it has shutters or
112 opening protections on all openings and if such opening
113 protections complied with the Florida Building Code at the time
114 they were installed.

115
116 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

117 And the directory clause is amended as follows:

118 Delete line 1362

119 and insert:

120 Section 15. Paragraphs (a), (b), (c), (d), (v), and (y) of

121
122 ===== T I T L E A M E N D M E N T =====

123 And the title is amended as follows:

124 Delete line 112

125 and insert:

126 by the act; amending s. 627.351, F.S.; renaming the
127 Citizens Property Insurance Corporation the Taxpayer-
128 Funded Property Insurance Corporation; renaming the