

HB 1329

2013

1 A bill to be entitled
2 An act relating to Citizens Property Insurance
3 Corporation; amending s. 627.351, F.S.; deleting a
4 provision that limits the amount that a public
5 adjuster may charge, agree to, or accept as
6 compensation with respect to a claim filed under a
7 policy of the corporation; providing an effective
8 date.

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

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12 Section 1. Paragraph (a) of subsection (6) of section
13 627.351, Florida Statutes, is amended to read:

14 627.351 Insurance risk apportionment plans.—

15 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

16 (a) The public purpose of this subsection is to ensure
17 that there is an orderly market for property insurance for
18 residents and businesses of this state.

19 1. The Legislature finds that private insurers are
20 unwilling or unable to provide affordable property insurance
21 coverage in this state to the extent sought and needed. The
22 absence of affordable property insurance threatens the public
23 health, safety, and welfare and likewise threatens the economic
24 health of the state. The state therefore has a compelling public
25 interest and a public purpose to assist in assuring that
26 property in the state is insured and that it is insured at
27 affordable rates so as to facilitate the remediation,
28 reconstruction, and replacement of damaged or destroyed property

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29 | in order to reduce or avoid the negative effects otherwise
30 | resulting to the public health, safety, and welfare, to the
31 | economy of the state, and to the revenues of the state and local
32 | governments which are needed to provide for the public welfare.
33 | It is necessary, therefore, to provide affordable property
34 | insurance to applicants who are in good faith entitled to
35 | procure insurance through the voluntary market but are unable to
36 | do so. The Legislature intends, therefore, that affordable
37 | property insurance be provided and that it continue to be
38 | provided, as long as necessary, through Citizens Property
39 | Insurance Corporation, a government entity that is an integral
40 | part of the state, and that is not a private insurance company.
41 | To that end, the corporation shall strive to increase the
42 | availability of affordable property insurance in this state,
43 | while achieving efficiencies and economies, and while providing
44 | service to policyholders, applicants, and agents which is no
45 | less than the quality generally provided in the voluntary
46 | market, for the achievement of the foregoing public purposes.
47 | Because it is essential for this government entity to have the
48 | maximum financial resources to pay claims following a
49 | catastrophic hurricane, it is the intent of the Legislature that
50 | the corporation continue to be an integral part of the state and
51 | that the income of the corporation be exempt from federal income
52 | taxation and that interest on the debt obligations issued by the
53 | corporation be exempt from federal income taxation.

54 | 2. The Residential Property and Casualty Joint
55 | Underwriting Association originally created by this statute
56 | shall be known as the Citizens Property Insurance Corporation.

57 | The corporation shall provide insurance for residential and
58 | commercial property, for applicants who are entitled, but, in
59 | good faith, are unable to procure insurance through the
60 | voluntary market. The corporation shall operate pursuant to a
61 | plan of operation approved by order of the Financial Services
62 | Commission. The plan is subject to continuous review by the
63 | commission. The commission may, by order, withdraw approval of
64 | all or part of a plan if the commission determines that
65 | conditions have changed since approval was granted and that the
66 | purposes of the plan require changes in the plan. For the
67 | purposes of this subsection, residential coverage includes both
68 | personal lines residential coverage, which consists of the type
69 | of coverage provided by homeowner's, mobile home owner's,
70 | dwelling, tenant's, condominium unit owner's, and similar
71 | policies; and commercial lines residential coverage, which
72 | consists of the type of coverage provided by condominium
73 | association, apartment building, and similar policies.

74 | 3. Effective January 1, 2009, a personal lines residential
75 | structure that has a dwelling replacement cost of \$2 million or
76 | more, or a single condominium unit that has a combined dwelling
77 | and contents replacement cost of \$2 million or more is not
78 | eligible for coverage by the corporation. Such dwellings insured
79 | by the corporation on December 31, 2008, may continue to be
80 | covered by the corporation until the end of the policy term.
81 | However, such dwellings may reapply and obtain coverage if the
82 | property owner provides the corporation with a sworn affidavit
83 | from one or more insurance agents, on a form provided by the
84 | corporation, stating that the agents have made their best

85 | efforts to obtain coverage and that the property has been
86 | rejected for coverage by at least one authorized insurer and at
87 | least three surplus lines insurers. If such conditions are met,
88 | the dwelling may be insured by the corporation for up to 3
89 | years, after which time the dwelling is ineligible for coverage.
90 | The office shall approve the method used by the corporation for
91 | valuing the dwelling replacement cost for the purposes of this
92 | subparagraph. If a policyholder is insured by the corporation
93 | prior to being determined to be ineligible pursuant to this
94 | subparagraph and such policyholder files a lawsuit challenging
95 | the determination, the policyholder may remain insured by the
96 | corporation until the conclusion of the litigation.

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

106 | 5. Effective January 1, 2009, a personal lines residential
107 | structure that is located in the "wind-borne debris region," as
108 | defined in s. 1609.2, International Building Code (2006), and
109 | that has an insured value on the structure of \$750,000 or more
110 | is not eligible for coverage by the corporation unless the
111 | structure has opening protections as required under the Florida
112 | Building Code for a newly constructed residential structure in

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113 that area. A residential structure shall be deemed to comply
114 with this subparagraph if it has shutters or opening protections
115 on all openings and if such opening protections complied with
116 the Florida Building Code at the time they were installed.

117 ~~6. For any claim filed under any policy of the~~
118 ~~corporation, a public adjuster may not charge, agree to, or~~
119 ~~accept any compensation, payment, commission, fee, or other~~
120 ~~thing of value greater than 10 percent of the additional amount~~
121 ~~actually paid over the amount that was originally offered by the~~
122 ~~corporation for any one claim.~~

123 Section 2. This act shall take effect July 1, 2013.