

By Senator Clemens

27-01264-13

20131612__

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.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
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 that
17 there is an orderly market for property insurance for residents
18 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
29 in order to reduce or avoid the negative effects otherwise

27-01264-13

20131612__

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 Underwriting
55 Association originally created by this statute shall be known as
56 the Citizens Property Insurance Corporation. The corporation
57 shall provide insurance for residential and commercial property,
58 for applicants who are entitled, but, in good faith, are unable

27-01264-13

20131612__

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

27-01264-13

20131612__

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
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.

27-01264-13

20131612__

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

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