

By the Committee on Banking and Insurance; and Senator Bean

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1 A bill to be entitled

2 An act relating to manufactured and mobile homes;
3 amending s. 627.351, F.S.; requiring the Citizens
4 Property Insurance Corporation to provide coverage for
5 mobile homes and related structures; amending s.
6 723.06115, F.S.; specifying the procedure for
7 requesting and obtaining funds from the Florida Mobile
8 Home Relocation Trust Fund to pay for the operational
9 costs of the Florida Mobile Home Relocation
10 Corporation and the relocation costs of mobile home
11 owners; providing an effective date.
12

13 Be It Enacted by the Legislature of the State of Florida:
14

15 Section 1. Paragraph (c) of subsection (6) of section
16 627.351, Florida Statutes, is amended to read:

17 627.351 Insurance risk apportionment plans.—

18 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

19 (c) The corporation's plan of operation:

20 1. Must provide for adoption of residential property and
21 casualty insurance policy forms and commercial residential and
22 nonresidential property insurance forms, which must be approved
23 by the office before use. The corporation shall adopt the
24 following policy forms:

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

29 b. Basic personal lines policy forms that are policies

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30 similar to an HO-8 policy or a dwelling fire policy that provide
31 coverage meeting the requirements of the secondary mortgage
32 market, but which is more limited than the coverage under a
33 standard policy.

34 c. Commercial lines residential and nonresidential policy
35 forms that are generally similar to the basic perils of full
36 coverage obtainable for commercial residential structures and
37 commercial nonresidential structures in the admitted voluntary
38 market.

39 d. Personal lines and commercial lines residential property
40 insurance forms that cover the peril of wind only. The forms are
41 applicable only to residential properties located in areas
42 eligible for coverage under the coastal account referred to in
43 sub-subparagraph (b)2.a.

44 e. Commercial lines nonresidential property insurance forms
45 that cover the peril of wind only. The forms are applicable only
46 to nonresidential properties located in areas eligible for
47 coverage under the coastal account referred to in sub-
48 subparagraph (b)2.a.

49 f. The corporation may adopt variations of the policy forms
50 listed in sub-subparagraphs a.-e. which contain more restrictive
51 coverage.

52 g. Effective January 1, 2013, the corporation shall offer a
53 basic personal lines policy similar to an HO-8 policy with
54 dwelling repair based on common construction materials and
55 methods.

56 2. Must provide that the corporation adopt a program in
57 which the corporation and authorized insurers enter into quota
58 share primary insurance agreements for hurricane coverage, as

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59 defined in s. 627.4025(2)(a), for eligible risks, and adopt
60 property insurance forms for eligible risks which cover the
61 peril of wind only.

62 a. As used in this subsection, the term:

63 (I) "Quota share primary insurance" means an arrangement in
64 which the primary hurricane coverage of an eligible risk is
65 provided in specified percentages by the corporation and an
66 authorized insurer. The corporation and authorized insurer are
67 each solely responsible for a specified percentage of hurricane
68 coverage of an eligible risk as set forth in a quota share
69 primary insurance agreement between the corporation and an
70 authorized insurer and the insurance contract. The
71 responsibility of the corporation or authorized insurer to pay
72 its specified percentage of hurricane losses of an eligible
73 risk, as set forth in the agreement, may not be altered by the
74 inability of the other party to pay its specified percentage of
75 losses. Eligible risks that are provided hurricane coverage
76 through a quota share primary insurance arrangement must be
77 provided policy forms that set forth the obligations of the
78 corporation and authorized insurer under the arrangement,
79 clearly specify the percentages of quota share primary insurance
80 provided by the corporation and authorized insurer, and
81 conspicuously and clearly state that the authorized insurer and
82 the corporation may not be held responsible beyond their
83 specified percentage of coverage of hurricane losses.

84 (II) "Eligible risks" means personal lines residential and
85 commercial lines residential risks that meet the underwriting
86 criteria of the corporation and are located in areas that were
87 eligible for coverage by the Florida Windstorm Underwriting

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88 Association on January 1, 2002.

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

92 c. If the corporation determines that additional coverage
93 levels are necessary to maximize participation in quota share
94 primary insurance agreements by authorized insurers, the
95 corporation may establish additional coverage levels. However,
96 the corporation's quota share primary insurance coverage level
97 may not exceed 90 percent.

98 d. Any quota share primary insurance agreement entered into
99 between an authorized insurer and the corporation must provide
100 for a uniform specified percentage of coverage of hurricane
101 losses, by county or territory as set forth by the corporation
102 board, for all eligible risks of the authorized insurer covered
103 under the agreement.

104 e. Any quota share primary insurance agreement entered into
105 between an authorized insurer and the corporation is subject to
106 review and approval by the office. However, such agreement shall
107 be authorized only as to insurance contracts entered into
108 between an authorized insurer and an insured who is already
109 insured by the corporation for wind coverage.

110 f. For all eligible risks covered under quota share primary
111 insurance agreements, the exposure and coverage levels for both
112 the corporation and authorized insurers shall be reported by the
113 corporation to the Florida Hurricane Catastrophe Fund. For all
114 policies of eligible risks covered under such agreements, the
115 corporation and the authorized insurer must maintain complete
116 and accurate records for the purpose of exposure and loss

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117 reimbursement audits as required by fund rules. The corporation
118 and the authorized insurer shall each maintain duplicate copies
119 of policy declaration pages and supporting claims documents.

120 g. The corporation board shall establish in its plan of
121 operation standards for quota share agreements which ensure that
122 there is no discriminatory application among insurers as to the
123 terms of the agreements, pricing of the agreements, incentive
124 provisions if any, and consideration paid for servicing policies
125 or adjusting claims.

126 h. The quota share primary insurance agreement between the
127 corporation and an authorized insurer must set forth the
128 specific terms under which coverage is provided, including, but
129 not limited to, the sale and servicing of policies issued under
130 the agreement by the insurance agent of the authorized insurer
131 producing the business, the reporting of information concerning
132 eligible risks, the payment of premium to the corporation, and
133 arrangements for the adjustment and payment of hurricane claims
134 incurred on eligible risks by the claims adjuster and personnel
135 of the authorized insurer. Entering into a quota sharing
136 insurance agreement between the corporation and an authorized
137 insurer is voluntary and at the discretion of the authorized
138 insurer.

139 3.a. May provide that the corporation may employ or
140 otherwise contract with individuals or other entities to provide
141 administrative or professional services that may be appropriate
142 to effectuate the plan. The corporation may borrow funds by
143 issuing bonds or by incurring other indebtedness, and shall have
144 other powers reasonably necessary to effectuate the requirements
145 of this subsection, including, without limitation, the power to

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146 issue bonds and incur other indebtedness in order to refinance
147 outstanding bonds or other indebtedness. The corporation may
148 seek judicial validation of its bonds or other indebtedness
149 under chapter 75. The corporation may issue bonds or incur other
150 indebtedness, or have bonds issued on its behalf by a unit of
151 local government pursuant to subparagraph (q)2. in the absence
152 of a hurricane or other weather-related event, upon a
153 determination by the corporation, subject to approval by the
154 office, that such action would enable it to efficiently meet the
155 financial obligations of the corporation and that such
156 financings are reasonably necessary to effectuate the
157 requirements of this subsection. The corporation may take all
158 actions needed to facilitate tax-free status for such bonds or
159 indebtedness, including formation of trusts or other affiliated
160 entities. The corporation may pledge assessments, projected
161 recoveries from the Florida Hurricane Catastrophe Fund, other
162 reinsurance recoverables, policyholder surcharges and other
163 surcharges, and other funds available to the corporation as
164 security for bonds or other indebtedness. In recognition of s.
165 10, Art. I of the State Constitution, prohibiting the impairment
166 of obligations of contracts, it is the intent of the Legislature
167 that no action be taken whose purpose is to impair any bond
168 indenture or financing agreement or any revenue source committed
169 by contract to such bond or other indebtedness.

170 b. To ensure that the corporation is operating in an
171 efficient and economic manner while providing quality service to
172 policyholders, applicants, and agents, the board shall
173 commission an independent third-party consultant having
174 expertise in insurance company management or insurance company

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175 management consulting to prepare a report and make
176 recommendations on the relative costs and benefits of
177 outsourcing various policy issuance and service functions to
178 private servicing carriers or entities performing similar
179 functions in the private market for a fee, rather than
180 performing such functions in-house. In making such
181 recommendations, the consultant shall consider how other
182 residual markets, both in this state and around the country,
183 outsource appropriate functions or use servicing carriers to
184 better match expenses with revenues that fluctuate based on a
185 widely varying policy count. The report must be completed by
186 July 1, 2012. Upon receiving the report, the board shall develop
187 a plan to implement the report and submit the plan for review,
188 modification, and approval to the Financial Services Commission.
189 Upon the commission's approval of the plan, the board shall
190 begin implementing the plan by January 1, 2013.

191 4. Must require that the corporation operate subject to the
192 supervision and approval of a board of governors consisting of
193 eight individuals who are residents of this state, from
194 different geographical areas of this state.

195 a. The Governor, the Chief Financial Officer, the President
196 of the Senate, and the Speaker of the House of Representatives
197 shall each appoint two members of the board. At least one of the
198 two members appointed by each appointing officer must have
199 demonstrated expertise in insurance and ~~is~~ deemed to be within
200 the scope of the exemption provided in s. 112.313(7)(b). The
201 Chief Financial Officer shall designate one of the appointees as
202 chair. All board members serve at the pleasure of the appointing
203 officer. All members of the board are subject to removal at will

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204 by the officers who appointed them. All board members, including
205 the chair, must be appointed to serve for 3-year terms beginning
206 annually on a date designated by the plan. However, for the
207 first term beginning on or after July 1, 2009, each appointing
208 officer shall appoint one member of the board for a 2-year term
209 and one member for a 3-year term. A board vacancy shall be
210 filled for the unexpired term by the appointing officer. The
211 Chief Financial Officer shall appoint a technical advisory group
212 to provide information and advice to the board in connection
213 with the board's duties under this subsection. The executive
214 director and senior managers of the corporation shall be engaged
215 by the board and serve at the pleasure of the board. Any
216 executive director appointed on or after July 1, 2006, is
217 subject to confirmation by the Senate. The executive director is
218 responsible for employing other staff as the corporation may
219 require, subject to review and concurrence by the board.

220 b. The board shall create a Market Accountability Advisory
221 Committee to assist the corporation in developing awareness of
222 its rates and its customer and agent service levels in
223 relationship to the voluntary market insurers writing similar
224 coverage.

225 (I) The members of the advisory committee consist of the
226 following 11 persons, one of whom must be elected chair by the
227 members of the committee: four representatives, one appointed by
228 the Florida Association of Insurance Agents, one by the Florida
229 Association of Insurance and Financial Advisors, one by the
230 Professional Insurance Agents of Florida, and one by the Latin
231 American Association of Insurance Agencies; three
232 representatives appointed by the insurers with the three highest

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233 voluntary market share of residential property insurance
234 business in the state; one representative from the Office of
235 Insurance Regulation; one consumer appointed by the board who is
236 insured by the corporation at the time of appointment to the
237 committee; one representative appointed by the Florida
238 Association of Realtors; and one representative appointed by the
239 Florida Bankers Association. All members shall be appointed to
240 3-year terms and may serve for consecutive terms.

241 (II) The committee shall report to the corporation at each
242 board meeting on insurance market issues which may include rates
243 and rate competition with the voluntary market; service,
244 including policy issuance, claims processing, and general
245 responsiveness to policyholders, applicants, and agents; and
246 matters relating to depopulation.

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

249 a. Subject to s. 627.3517, with respect to personal lines
250 residential risks, if the risk is offered coverage from an
251 authorized insurer at the insurer's approved rate under a
252 standard policy including wind coverage or, if consistent with
253 the insurer's underwriting rules as filed with the office, a
254 basic policy including wind coverage, for a new application to
255 the corporation for coverage, the risk is not eligible for any
256 policy issued by the corporation unless the premium for coverage
257 from the authorized insurer is more than 15 percent greater than
258 the premium for comparable coverage from the corporation. If the
259 risk is not able to obtain such offer, the risk is eligible for
260 a standard policy including wind coverage or a basic policy
261 including wind coverage issued by the corporation; however, if

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262 the risk could not be insured under a standard policy including
263 wind coverage regardless of market conditions, the risk is
264 eligible for a basic policy including wind coverage unless
265 rejected under subparagraph 8. However, a policyholder of the
266 corporation or a policyholder removed from the corporation
267 through an assumption agreement until the end of the assumption
268 period remains eligible for coverage from the corporation
269 regardless of any offer of coverage from an authorized insurer
270 or surplus lines insurer. The corporation shall determine the
271 type of policy to be provided on the basis of objective
272 standards specified in the underwriting manual and based on
273 generally accepted underwriting practices.

274 (I) If the risk accepts an offer of coverage through the
275 market assistance plan or through a mechanism established by the
276 corporation before a policy is issued to the risk by the
277 corporation or during the first 30 days of coverage by the
278 corporation, and the producing agent who submitted the
279 application to the plan or to the corporation is not currently
280 appointed by the insurer, the insurer shall:

281 (A) Pay to the producing agent of record of the policy for
282 the first year, an amount that is the greater of the insurer's
283 usual and customary commission for the type of policy written or
284 a fee equal to the usual and customary commission of the
285 corporation; or

286 (B) Offer to allow the producing agent of record of the
287 policy to continue servicing the policy for at least 1 year and
288 offer to pay the agent the greater of the insurer's or the
289 corporation's usual and customary commission for the type of
290 policy written.

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

295 (II) If the corporation enters into a contractual agreement
296 for a take-out plan, the producing agent of record of the
297 corporation policy is entitled to retain any unearned commission
298 on the policy, and the insurer shall:

299 (A) Pay to the producing agent of record, for the first
300 year, an amount that is the greater of the insurer's usual and
301 customary commission for the type of policy written or a fee
302 equal to the usual and customary commission of the corporation;
303 or

304 (B) Offer to allow the producing agent of record to
305 continue servicing the policy for at least 1 year and offer to
306 pay the agent the greater of the insurer's or the corporation's
307 usual and customary commission for the type of policy written.
308

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

312 b. With respect to commercial lines residential risks, for
313 a new application to the corporation for coverage, if the risk
314 is offered coverage under a policy including wind coverage from
315 an authorized insurer at its approved rate, the risk is not
316 eligible for a policy issued by the corporation unless the
317 premium for coverage from the authorized insurer is more than 15
318 percent greater than the premium for comparable coverage from
319 the corporation. If the risk is not able to obtain any such

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320 offer, the risk is eligible for a policy including wind coverage
321 issued by the corporation. However, a policyholder of the
322 corporation or a policyholder removed from the corporation
323 through an assumption agreement until the end of the assumption
324 period remains eligible for coverage from the corporation
325 regardless of an offer of coverage from an authorized insurer or
326 surplus lines insurer.

327 (I) If the risk accepts an offer of coverage through the
328 market assistance plan or through a mechanism established by the
329 corporation before a policy is issued to the risk by the
330 corporation or during the first 30 days of coverage by the
331 corporation, and the producing agent who submitted the
332 application to the plan or the corporation is not currently
333 appointed by the insurer, the insurer shall:

334 (A) Pay to the producing agent of record of the policy, for
335 the first year, an amount that is the greater of the insurer's
336 usual and customary commission for the type of policy written or
337 a fee equal to the usual and customary commission of the
338 corporation; or

339 (B) Offer to allow the producing agent of record of the
340 policy to continue servicing the policy for at least 1 year and
341 offer to pay the agent the greater of the insurer's or the
342 corporation's usual and customary commission for the type of
343 policy written.

344

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

348 (II) If the corporation enters into a contractual agreement

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349 for a take-out plan, the producing agent of record of the
350 corporation policy is entitled to retain any unearned commission
351 on the policy, and the insurer shall:

352 (A) Pay to the producing agent of record, for the first
353 year, an amount that is the greater of the insurer's usual and
354 customary commission for the type of policy written or a fee
355 equal to the usual and customary commission of the corporation;
356 or

357 (B) Offer to allow the producing agent of record to
358 continue servicing the policy for at least 1 year and offer to
359 pay the agent the greater of the insurer's or the corporation's
360 usual and customary commission for the type of policy written.
361

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

365 c. For purposes of determining comparable coverage under
366 sub-subparagraphs a. and b., the comparison must be based on
367 those forms and coverages that are reasonably comparable. The
368 corporation may rely on a determination of comparable coverage
369 and premium made by the producing agent who submits the
370 application to the corporation, made in the agent's capacity as
371 the corporation's agent. A comparison may be made solely of the
372 premium with respect to the main building or structure only on
373 the following basis: the same coverage A or other building
374 limits; the same percentage hurricane deductible that applies on
375 an annual basis or that applies to each hurricane for commercial
376 residential property; the same percentage of ordinance and law
377 coverage, if the same limit is offered by both the corporation

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378 and the authorized insurer; the same mitigation credits, to the
379 extent the same types of credits are offered both by the
380 corporation and the authorized insurer; the same method for loss
381 payment, such as replacement cost or actual cash value, if the
382 same method is offered both by the corporation and the
383 authorized insurer in accordance with underwriting rules; and
384 any other form or coverage that is reasonably comparable as
385 determined by the board. If an application is submitted to the
386 corporation for wind-only coverage in the coastal account, the
387 premium for the corporation's wind-only policy plus the premium
388 for the ex-wind policy that is offered by an authorized insurer
389 to the applicant must be compared to the premium for multiperil
390 coverage offered by an authorized insurer, subject to the
391 standards for comparison specified in this subparagraph. If the
392 corporation or the applicant requests from the authorized
393 insurer a breakdown of the premium of the offer by types of
394 coverage so that a comparison may be made by the corporation or
395 its agent and the authorized insurer refuses or is unable to
396 provide such information, the corporation may treat the offer as
397 not being an offer of coverage from an authorized insurer at the
398 insurer's approved rate.

399 6. Must include rules for classifications of risks and
400 rates.

401 7. Must provide that if premium and investment income for
402 an account attributable to a particular calendar year are in
403 excess of projected losses and expenses for the account
404 attributable to that year, such excess shall be held in surplus
405 in the account. Such surplus must be available to defray
406 deficits in that account as to future years and used for that

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407 purpose before assessing assessable insurers and assessable
408 insureds as to any calendar year.

409 8. Must provide objective criteria and procedures to be
410 uniformly applied to all applicants in determining whether an
411 individual risk is so hazardous as to be uninsurable. In making
412 this determination and in establishing the criteria and
413 procedures, the following must be considered:

414 a. Whether the likelihood of a loss for the individual risk
415 is substantially higher than for other risks of the same class;
416 and

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

419

420 The acceptance or rejection of a risk by the corporation shall
421 be construed as the private placement of insurance, and the
422 provisions of chapter 120 do not apply.

423 9. Must provide that the corporation make its best efforts
424 to procure catastrophe reinsurance at reasonable rates, to cover
425 its projected 100-year probable maximum loss as determined by
426 the board of governors.

427 10. The policies issued by the corporation must provide
428 that if the corporation or the market assistance plan obtains an
429 offer from an authorized insurer to cover the risk at its
430 approved rates, the risk is no longer eligible for renewal
431 through the corporation, except as otherwise provided in this
432 subsection.

433 11. Corporation policies and applications must include a
434 notice that the corporation policy could, under this section, be
435 replaced with a policy issued by an authorized insurer which

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436 does not provide coverage identical to the coverage provided by
437 the corporation. The notice must also specify that acceptance of
438 corporation coverage creates a conclusive presumption that the
439 applicant or policyholder is aware of this potential.

440 12. May establish, subject to approval by the office,
441 different eligibility requirements and operational procedures
442 for any line or type of coverage for any specified county or
443 area if the board determines that such changes are justified due
444 to the voluntary market being sufficiently stable and
445 competitive in such area or for such line or type of coverage
446 and that consumers who, in good faith, are unable to obtain
447 insurance through the voluntary market through ordinary methods
448 continue to have access to coverage from the corporation. If
449 coverage is sought in connection with a real property transfer,
450 the requirements and procedures may not provide an effective
451 date of coverage later than the date of the closing of the
452 transfer as established by the transferor, the transferee, and,
453 if applicable, the lender.

454 13. Must provide that, with respect to the coastal account,
455 any assessable insurer with a surplus as to policyholders of \$25
456 million or less writing 25 percent or more of its total
457 countrywide property insurance premiums in this state may
458 petition the office, within the first 90 days of each calendar
459 year, to qualify as a limited apportionment company. A regular
460 assessment levied by the corporation on a limited apportionment
461 company for a deficit incurred by the corporation for the
462 coastal account may be paid to the corporation on a monthly
463 basis as the assessments are collected by the limited
464 apportionment company from its insureds, but a limited

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465 apportionment company must begin collecting the regular
466 assessments not later than 90 days after the regular assessments
467 are levied by the corporation, and the regular assessments must
468 be paid in full within 15 months after being levied by the
469 corporation. A limited apportionment company shall collect from
470 its policyholders any emergency assessment imposed under sub-
471 subparagraph (b)3.d. The plan must provide that, if the office
472 determines that any regular assessment will result in an
473 impairment of the surplus of a limited apportionment company,
474 the office may direct that all or part of such assessment be
475 deferred as provided in subparagraph (q)4. However, an emergency
476 assessment to be collected from policyholders under sub-
477 subparagraph (b)3.d. may not be limited or deferred.

478 14. Must provide that the corporation appoint as its
479 licensed agents only those agents who also hold an appointment
480 as defined in s. 626.015(3) with an insurer who at the time of
481 the agent's initial appointment by the corporation is authorized
482 to write and is actually writing personal lines residential
483 property coverage, commercial residential property coverage, or
484 commercial nonresidential property coverage within the state.

485 15. Must provide a premium payment plan option to its
486 policyholders which, at a minimum, allows for quarterly and
487 semiannual payment of premiums. A monthly payment plan may, but
488 is not required to, be offered.

489 16. Must limit coverage on mobile homes or manufactured
490 homes built before 1994 to actual cash value of the dwelling
491 rather than replacement costs of the dwelling.

492 17. Must provide coverage for manufactured or mobile home
493 dwelling. Such coverage must also include the following

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494 attached structures:

495 a. Screened enclosures that are aluminum framed or screened
496 enclosures that are not covered by the same or substantially the
497 same materials as that of the primary dwelling;

498 b. Carports that are aluminum or carports not covered by
499 the same or substantially the same materials as that of the
500 primary dwelling; and

501 c. Patios that have a roof covering constructed of
502 materials that are not the same or substantially the same
503 materials as that of the primary dwelling.

504

505 The corporation shall make available a policy for mobile homes
506 or manufactured homes for a minimum insured value of at least
507 \$3,000.

508 ~~18.17.~~ May provide such limits of coverage as the board
509 determines, consistent with the requirements of this subsection.

510 ~~19.18.~~ May require commercial property to meet specified
511 hurricane mitigation construction features as a condition of
512 eligibility for coverage.

513 ~~20.19.~~ Must provide that new or renewal policies issued by
514 the corporation on or after January 1, 2012, which cover
515 sinkhole loss do not include coverage for any loss to
516 appurtenant structures, driveways, sidewalks, decks, or patios
517 that are directly or indirectly caused by sinkhole activity. The
518 corporation shall exclude such coverage using a notice of
519 coverage change, which may be included with the policy renewal,
520 and not by issuance of a notice of nonrenewal of the excluded
521 coverage upon renewal of the current policy.

522 ~~21.20.~~ As of January 1, 2012, must require that the agent

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523 obtain from an applicant for coverage from the corporation an
524 acknowledgment signed by the applicant, which includes, at a
525 minimum, the following statement:

526
527 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
528 AND ASSESSMENT LIABILITY:
529

530 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
531 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
532 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
533 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
534 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
535 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
536 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
537 LEGISLATURE.

538 2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
539 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
540 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
541 FLORIDA LEGISLATURE.

542 3. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
543 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
544 STATE OF FLORIDA.

545 a. The corporation shall maintain, in electronic format or
546 otherwise, a copy of the applicant's signed acknowledgment and
547 provide a copy of the statement to the policyholder as part of
548 the first renewal after the effective date of this subparagraph.

549 b. The signed acknowledgment form creates a conclusive
550 presumption that the policyholder understood and accepted his or
551 her potential surcharge and assessment liability as a

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552 policyholder of the corporation.

553 Section 2. Section 723.06115, Florida Statutes, is amended
554 to read:

555 723.06115 Florida Mobile Home Relocation Trust Fund.-

556 (1) The Florida Mobile Home Relocation Trust Fund ~~There is~~
557 established within the Department of Business and Professional
558 Regulation. ~~The Florida Mobile Home Relocation trust fund,~~ is to
559 be used to fund by the department for the purpose of funding the
560 administration and operations of the Florida Mobile Home
561 Relocation Corporation. All interest earned from the investment
562 or deposit of moneys in the trust fund shall be deposited in the
563 trust fund. The trust fund shall be funded from ~~the~~ moneys
564 collected by the corporation ~~department under s. 723.06116~~ from
565 mobile home park owners under s. 723.06116, ~~who change the use~~
566 ~~of their mobile home parks;~~ the surcharge collected by the
567 department under s. 723.007(2), ~~+~~ the surcharge collected by the
568 Department of Highway Safety and Motor Vehicles, ~~+~~ and from ~~by~~
569 other appropriated funds.

570 (2) Moneys in the Florida Mobile Home Relocation Trust Fund
571 may be expended only:

572 (a) To pay the administration costs of the Florida Mobile
573 Home Relocation Corporation; and

574 (b) To carry out the purposes and objectives of the ~~Florida~~
575 ~~Mobile Home Relocation~~ corporation by making payments to mobile
576 home owners under the relocation program.

577 (3) The department shall distribute moneys in the Florida
578 Mobile Home Relocation Trust Fund to the Florida Mobile Home
579 Relocation Corporation in accordance with the following:

580 (a) Before the beginning of each fiscal year, the

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581 corporation shall submit its annual operating budget, as
582 approved by the corporation board, for the fiscal year and set
583 forth that amount to the department in writing. One-fourth of
584 the operating budget shall be transferred to the corporation
585 each quarter. The department shall make the first one-fourth
586 quarter transfer on the first business day of the fiscal year
587 and make the remaining one-fourth quarter transfers before the
588 second business day of the second, third, and fourth quarters.
589 The corporation board may approve changes to the operational
590 budget for a fiscal year by providing written notification of
591 such changes to the department. The written notification must
592 indicate the changes to the operational budget and the
593 conditions that were unforeseen at the time the corporation
594 developed the operational budget and why the changes are
595 essential in order to continue operation of the corporation.

596 (b) The corporation shall periodically submit requests to
597 the department for the transfer of funds to the corporation
598 needed to make payments to mobile home owners under the
599 relocation program. Requests must include documentation
600 indicating the amount of funds needed, the name and location of
601 the mobile home park, the number of approved applications for
602 moving expenses or abandonment allowance, and summary
603 information specifying the number and type, single-section or
604 multisection, of homes moved or abandoned. The department shall
605 process requests that include such documentation, subject to the
606 availability of sufficient funds within the trust fund within 5
607 business days after receipt of the request. Transfer requests
608 may be submitted electronically.

609 (c) Funds transferred from the trust fund to the

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610 corporation shall be transferred electronically and shall be
611 transferred to and maintained in a qualified public depository
612 as defined in s. 280.02 which is specified by the corporation.

613 (4) Other than the requirements specified under this
614 section, neither the corporation nor the department are required
615 to take any other action as a prerequisite to accomplishing the
616 provisions of this section.

617 (5) This section does not preclude department inspection of
618 corporation records 5 business days after receipt of written
619 notice.

620 Section 3. This act shall take effect upon becoming a law.