

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 manufactured homes and related
 6 structures for a specified minimum insured value;
 7 amending s. 723.06115, F.S.; specifying the procedure
 8 for requesting and obtaining funds from the Florida
 9 Mobile Home Relocation Trust Fund to pay for the
 10 operational costs of the Florida Mobile Home
 11 Relocation Corporation and the relocation costs of
 12 mobile home owners; providing an effective date.

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

15
 16 Section 1. Paragraph (c) of subsection (6) of section
 17 627.351, Florida Statutes, is amended to read:

18 627.351 Insurance risk apportionment plans.—

19 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

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

26 a. Standard personal lines policy forms that are
 27 comprehensive multiperil policies providing full coverage of a
 28 residential property equivalent to the coverage provided in the

29 private insurance market under an HO-3, HO-4, or HO-6 policy.

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

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

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

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

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

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

57 | 2. Must provide that the corporation adopt a program in
58 | which the corporation and authorized insurers enter into quota
59 | share primary insurance agreements for hurricane coverage, as
60 | defined in s. 627.4025(2)(a), for eligible risks, and adopt
61 | property insurance forms for eligible risks which cover the
62 | peril of wind only.

63 | a. As used in this subsection, the term:

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

85 (II) "Eligible risks" means personal lines residential and
86 commercial lines residential risks that meet the underwriting
87 criteria of the corporation and are located in areas that were
88 eligible for coverage by the Florida Windstorm Underwriting
89 Association on January 1, 2002.

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

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

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

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

111 f. For all eligible risks covered under quota share
112 primary insurance agreements, the exposure and coverage levels

113 | for both the corporation and authorized insurers shall be
114 | reported by the corporation to the Florida Hurricane Catastrophe
115 | Fund. For all policies of eligible risks covered under such
116 | agreements, the corporation and the authorized insurer must
117 | maintain complete and accurate records for the purpose of
118 | exposure and loss reimbursement audits as required by fund
119 | rules. The corporation and the authorized insurer shall each
120 | maintain duplicate copies of policy declaration pages and
121 | supporting claims documents.

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

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

141 3.a. May provide that the corporation may employ or
142 otherwise contract with individuals or other entities to provide
143 administrative or professional services that may be appropriate
144 to effectuate the plan. The corporation may borrow funds by
145 issuing bonds or by incurring other indebtedness, and shall have
146 other powers reasonably necessary to effectuate the requirements
147 of this subsection, including, without limitation, the power to
148 issue bonds and incur other indebtedness in order to refinance
149 outstanding bonds or other indebtedness. The corporation may
150 seek judicial validation of its bonds or other indebtedness
151 under chapter 75. The corporation may issue bonds or incur other
152 indebtedness, or have bonds issued on its behalf by a unit of
153 local government pursuant to subparagraph (q)2. in the absence
154 of a hurricane or other weather-related event, upon a
155 determination by the corporation, subject to approval by the
156 office, that such action would enable it to efficiently meet the
157 financial obligations of the corporation and that such
158 financings are reasonably necessary to effectuate the
159 requirements of this subsection. The corporation may take all
160 actions needed to facilitate tax-free status for such bonds or
161 indebtedness, including formation of trusts or other affiliated
162 entities. The corporation may pledge assessments, projected
163 recoveries from the Florida Hurricane Catastrophe Fund, other
164 reinsurance recoverables, policyholder surcharges and other
165 surcharges, and other funds available to the corporation as
166 security for bonds or other indebtedness. In recognition of s.
167 10, Art. I of the State Constitution, prohibiting the impairment
168 of obligations of contracts, it is the intent of the Legislature

169 that no action be taken whose purpose is to impair any bond
170 indenture or financing agreement or any revenue source committed
171 by contract to such bond or other indebtedness.

172 b. To ensure that the corporation is operating in an
173 efficient and economic manner while providing quality service to
174 policyholders, applicants, and agents, the board shall
175 commission an independent third-party consultant having
176 expertise in insurance company management or insurance company
177 management consulting to prepare a report and make
178 recommendations on the relative costs and benefits of
179 outsourcing various policy issuance and service functions to
180 private servicing carriers or entities performing similar
181 functions in the private market for a fee, rather than
182 performing such functions in-house. In making such
183 recommendations, the consultant shall consider how other
184 residual markets, both in this state and around the country,
185 outsource appropriate functions or use servicing carriers to
186 better match expenses with revenues that fluctuate based on a
187 widely varying policy count. The report must be completed by
188 July 1, 2012. Upon receiving the report, the board shall develop
189 a plan to implement the report and submit the plan for review,
190 modification, and approval to the Financial Services Commission.
191 Upon the commission's approval of the plan, the board shall
192 begin implementing the plan by January 1, 2013.

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

197 a. The Governor, the Chief Financial Officer, the
198 President of the Senate, and the Speaker of the House of
199 Representatives shall each appoint two members of the board. At
200 least one of the two members appointed by each appointing
201 officer must have demonstrated expertise in insurance and ~~is~~
202 deemed to be within the scope of the exemption provided in s.
203 112.313(7)(b). The Chief Financial Officer shall designate one
204 of the appointees as chair. All board members serve at the
205 pleasure of the appointing officer. All members of the board are
206 subject to removal at will by the officers who appointed them.
207 All board members, including the chair, must be appointed to
208 serve for 3-year terms beginning annually on a date designated
209 by the plan. However, for the first term beginning on or after
210 July 1, 2009, each appointing officer shall appoint one member
211 of the board for a 2-year term and one member for a 3-year term.
212 A board vacancy shall be filled for the unexpired term by the
213 appointing officer. The Chief Financial Officer shall appoint a
214 technical advisory group to provide information and advice to
215 the board in connection with the board's duties under this
216 subsection. The executive director and senior managers of the
217 corporation shall be engaged by the board and serve at the
218 pleasure of the board. Any executive director appointed on or
219 after July 1, 2006, is subject to confirmation by the Senate.
220 The executive director is responsible for employing other staff
221 as the corporation may require, subject to review and
222 concurrence by the board.

223 b. The board shall create a Market Accountability Advisory
224 Committee to assist the corporation in developing awareness of

225 its rates and its customer and agent service levels in
226 relationship to the voluntary market insurers writing similar
227 coverage.

228 (I) The members of the advisory committee consist of the
229 following 11 persons, one of whom must be elected chair by the
230 members of the committee: four representatives, one appointed by
231 the Florida Association of Insurance Agents, one by the Florida
232 Association of Insurance and Financial Advisors, one by the
233 Professional Insurance Agents of Florida, and one by the Latin
234 American Association of Insurance Agencies; three
235 representatives appointed by the insurers with the three highest
236 voluntary market share of residential property insurance
237 business in the state; one representative from the Office of
238 Insurance Regulation; one consumer appointed by the board who is
239 insured by the corporation at the time of appointment to the
240 committee; one representative appointed by the Florida
241 Association of Realtors; and one representative appointed by the
242 Florida Bankers Association. All members shall be appointed to
243 3-year terms and may serve for consecutive terms.

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

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

252 a. Subject to s. 627.3517, with respect to personal lines

253 residential risks, if the risk is offered coverage from an
254 authorized insurer at the insurer's approved rate under a
255 standard policy including wind coverage or, if consistent with
256 the insurer's underwriting rules as filed with the office, a
257 basic policy including wind coverage, for a new application to
258 the corporation for coverage, the risk is not eligible for any
259 policy issued by the corporation unless the premium for coverage
260 from the authorized insurer is more than 15 percent greater than
261 the premium for comparable coverage from the corporation. If the
262 risk is not able to obtain such offer, the risk is eligible for
263 a standard policy including wind coverage or a basic policy
264 including wind coverage issued by the corporation; however, if
265 the risk could not be insured under a standard policy including
266 wind coverage regardless of market conditions, the risk is
267 eligible for a basic policy including wind coverage unless
268 rejected under subparagraph 8. However, a policyholder of the
269 corporation or a policyholder removed from the corporation
270 through an assumption agreement until the end of the assumption
271 period remains eligible for coverage from the corporation
272 regardless of any offer of coverage from an authorized insurer
273 or surplus lines insurer. The corporation shall determine the
274 type of policy to be provided on the basis of objective
275 standards specified in the underwriting manual and based on
276 generally accepted underwriting practices.

277 (I) If the risk accepts an offer of coverage through the
278 market assistance plan or through a mechanism established by the
279 corporation before a policy is issued to the risk by the
280 corporation or during the first 30 days of coverage by the

281 corporation, and the producing agent who submitted the
282 application to the plan or to the corporation is not currently
283 appointed by the insurer, the insurer shall:

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

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

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

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

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

307 (B) Offer to allow the producing agent of record to
308 continue servicing the policy for at least 1 year and offer to

309 pay the agent the greater of the insurer's or the corporation's
310 usual and customary commission for the type of policy written.

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

315 b. With respect to commercial lines residential risks, for
316 a new application to the corporation for coverage, if the risk
317 is offered coverage under a policy including wind coverage from
318 an authorized insurer at its approved rate, the risk is not
319 eligible for a policy issued by the corporation unless the
320 premium for coverage from the authorized insurer is more than 15
321 percent greater than the premium for comparable coverage from
322 the corporation. If the risk is not able to obtain any such
323 offer, the risk is eligible for a policy including wind coverage
324 issued by the corporation. However, a policyholder of the
325 corporation or a policyholder removed from the corporation
326 through an assumption agreement until the end of the assumption
327 period remains eligible for coverage from the corporation
328 regardless of an offer of coverage from an authorized insurer or
329 surplus lines insurer.

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

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

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

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

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

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

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

364

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

368 c. For purposes of determining comparable coverage under
369 sub-subparagraphs a. and b., the comparison must be based on
370 those forms and coverages that are reasonably comparable. The
371 corporation may rely on a determination of comparable coverage
372 and premium made by the producing agent who submits the
373 application to the corporation, made in the agent's capacity as
374 the corporation's agent. A comparison may be made solely of the
375 premium with respect to the main building or structure only on
376 the following basis: the same coverage A or other building
377 limits; the same percentage hurricane deductible that applies on
378 an annual basis or that applies to each hurricane for commercial
379 residential property; the same percentage of ordinance and law
380 coverage, if the same limit is offered by both the corporation
381 and the authorized insurer; the same mitigation credits, to the
382 extent the same types of credits are offered both by the
383 corporation and the authorized insurer; the same method for loss
384 payment, such as replacement cost or actual cash value, if the
385 same method is offered both by the corporation and the
386 authorized insurer in accordance with underwriting rules; and
387 any other form or coverage that is reasonably comparable as
388 determined by the board. If an application is submitted to the
389 corporation for wind-only coverage in the coastal account, the
390 premium for the corporation's wind-only policy plus the premium
391 for the ex-wind policy that is offered by an authorized insurer
392 to the applicant must be compared to the premium for multiperil

393 coverage offered by an authorized insurer, subject to the
394 standards for comparison specified in this subparagraph. If the
395 corporation or the applicant requests from the authorized
396 insurer a breakdown of the premium of the offer by types of
397 coverage so that a comparison may be made by the corporation or
398 its agent and the authorized insurer refuses or is unable to
399 provide such information, the corporation may treat the offer as
400 not being an offer of coverage from an authorized insurer at the
401 insurer's approved rate.

402 6. Must include rules for classifications of risks and
403 rates.

404 7. Must provide that if premium and investment income for
405 an account attributable to a particular calendar year are in
406 excess of projected losses and expenses for the account
407 attributable to that year, such excess shall be held in surplus
408 in the account. Such surplus must be available to defray
409 deficits in that account as to future years and used for that
410 purpose before assessing assessable insurers and assessable
411 insureds as to any calendar year.

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

417 a. Whether the likelihood of a loss for the individual
418 risk is substantially higher than for other risks of the same
419 class; and

420 b. Whether the uncertainty associated with the individual

421 risk is such that an appropriate premium cannot be determined.

422

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

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

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

436 11. Corporation policies and applications must include a
437 notice that the corporation policy could, under this section, be
438 replaced with a policy issued by an authorized insurer which
439 does not provide coverage identical to the coverage provided by
440 the corporation. The notice must also specify that acceptance of
441 corporation coverage creates a conclusive presumption that the
442 applicant or policyholder is aware of this potential.

443 12. May establish, subject to approval by the office,
444 different eligibility requirements and operational procedures
445 for any line or type of coverage for any specified county or
446 area if the board determines that such changes are justified due
447 to the voluntary market being sufficiently stable and
448 competitive in such area or for such line or type of coverage

449 and that consumers who, in good faith, are unable to obtain
450 insurance through the voluntary market through ordinary methods
451 continue to have access to coverage from the corporation. If
452 coverage is sought in connection with a real property transfer,
453 the requirements and procedures may not provide an effective
454 date of coverage later than the date of the closing of the
455 transfer as established by the transferor, the transferee, and,
456 if applicable, the lender.

457 13. Must provide that, with respect to the coastal
458 account, any assessable insurer with a surplus as to
459 policyholders of \$25 million or less writing 25 percent or more
460 of its total countrywide property insurance premiums in this
461 state may petition the office, within the first 90 days of each
462 calendar year, to qualify as a limited apportionment company. A
463 regular assessment levied by the corporation on a limited
464 apportionment company for a deficit incurred by the corporation
465 for the coastal account may be paid to the corporation on a
466 monthly basis as the assessments are collected by the limited
467 apportionment company from its insureds, but a limited
468 apportionment company must begin collecting the regular
469 assessments not later than 90 days after the regular assessments
470 are levied by the corporation, and the regular assessments must
471 be paid in full within 15 months after being levied by the
472 corporation. A limited apportionment company shall collect from
473 its policyholders any emergency assessment imposed under sub-
474 subparagraph (b)3.d. The plan must provide that, if the office
475 determines that any regular assessment will result in an
476 impairment of the surplus of a limited apportionment company,

477 the office may direct that all or part of such assessment be
478 deferred as provided in subparagraph (q)4. However, an emergency
479 assessment to be collected from policyholders under sub-
480 subparagraph (b)3.d. may not be limited or deferred.

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

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

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

495 17. Must provide coverage for manufactured or mobile home
496 dwelling. Such coverage must also include the following
497 attached structures:

498 a. Screened enclosures that are aluminum framed or
499 screened enclosures that are not covered by the same or
500 substantially the same materials as those of the primary
501 dwelling;

502 b. Carports that are aluminum or carports that are not
503 covered by the same or substantially the same materials as those
504 of the primary dwelling; and

505 c. Patios that have a roof covering that is constructed of
506 materials that are not the same or substantially the same
507 materials as those of the primary dwelling.

508
509 The corporation shall make available a policy for mobile homes
510 or manufactured homes for a minimum insured value of at least
511 \$3,000.

512 ~~18.17.~~ May provide such limits of coverage as the board
513 determines, consistent with the requirements of this subsection.

514 ~~19.18.~~ May require commercial property to meet specified
515 hurricane mitigation construction features as a condition of
516 eligibility for coverage.

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

526 ~~21.20.~~ As of January 1, 2012, must require that the agent
527 obtain from an applicant for coverage from the corporation an
528 acknowledgment signed by the applicant, which includes, at a
529 minimum, the following statement:

530

531 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
532 AND ASSESSMENT LIABILITY:

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

542 2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
543 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
544 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
545 FLORIDA LEGISLATURE.

546 3. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
547 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
548 STATE OF FLORIDA.

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

553 b. The signed acknowledgment form creates a conclusive
554 presumption that the policyholder understood and accepted his or
555 her potential surcharge and assessment liability as a
556 policyholder of the corporation.

557 Section 2. Section 723.06115, Florida Statutes, is amended
558 to read:

559 723.06115 Florida Mobile Home Relocation Trust Fund.—

560 (1) The Florida Mobile Home Relocation Trust Fund ~~There is~~

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

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

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

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

581 (3) The department shall distribute moneys in the Florida
 582 Mobile Home Relocation Trust Fund to the Florida Mobile Home
 583 Relocation Corporation in accordance with the following:

584 (a) Before the beginning of each fiscal year, the
 585 corporation shall submit its annual operating budget, as
 586 approved by the corporation board, for the fiscal year and set
 587 forth that amount to the department in writing. One-fourth of
 588 the operating budget shall be transferred to the corporation

589 each quarter. The department shall make the first one-fourth
590 quarter transfer on the first business day of the fiscal year
591 and make the remaining one-fourth quarter transfers before the
592 second business day of the second, third, and fourth quarters.
593 The corporation board may approve changes to the operational
594 budget for a fiscal year by providing written notification of
595 such changes to the department. The written notification must
596 indicate the changes to the operational budget and the
597 conditions that were unforeseen at the time the corporation
598 developed the operational budget and why the changes are
599 essential in order to continue operation of the corporation.

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

613 (c) Funds transferred from the trust fund to the
614 corporation shall be transferred electronically and shall be
615 transferred to and maintained in a qualified public depository
616 as defined in s. 280.02 which is specified by the corporation.

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617 (4) Other than the requirements specified under this
618 section, neither the corporation nor the department are required
619 to take any other action as a prerequisite to accomplishing the
620 provisions of this section.

621 (5) This section does not preclude department inspection
622 of corporation records 5 business days after receipt of written
623 notice.

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