

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Regulatory Affairs
 2 Committee
 3 Representative Raschein offered the following:

Amendment (with title amendment)

6 Remove everything after the enacting clause and insert:
 7 Section 1. Paragraph (a) of subsection (6) of section
 8 627.351, Florida Statutes, is amended to read:

9 627.351 Insurance risk apportionment plans.—

10 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

14 1. The Legislature finds that private insurers are
 15 unwilling or unable to provide affordable property insurance
 16 coverage in this state to the extent sought and needed. The
 17 absence of affordable property insurance threatens the public

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

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44 catastrophic hurricane, it is the intent of the Legislature that
45 the corporation continue to be an integral part of the state and
46 that the income of the corporation be exempt from federal income
47 taxation and that interest on the debt obligations issued by the
48 corporation be exempt from federal income taxation.

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

69 3. With respect to coverage for personal lines residential

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70 structures:

71 a. Effective January 1, 2014, a structure that has a
72 dwelling replacement cost of \$1 million or more, or a single
73 condominium unit that has a combined dwelling and contents
74 replacement cost of \$1 million or more is not eligible for
75 coverage by the corporation. Such dwellings insured by the
76 corporation on December 31, 2013, may continue to be covered by
77 the corporation until the end of the policy term. The office
78 shall approve the method used by the corporation for valuing the
79 dwelling replacement cost for the purposes of this subparagraph.
80 If a policyholder is insured by the corporation before being
81 determined to be ineligible pursuant to this subparagraph and
82 such policyholder files a lawsuit challenging the determination,
83 the policyholder may remain insured by the corporation until the
84 conclusion of the litigation.

85 b. Effective January 1, 2015, a structure that has a
86 dwelling replacement cost of \$900,000 or more, or a single
87 condominium unit that has a combined dwelling and contents
88 replacement cost of \$900,000 or more, is not eligible for
89 coverage by the corporation. Such dwellings insured by the
90 corporation on December 31, 2014, may continue to be covered by
91 the corporation only until the end of the policy term.

92 c. Effective January 1, 2016, a structure that has a
93 dwelling replacement cost of \$800,000 or more, or a single
94 condominium unit that has a combined dwelling and contents
95 replacement cost of \$800,000 or more, is not eligible for

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96 coverage by the corporation. Such dwellings insured by the
97 corporation on December 31, 2015, may continue to be covered by
98 the corporation until the end of the policy term.

99 d. Effective January 1, 2017, a structure that has a
100 dwelling replacement cost of \$700,000 or more, or a single
101 condominium unit that has a combined dwelling and contents
102 replacement cost of \$700,000 or more, is not eligible for
103 coverage by the corporation. Such dwellings insured by the
104 corporation on December 31, 2016, may continue to be covered by
105 the corporation until the end of the policy term.

106
107 The requirements of sub-subparagraphs b.-d. do not apply in
108 counties where the office determines there is not a reasonable
109 degree of competition. In such counties a personal lines
110 residential structure that has a dwelling replacement cost of
111 less than \$1 million, or a single condominium unit that has a
112 combined dwelling and contents replacement cost of less than \$1
113 million, is eligible for coverage by the corporation.

114 4. It is the intent of the Legislature that policyholders,
115 applicants, and agents of the corporation receive service and
116 treatment of the highest possible level but never less than that
117 generally provided in the voluntary market. It is also intended
118 that the corporation be held to service standards no less than
119 those applied to insurers in the voluntary market by the office
120 with respect to responsiveness, timeliness, customer courtesy,
121 and overall dealings with policyholders, applicants, or agents

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122 of the corporation.

123 5.a. Effective January 1, 2009, a personal lines
124 residential structure that is located in the "wind-borne debris
125 region," as defined in s. 1609.2, International Building Code
126 (2006), and that has an insured value on the structure of
127 \$750,000 or more is not eligible for coverage by the corporation
128 unless the structure has opening protections as required under
129 the Florida Building Code for a newly constructed residential
130 structure in that area. A residential structure is deemed to
131 comply with this sub-subparagraph ~~subparagraph~~ if it has
132 shutters or opening protections on all openings and if such
133 opening protections complied with the Florida Building Code at
134 the time they were installed.

135 b. Any major structure as defined in s. 161.54(6)(a) for
136 which a permit is applied on or after July 1, 2015 ~~2014~~, for new
137 construction or substantial improvement as defined in s.
138 161.54(12) is not eligible for coverage by the corporation if
139 the structure is seaward of the coastal construction control
140 line established pursuant to s. 161.053 or is within the Coastal
141 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
142 3510.

143 Section 2. This act shall take effect July 1, 2014.

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T I T L E A M E N D M E N T

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1089 (2014)

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148 Remove everything before the enacting clause and insert:
149 A bill to be entitled
150 An act relating to Citizens Property Insurance Corporation;
151 amending s. 627.351, F.S.; delaying a restriction on obtaining
152 coverage from Citizens Property Insurance Corporation for major
153 structures under certain conditions; providing an effective
154 date.