

Amendment No. 14

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WITHDRAWN	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 Diaz, J. offered the following:

4  
 5 **Amendment (with title amendment)**

6 Between lines 1154 and 1155, insert:

7 Section 33. Paragraph (c) 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 (c) The corporation's plan of operation:

12 1. Must provide for adoption of residential property and  
 13 casualty insurance policy forms and commercial residential and  
 14 nonresidential property insurance forms, which must be approved  
 15 by the office before use. The corporation shall adopt the  
 16 following policy forms:

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

21 b. Basic personal lines policy forms that are policies  
22 similar to an HO-8 policy or a dwelling fire policy that provide  
23 coverage meeting the requirements of the secondary mortgage  
24 market, but which is more limited than the coverage under a  
25 standard policy.

26 c. Commercial lines residential and nonresidential policy  
27 forms that are generally similar to the basic perils of full  
28 coverage obtainable for commercial residential structures and  
29 commercial nonresidential structures in the admitted voluntary  
30 market.

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

36 e. Commercial lines nonresidential property insurance  
37 forms that cover the peril of wind only. The forms are  
38 applicable only to nonresidential properties located in areas  
39 eligible for coverage under the coastal account referred to in  
40 sub-subparagraph (b)2.a.

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41 f. The corporation may adopt variations of the policy  
42 forms listed in sub-subparagraphs a.-e. which contain more  
43 restrictive coverage.

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

48 2. Must provide that the corporation adopt a program in  
49 which the corporation and authorized insurers enter into quota  
50 share primary insurance agreements for hurricane coverage, as  
51 defined in s. 627.4025(2)(a), for eligible risks, and adopt  
52 property insurance forms for eligible risks which cover the  
53 peril of wind only.

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

55 (I) "Quota share primary insurance" means an arrangement  
56 in which the primary hurricane coverage of an eligible risk is  
57 provided in specified percentages by the corporation and an  
58 authorized insurer. The corporation and authorized insurer are  
59 each solely responsible for a specified percentage of hurricane  
60 coverage of an eligible risk as set forth in a quota share  
61 primary insurance agreement between the corporation and an  
62 authorized insurer and the insurance contract. The  
63 responsibility of the corporation or authorized insurer to pay  
64 its specified percentage of hurricane losses of an eligible  
65 risk, as set forth in the agreement, may not be altered by the  
66 inability of the other party to pay its specified percentage of

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67 losses. Eligible risks that are provided hurricane coverage  
68 through a quota share primary insurance arrangement must be  
69 provided policy forms that set forth the obligations of the  
70 corporation and authorized insurer under the arrangement,  
71 clearly specify the percentages of quota share primary insurance  
72 provided by the corporation and authorized insurer, and  
73 conspicuously and clearly state that the authorized insurer and  
74 the corporation may not be held responsible beyond their  
75 specified percentage of coverage of hurricane losses.

76 (II) "Eligible risks" means personal lines residential and  
77 commercial lines residential risks that meet the underwriting  
78 criteria of the corporation and are located in areas that were  
79 eligible for coverage by the Florida Windstorm Underwriting  
80 Association on January 1, 2002.

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

84 c. If the corporation determines that additional coverage  
85 levels are necessary to maximize participation in quota share  
86 primary insurance agreements by authorized insurers, the  
87 corporation may establish additional coverage levels. However,  
88 the corporation's quota share primary insurance coverage level  
89 may not exceed 90 percent.

90 d. Any quota share primary insurance agreement entered  
91 into between an authorized insurer and the corporation must  
92 provide for a uniform specified percentage of coverage of

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93 hurricane losses, by county or territory as set forth by the  
94 corporation board, for all eligible risks of the authorized  
95 insurer covered under the agreement.

96 e. Any quota share primary insurance agreement entered  
97 into between an authorized insurer and the corporation is  
98 subject to review and approval by the office. However, such  
99 agreement shall be authorized only as to insurance contracts  
100 entered into between an authorized insurer and an insured who is  
101 already insured by the corporation for wind coverage.

102 f. For all eligible risks covered under quota share  
103 primary insurance agreements, the exposure and coverage levels  
104 for both the corporation and authorized insurers shall be  
105 reported by the corporation to the Florida Hurricane Catastrophe  
106 Fund. For all policies of eligible risks covered under such  
107 agreements, the corporation and the authorized insurer must  
108 maintain complete and accurate records for the purpose of  
109 exposure and loss reimbursement audits as required by fund  
110 rules. The corporation and the authorized insurer shall each  
111 maintain duplicate copies of policy declaration pages and  
112 supporting claims documents.

113 g. The corporation board shall establish in its plan of  
114 operation standards for quota share agreements which ensure that  
115 there is no discriminatory application among insurers as to the  
116 terms of the agreements, pricing of the agreements, incentive  
117 provisions if any, and consideration paid for servicing policies  
118 or adjusting claims.

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

132 3.a. May provide that the corporation may employ or  
133 otherwise contract with individuals or other entities to provide  
134 administrative or professional services that may be appropriate  
135 to effectuate the plan. The corporation may borrow funds by  
136 issuing bonds or by incurring other indebtedness, and shall have  
137 other powers reasonably necessary to effectuate the requirements  
138 of this subsection, including, without limitation, the power to  
139 issue bonds and incur other indebtedness in order to refinance  
140 outstanding bonds or other indebtedness. The corporation may  
141 seek judicial validation of its bonds or other indebtedness  
142 under chapter 75. The corporation may issue bonds or incur other  
143 indebtedness, or have bonds issued on its behalf by a unit of  
144 local government pursuant to subparagraph (q)2. in the absence

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145 of a hurricane or other weather-related event, upon a  
146 determination by the corporation, subject to approval by the  
147 office, that such action would enable it to efficiently meet the  
148 financial obligations of the corporation and that such  
149 financings are reasonably necessary to effectuate the  
150 requirements of this subsection. The corporation may take all  
151 actions needed to facilitate tax-free status for such bonds or  
152 indebtedness, including formation of trusts or other affiliated  
153 entities. The corporation may pledge assessments, projected  
154 recoveries from the Florida Hurricane Catastrophe Fund, other  
155 reinsurance recoverables, policyholder surcharges and other  
156 surcharges, and other funds available to the corporation as  
157 security for bonds or other indebtedness. In recognition of s.  
158 10, Art. I of the State Constitution, prohibiting the impairment  
159 of obligations of contracts, it is the intent of the Legislature  
160 that no action be taken whose purpose is to impair any bond  
161 indenture or financing agreement or any revenue source committed  
162 by contract to such bond or other indebtedness.

163 b. To ensure that the corporation is operating in an  
164 efficient and economic manner while providing quality service to  
165 policyholders, applicants, and agents, the board shall  
166 commission an independent third-party consultant having  
167 expertise in insurance company management or insurance company  
168 management consulting to prepare a report and make  
169 recommendations on the relative costs and benefits of  
170 outsourcing various policy issuance and service functions to

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

184 4. Must require that the corporation operate subject to  
185 the supervision and approval of a board of governors consisting  
186 of nine individuals who are residents of this state and who are  
187 from different geographical areas of the state, one of whom is  
188 appointed by the Governor and serves solely to advocate on  
189 behalf of the consumer. The appointment of a consumer  
190 representative by the Governor is deemed to be within the scope  
191 of the exemption provided in 112.313(7)(b) and is in addition to  
192 the appointments authorized under sub-subparagraph a.

193 a. The Governor, the Chief Financial Officer, the  
194 President of the Senate, and the Speaker of the House of  
195 Representatives shall each appoint two members of the board. At  
196 least one of the two members appointed by each appointing



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

219 b. The board shall create a Market Accountability Advisory  
220 Committee to assist the corporation in developing awareness of  
221 its rates and its customer and agent service levels in

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222 relationship to the voluntary market insurers writing similar  
223 coverage.

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

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

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

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248 a. Subject to s. 627.3517, with respect to personal lines  
249 residential risks, if the risk is offered coverage from an  
250 authorized insurer at the insurer's approved rate under a  
251 standard policy including wind coverage or, if consistent with  
252 the insurer's underwriting rules as filed with the office, a  
253 basic policy including wind coverage, for a new application to  
254 the corporation for coverage, the risk is not eligible for any  
255 policy issued by the corporation unless the premium for coverage  
256 from the authorized insurer is more than 15 percent greater than  
257 the premium for comparable coverage from the corporation.  
258 Whenever an offer of coverage for a personal lines residential  
259 risk is received for a policyholder of the corporation at  
260 renewal from an authorized insurer, if the offer is equal to or  
261 less than the corporation's renewal premium for comparable  
262 coverage, the risk is not eligible for coverage with the  
263 corporation. If the risk is not able to obtain such offer, the  
264 risk is eligible for a standard policy including wind coverage  
265 or a basic policy including wind coverage issued by the  
266 corporation; however, if the risk could not be insured under a  
267 standard policy including wind coverage regardless of market  
268 conditions, the risk is eligible for a basic policy including  
269 wind coverage unless rejected under subparagraph 8. However, a  
270 policyholder removed from the corporation through an assumption  
271 agreement remains eligible for coverage from the corporation  
272 until the end of the assumption period. The corporation shall  
273 determine the type of policy to be provided on the basis of

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274 objective standards specified in the underwriting manual and  
275 based on generally accepted underwriting practices.

276 (I) If the risk accepts an offer of coverage through the  
277 market assistance plan or through a mechanism established by the  
278 corporation other than a plan established by s. 627.3518, before  
279 a policy is issued to the risk by the corporation or during the  
280 first 30 days of coverage by the corporation, and the producing  
281 agent who submitted the application to the plan or to the  
282 corporation is not currently appointed by the insurer, the  
283 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

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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. Whenever an offer of coverage for a commercial  
323 lines residential risk is received for a policyholder of the  
324 corporation at renewal from an authorized insurer, if the offer  
325 is equal to or less than the corporation's renewal premium for

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326 comparable coverage, the risk is not eligible for coverage with  
327 the corporation. If the risk is not able to obtain any such  
328 offer, the risk is eligible for a policy including wind coverage  
329 issued by the corporation. However, a policyholder removed from  
330 the corporation through an assumption agreement remains eligible  
331 for coverage from the corporation until the end of the  
332 assumption period.

333 (I) If the risk accepts an offer of coverage through the  
334 market assistance plan or through a mechanism established by the  
335 corporation other than a plan established by s. 627.3518, before  
336 a policy is issued to the risk by the corporation or during the  
337 first 30 days of coverage by the corporation, and the producing  
338 agent who submitted the application to the plan or the  
339 corporation is not currently appointed by the insurer, the  
340 insurer shall:

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

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

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

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

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

364 (B) Offer to allow the producing agent of record to  
365 continue servicing the policy for at least 1 year and offer to  
366 pay the agent the greater of the insurer's or the corporation's  
367 usual and customary commission for the type of policy written.  
368

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

372 c. For purposes of determining comparable coverage under  
373 sub-subparagraphs a. and b., the comparison must be based on  
374 those forms and coverages that are reasonably comparable. The  
375 corporation may rely on a determination of comparable coverage  
376 and premium made by the producing agent who submits the  
377 application to the corporation, made in the agent's capacity as

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378 the corporation's agent. A comparison may be made solely of the  
379 premium with respect to the main building or structure only on  
380 the following basis: the same coverage A or other building  
381 limits; the same percentage hurricane deductible that applies on  
382 an annual basis or that applies to each hurricane for commercial  
383 residential property; the same percentage of ordinance and law  
384 coverage, if the same limit is offered by both the corporation  
385 and the authorized insurer; the same mitigation credits, to the  
386 extent the same types of credits are offered both by the  
387 corporation and the authorized insurer; the same method for loss  
388 payment, such as replacement cost or actual cash value, if the  
389 same method is offered both by the corporation and the  
390 authorized insurer in accordance with underwriting rules; and  
391 any other form or coverage that is reasonably comparable as  
392 determined by the board. If an application is submitted to the  
393 corporation for wind-only coverage in the coastal account, the  
394 premium for the corporation's wind-only policy plus the premium  
395 for the ex-wind policy that is offered by an authorized insurer  
396 to the applicant must be compared to the premium for multiperil  
397 coverage offered by an authorized insurer, subject to the  
398 standards for comparison specified in this subparagraph. If the  
399 corporation or the applicant requests from the authorized  
400 insurer a breakdown of the premium of the offer by types of  
401 coverage so that a comparison may be made by the corporation or  
402 its agent and the authorized insurer refuses or is unable to  
403 provide such information, the corporation may treat the offer as



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404 not being an offer of coverage from an authorized insurer at the  
405 insurer's approved rate.

406 6. Must include rules for classifications of risks and  
407 rates.

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

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

421 a. Whether the likelihood of a loss for the individual  
422 risk is substantially higher than for other risks of the same  
423 class; and

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

426

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

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

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

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

447           12. May establish, subject to approval by the office,  
448 different eligibility requirements and operational procedures  
449 for any line or type of coverage for any specified county or  
450 area if the board determines that such changes are justified due  
451 to the voluntary market being sufficiently stable and  
452 competitive in such area or for such line or type of coverage  
453 and that consumers who, in good faith, are unable to obtain  
454 insurance through the voluntary market through ordinary methods  
455 continue to have access to coverage from the corporation. If

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456 coverage is sought in connection with a real property transfer,  
457 the requirements and procedures may not provide an effective  
458 date of coverage later than the date of the closing of the  
459 transfer as established by the transferor, the transferee, and,  
460 if applicable, the lender.

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

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482 deferred as provided in subparagraph (q)4. However, an emergency  
483 assessment to be collected from policyholders under sub-  
484 subparagraph (b)3.d. may not be limited or deferred.

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

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

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

499 17. Must provide coverage for manufactured or mobile home  
500 dwellings. Such coverage must also include the following  
501 attached structures:

502 a. Screened enclosures that are aluminum framed or  
503 screened enclosures that are not covered by the same or  
504 substantially the same materials as those of the primary  
505 dwelling;

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506           b. Carports that are aluminum or carports that are not  
507 covered by the same or substantially the same materials as those  
508 of the primary dwelling; and

509           c. Patios that have a roof covering that is constructed of  
510 materials that are not the same or substantially the same  
511 materials as those of the primary dwelling.

512  
513 The corporation shall make available a policy for mobile homes  
514 or manufactured homes for a minimum insured value of at least  
515 \$3,000.

516           18. May provide such limits of coverage as the board  
517 determines, consistent with the requirements of this subsection.

518           19. May require commercial property to meet specified  
519 hurricane mitigation construction features as a condition of  
520 eligibility for coverage.

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

530           21. As of January 1, 2012, must require that the agent  
531 obtain from an applicant for coverage from the corporation an

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532 acknowledgment signed by the applicant, which includes, at a  
533 minimum, the following statement:

534 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE  
535 AND ASSESSMENT LIABILITY:

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

544 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER  
545 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,  
546 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO  
547 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN  
548 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE  
549 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES  
550 ARE REGULATED AND APPROVED BY THE STATE.

551 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
552 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
553 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
554 FLORIDA LEGISLATURE.

Amendment No. 14

555 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE  
556 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
557 STATE OF FLORIDA.

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

562 b. The signed acknowledgment form creates a conclusive  
563 presumption that the policyholder understood and accepted his or  
564 her potential surcharge and assessment liability as a  
565 policyholder of the corporation.

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

571

Remove line 113 and insert:

572

underwriting plan for future use; amending s. 627.351, F.S.;

573

providing an exception for a consumer representative of the

574

board of governors of the Citizens Property Insurance

575

Corporation; repealing s.

576