



LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/23/2015	.	
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The Committee on Banking and Insurance (Negron) recommended the following:

1 **Senate Substitute for Amendment (552246) (with title**
2 **amendment)**

3
4 Delete everything after the enacting clause
5 and insert:

6 Section 1. Paragraph (c) of subsection (6) of section
7 627.351, Florida Statutes, is amended to read:

8 627.351 Insurance risk apportionment plans.—

9 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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



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

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

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

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

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

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



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

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

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

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

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



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69 corporation and authorized insurer under the arrangement,
70 clearly specify the percentages of quota share primary insurance
71 provided by the corporation and authorized insurer, and
72 conspicuously and clearly state that the authorized insurer and
73 the corporation may not be held responsible beyond their
74 specified percentage of coverage of hurricane losses.

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

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

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

89 d. Any quota share primary insurance agreement entered into
90 between an authorized insurer and the corporation must provide
91 for a uniform specified percentage of coverage of hurricane
92 losses, by county or territory as set forth by the corporation
93 board, for all eligible risks of the authorized insurer covered
94 under the agreement.

95 e. Any quota share primary insurance agreement entered into
96 between an authorized insurer and the corporation is subject to
97 review and approval by the office. However, such agreement shall



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98 be authorized only as to insurance contracts entered into
99 between an authorized insurer and an insured who is already
100 insured by the corporation for wind coverage.

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

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

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



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127 insurance agreement between the corporation and an authorized
128 insurer is voluntary and at the discretion of the authorized
129 insurer.

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



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156 10, Art. I of the State Constitution, prohibiting the impairment
157 of obligations of contracts, it is the intent of the Legislature
158 that no action be taken whose purpose is to impair any bond
159 indenture or financing agreement or any revenue source committed
160 by contract to such bond or other indebtedness.

161 4. Must require that the corporation operate subject to the
162 supervision and approval of a board of governors consisting of
163 nine individuals who are residents of this state and who are
164 from different geographical areas of the state, one of whom is
165 appointed by the Governor and serves solely to advocate on
166 behalf of the consumer. The appointment of a consumer
167 representative by the Governor is in addition to the
168 appointments authorized under sub-subparagraph a.

169 a. The Governor, the Chief Financial Officer, the President
170 of the Senate, and the Speaker of the House of Representatives
171 shall each appoint two members of the board. At least one of the
172 two members appointed by each appointing officer must have
173 demonstrated expertise in insurance and be deemed to be within
174 the scope of the exemption provided in s. 112.313(7)(b). The
175 Chief Financial Officer shall designate one of the appointees as
176 chair. All board members serve at the pleasure of the appointing
177 officer. All members of the board are subject to removal at will
178 by the officers who appointed them. All board members, including
179 the chair, must be appointed to serve for 3-year terms beginning
180 annually on a date designated by the plan. However, for the
181 first term beginning on or after July 1, 2009, each appointing
182 officer shall appoint one member of the board for a 2-year term
183 and one member for a 3-year term. A board vacancy shall be
184 filled for the unexpired term by the appointing officer. The



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185 Chief Financial Officer shall appoint a technical advisory group
186 to provide information and advice to the board in connection
187 with the board's duties under this subsection. The executive
188 director and senior managers of the corporation shall be engaged
189 by the board and serve at the pleasure of the board. Any
190 executive director appointed on or after July 1, 2006, is
191 subject to confirmation by the Senate. The executive director is
192 responsible for employing other staff as the corporation may
193 require, subject to review and concurrence by the board.

194 b. The board shall create a Market Accountability Advisory
195 Committee to assist the corporation in developing awareness of
196 its rates and its customer and agent service levels in
197 relationship to the voluntary market insurers writing similar
198 coverage.

199 (I) The members of the advisory committee consist of the
200 following 11 persons, one of whom must be elected chair by the
201 members of the committee: four representatives, one appointed by
202 the Florida Association of Insurance Agents, one by the Florida
203 Association of Insurance and Financial Advisors, one by the
204 Professional Insurance Agents of Florida, and one by the Latin
205 American Association of Insurance Agencies; three
206 representatives appointed by the insurers with the three highest
207 voluntary market share of residential property insurance
208 business in the state; one representative from the Office of
209 Insurance Regulation; one consumer appointed by the board who is
210 insured by the corporation at the time of appointment to the
211 committee; one representative appointed by the Florida
212 Association of Realtors; and one representative appointed by the
213 Florida Bankers Association. All members shall be appointed to



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214 3-year terms and may serve for consecutive terms.

215 (II) The committee shall report to the corporation at each
216 board meeting on insurance market issues which may include rates
217 and rate competition with the voluntary market; service,
218 including policy issuance, claims processing, and general
219 responsiveness to policyholders, applicants, and agents; and
220 matters relating to depopulation.

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

223 a. Subject to s. 627.3517, with respect to personal lines
224 residential risks, if the risk is offered coverage from an
225 authorized insurer at the insurer's approved rate under a
226 standard policy including wind coverage or, if consistent with
227 the insurer's underwriting rules as filed with the office, a
228 basic policy including wind coverage, for a new application to
229 the corporation for coverage, the risk is not eligible for any
230 policy issued by the corporation unless the premium for coverage
231 from the authorized insurer is more than 15 percent greater than
232 the premium for comparable coverage from the corporation.

233 Whenever an offer of coverage for a personal lines residential
234 risk is received for a policyholder of the corporation at
235 renewal from an authorized insurer, if the offer is equal to or
236 less than the corporation's renewal premium for comparable
237 coverage, the risk is not eligible for coverage with the
238 corporation. If the risk is not able to obtain such offer, the
239 risk is eligible for a standard policy including wind coverage
240 or a basic policy including wind coverage issued by the
241 corporation; however, if the risk could not be insured under a
242 standard policy including wind coverage regardless of market



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243 conditions, the risk is eligible for a basic policy including
244 wind coverage unless rejected under subparagraph 8. However, a
245 policyholder removed from the corporation through an assumption
246 agreement remains eligible for coverage from the corporation
247 until the end of the assumption period. The corporation shall
248 determine the type of policy to be provided on the basis of
249 objective standards specified in the underwriting manual and
250 based on generally accepted underwriting practices.

251 (I) If the risk accepts an offer of coverage through the
252 market assistance plan or through a mechanism established by the
253 corporation other than a plan established by s. 627.3518, before
254 a policy is issued to the risk by the corporation or during the
255 first 30 days of coverage by the corporation, and the producing
256 agent who submitted the application to the plan or to the
257 corporation is not currently appointed by the insurer, the
258 insurer shall:

259 (A) Pay to the producing agent of record of the policy for
260 the first year, an amount that is the greater of the insurer's
261 usual and customary commission for the type of policy written or
262 a fee equal to the usual and customary commission of the
263 corporation; or

264 (B) Offer to allow the producing agent of record of the
265 policy to continue servicing the policy for at least 1 year and
266 offer to pay the agent the greater of the insurer's or the
267 corporation's usual and customary commission for the type of
268 policy written.

269
270 If the producing agent is unwilling or unable to accept
271 appointment, the new insurer shall pay the agent in accordance



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272 with sub-sub-sub-subparagraph (A).

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

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

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

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

290 b. With respect to commercial lines residential risks, for
291 a new application to the corporation for coverage, if the risk
292 is offered coverage under a policy including wind coverage from
293 an authorized insurer at its approved rate, the risk is not
294 eligible for a policy issued by the corporation unless the
295 premium for coverage from the authorized insurer is more than 15
296 percent greater than the premium for comparable coverage from
297 the corporation. Whenever an offer of coverage for a commercial
298 lines residential risk is received for a policyholder of the
299 corporation at renewal from an authorized insurer, if the offer
300 is equal to or less than the corporation's renewal premium for



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301 comparable coverage, the risk is not eligible for coverage with
302 the corporation. If the risk is not able to obtain any such
303 offer, the risk is eligible for a policy including wind coverage
304 issued by the corporation. However, a policyholder removed from
305 the corporation through an assumption agreement remains eligible
306 for coverage from the corporation until the end of the
307 assumption period.

308 (I) If the risk accepts an offer of coverage through the
309 market assistance plan or through a mechanism established by the
310 corporation other than a plan established by s. 627.3518, before
311 a policy is issued to the risk by the corporation or during the
312 first 30 days of coverage by the corporation, and the producing
313 agent who submitted the application to the plan or the
314 corporation is not currently appointed by the insurer, the
315 insurer shall:

316 (A) Pay to the producing agent of record of the policy, for
317 the first year, an amount that is the greater of the insurer's
318 usual and customary commission for the type of policy written or
319 a fee equal to the usual and customary commission of the
320 corporation; or

321 (B) Offer to allow the producing agent of record of the
322 policy to continue servicing the policy for at least 1 year and
323 offer to pay the agent the greater of the insurer's or the
324 corporation's usual and customary commission for the type of
325 policy written.

326
327 If the producing agent is unwilling or unable to accept
328 appointment, the new insurer shall pay the agent in accordance
329 with sub-sub-sub-subparagraph (A).



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

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

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

343
344 If the producing agent is unwilling or unable to accept
345 appointment, the new insurer shall pay the agent in accordance
346 with sub-sub-sub-subparagraph (A).

347 c. For purposes of determining comparable coverage under
348 sub-subparagraphs a. and b., the comparison must be based on
349 those forms and coverages that are reasonably comparable. The
350 corporation may rely on a determination of comparable coverage
351 and premium made by the producing agent who submits the
352 application to the corporation, made in the agent's capacity as
353 the corporation's agent. A comparison may be made solely of the
354 premium with respect to the main building or structure only on
355 the following basis: the same coverage A or other building
356 limits; the same percentage hurricane deductible that applies on
357 an annual basis or that applies to each hurricane for commercial
358 residential property; the same percentage of ordinance and law



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359 coverage, if the same limit is offered by both the corporation
360 and the authorized insurer; the same mitigation credits, to the
361 extent the same types of credits are offered both by the
362 corporation and the authorized insurer; the same method for loss
363 payment, such as replacement cost or actual cash value, if the
364 same method is offered both by the corporation and the
365 authorized insurer in accordance with underwriting rules; and
366 any other form or coverage that is reasonably comparable as
367 determined by the board. If an application is submitted to the
368 corporation for wind-only coverage in the coastal account, the
369 premium for the corporation's wind-only policy plus the premium
370 for the ex-wind policy that is offered by an authorized insurer
371 to the applicant must be compared to the premium for multiperil
372 coverage offered by an authorized insurer, subject to the
373 standards for comparison specified in this subparagraph. If the
374 corporation or the applicant requests from the authorized
375 insurer a breakdown of the premium of the offer by types of
376 coverage so that a comparison may be made by the corporation or
377 its agent and the authorized insurer refuses or is unable to
378 provide such information, the corporation may treat the offer as
379 not being an offer of coverage from an authorized insurer at the
380 insurer's approved rate.

381 6. Must include rules for classifications of risks and
382 rates.

383 7. Must provide that if premium and investment income for
384 an account attributable to a particular calendar year are in
385 excess of projected losses and expenses for the account
386 attributable to that year, such excess shall be held in surplus
387 in the account. Such surplus must be available to defray



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388 deficits in that account as to future years and used for that
389 purpose before assessing assessable insurers and assessable
390 insureds as to any calendar year.

391 8. Must provide objective criteria and procedures to be
392 uniformly applied to all applicants in determining whether an
393 individual risk is so hazardous as to be uninsurable. In making
394 this determination and in establishing the criteria and
395 procedures, the following must be considered:

396 a. Whether the likelihood of a loss for the individual risk
397 is substantially higher than for other risks of the same class;
398 and

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

401
402 The acceptance or rejection of a risk by the corporation shall
403 be construed as the private placement of insurance, and the
404 provisions of chapter 120 do not apply.

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

409 10. The policies issued by the corporation must provide
410 that if the corporation or the market assistance plan obtains an
411 offer from an authorized insurer to cover the risk at its
412 approved rates, the risk is no longer eligible for renewal
413 through the corporation, except as otherwise provided in this
414 subsection.

415 11. Corporation policies and applications must include a
416 notice that the corporation policy could, under this section, be



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417 replaced with a policy issued by an authorized insurer which
418 does not provide coverage identical to the coverage provided by
419 the corporation. The notice must also specify that acceptance of
420 corporation coverage creates a conclusive presumption that the
421 applicant or policyholder is aware of this potential.

422 12. May establish, subject to approval by the office,
423 different eligibility requirements and operational procedures
424 for any line or type of coverage for any specified county or
425 area if the board determines that such changes are justified due
426 to the voluntary market being sufficiently stable and
427 competitive in such area or for such line or type of coverage
428 and that consumers who, in good faith, are unable to obtain
429 insurance through the voluntary market through ordinary methods
430 continue to have access to coverage from the corporation. If
431 coverage is sought in connection with a real property transfer,
432 the requirements and procedures may not provide an effective
433 date of coverage later than the date of the closing of the
434 transfer as established by the transferor, the transferee, and,
435 if applicable, the lender.

436 13. Must provide that, with respect to the coastal account,
437 any assessable insurer with a surplus as to policyholders of \$25
438 million or less writing 25 percent or more of its total
439 countrywide property insurance premiums in this state may
440 petition the office, within the first 90 days of each calendar
441 year, to qualify as a limited apportionment company. A regular
442 assessment levied by the corporation on a limited apportionment
443 company for a deficit incurred by the corporation for the
444 coastal account may be paid to the corporation on a monthly
445 basis as the assessments are collected by the limited



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446 apportionment company from its insureds, but a limited
447 apportionment company must begin collecting the regular
448 assessments not later than 90 days after the regular assessments
449 are levied by the corporation, and the regular assessments must
450 be paid in full within 15 months after being levied by the
451 corporation. A limited apportionment company shall collect from
452 its policyholders any emergency assessment imposed under sub-
453 subparagraph (b)3.d. The plan must provide that, if the office
454 determines that any regular assessment will result in an
455 impairment of the surplus of a limited apportionment company,
456 the office may direct that all or part of such assessment be
457 deferred as provided in subparagraph (q)4. However, an emergency
458 assessment to be collected from policyholders under sub-
459 subparagraph (b)3.d. may not be limited or deferred.

460 14. Must provide that the corporation appoint as its
461 licensed agents only those agents who also hold an appointment
462 as defined in s. 626.015(3) with an insurer who at the time of
463 the agent's initial appointment by the corporation is authorized
464 to write and is actually writing personal lines residential
465 property coverage, commercial residential property coverage, or
466 commercial nonresidential property coverage within the state.

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

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

474 17. Must provide coverage for manufactured or mobile home



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475 dwellings. Such coverage must also include the following
476 attached structures:

477 a. Screened enclosures that are aluminum framed or screened
478 enclosures that are not covered by the same or substantially the
479 same materials as those of the primary dwelling;

480 b. Carports that are aluminum or carports that are not
481 covered by the same or substantially the same materials as those
482 of the primary dwelling; and

483 c. Patios that have a roof covering that is constructed of
484 materials that are not the same or substantially the same
485 materials as those of the primary dwelling.

486
487 The corporation shall make available a policy for mobile homes
488 or manufactured homes for a minimum insured value of at least
489 \$3,000.

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

492 19. May require commercial property to meet specified
493 hurricane mitigation construction features as a condition of
494 eligibility for coverage.

495 20. Must provide that new or renewal policies issued by the
496 corporation on or after January 1, 2012, which cover sinkhole
497 loss do not include coverage for any loss to appurtenant
498 structures, driveways, sidewalks, decks, or patios that are
499 directly or indirectly caused by sinkhole activity. The
500 corporation shall exclude such coverage using a notice of
501 coverage change, which may be included with the policy renewal,
502 and not by issuance of a notice of nonrenewal of the excluded
503 coverage upon renewal of the current policy.



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504 21. As of January 1, 2012, must require that the agent
505 obtain from an applicant for coverage from the corporation an
506 acknowledgment signed by the applicant, which includes, at a
507 minimum, the following statement:

508

509 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
510 AND ASSESSMENT LIABILITY:

511

512 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
513 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
514 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
515 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
516 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
517 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
518 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
519 LEGISLATURE.

520 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
521 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
522 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
523 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
524 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
525 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
526 ARE REGULATED AND APPROVED BY THE STATE.

527 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
528 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
529 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
530 FLORIDA LEGISLATURE.

531 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
532 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE



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533 STATE OF FLORIDA.

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

538 b. The signed acknowledgment form creates a conclusive
539 presumption that the policyholder understood and accepted his or
540 her potential surcharge and assessment liability as a
541 policyholder of the corporation.

542 22. Must provide that before an insurer may remove a policy
543 from the corporation under a takeout agreement, the agreement
544 must:

545 a. Be approved by the Office of Insurance Regulation.

546 b. Require that the insurer provide information to the
547 policyholder explaining the differences in coverage and rate
548 between the corporation policy and the policy offered.

549 23. Must require the exclusion for 6 months from future
550 takeout agreements by the corporation a policyholder who
551 declines a takeout agreement offer from an authorized insurer
552 and declines to receive additional takeout offers.

553 24. Must allow a policyholder who was removed from the
554 corporation in the previous 36 months by a takeout agreement
555 with an authorized insurer to reapply with the corporation and
556 be considered a renewal under s. 627.3518(5) if the corporation
557 determines that the authorized insurer increased the rate on the
558 policy in excess of the increase allowed for by the corporation
559 under s. 627.351(6)(n)6.

560
561 ===== T I T L E A M E N D M E N T =====



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562 And the title is amended as follows:

563 Delete everything before the enacting clause
564 and insert:

565 A bill to be entitled

566 An act relating to the depopulation of the Citizens
567 Property Insurance Corporation; amending s. 627.351,
568 F.S.; requiring takeout agreements to be approved by
569 the Office of Insurance Regulation; requiring the
570 corporation to provide information to a policyholder
571 and to exempt policyholders from future takeout offers
572 for 6 months under certain circumstances; allowing
573 specified applicants for corporation coverage to be
574 considered renewal policyholders; providing an
575 effective date.