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LEGISLATIVE ACTION

Senate

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House

The Committee on Banking and Insurance (Negron) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(c) The corporation's plan of operation:

1. Must provide for adoption of residential property and



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

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

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

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

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

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

39 f. The corporation may adopt variations of the policy forms



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40 listed in sub-subparagraphs a.-e. which contain more restrictive
41 coverage.

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

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

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

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



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

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

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

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

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

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



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98 between an authorized insurer and an insured who is already
99 insured by the corporation for wind coverage.

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

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

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



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127 insurer is voluntary and at the discretion of the authorized
128 insurer.

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



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

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

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



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

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

198 (I) The members of the advisory committee consist of the
199 following 11 persons, one of whom must be elected chair by the
200 members of the committee: four representatives, one appointed by
201 the Florida Association of Insurance Agents, one by the Florida
202 Association of Insurance and Financial Advisors, one by the
203 Professional Insurance Agents of Florida, and one by the Latin
204 American Association of Insurance Agencies; three
205 representatives appointed by the insurers with the three highest
206 voluntary market share of residential property insurance
207 business in the state; one representative from the Office of
208 Insurance Regulation; one consumer appointed by the board who is
209 insured by the corporation at the time of appointment to the
210 committee; one representative appointed by the Florida
211 Association of Realtors; and one representative appointed by the
212 Florida Bankers Association. All members shall be appointed to
213 3-year terms and may serve for consecutive terms.



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

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

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

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



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

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

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

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

268
269 If the producing agent is unwilling or unable to accept
270 appointment, the new insurer shall pay the agent in accordance
271 with sub-sub-sub-subparagraph (A).



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

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

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

285
286 If the producing agent is unwilling or unable to accept
287 appointment, the new insurer shall pay the agent in accordance
288 with sub-sub-sub-subparagraph (A).

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



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

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

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

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

325
326 If the producing agent is unwilling or unable to accept
327 appointment, the new insurer shall pay the agent in accordance
328 with sub-sub-sub-subparagraph (A).

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



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

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

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

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

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



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

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

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



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388 purpose before assessing assessable insurers and assessable
389 insureds as to any calendar year.

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

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

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

400
401 The acceptance or rejection of a risk by the corporation shall
402 be construed as the private placement of insurance, and the
403 provisions of chapter 120 do not apply.

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

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

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



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417 does not provide coverage identical to the coverage provided by
418 the corporation. The notice must also specify that acceptance of
419 corporation coverage creates a conclusive presumption that the
420 applicant or policyholder is aware of this potential.

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

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



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

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

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

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

473 17. Must provide coverage for manufactured or mobile home
474 dwellings. Such coverage must also include the following



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475 attached structures:

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

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

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

485

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

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

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

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

503 21. As of January 1, 2012, must require that the agent



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504 obtain from an applicant for coverage from the corporation an
505 acknowledgment signed by the applicant, which includes, at a
506 minimum, the following statement:

507
508 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
509 AND ASSESSMENT LIABILITY:
510

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

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

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

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



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

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

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

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

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

548 c. Require that the corporation obtain affirmative consent
549 from the policyholder which indicates that the policyholder
550 approves of the removal.

551 d. Require that an insurer may not implement an annual rate
552 increase that exceeds 10 percent, excluding coverage changes and
553 assessments, for each of the first three 1-year terms of renewal
554 of any single policy removed from the corporation.

555
556 ===== T I T L E A M E N D M E N T =====

557 And the title is amended as follows:

558 Delete everything before the enacting clause
559 and insert:

560 A bill to be entitled

561 An act relating to the depopulation of the Citizens



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562 Property Insurance Corporation; amending s. 627.351,
563 F.S.; requiring takeout agreements to be approved by
564 the Office of Insurance Regulation; requiring the
565 corporation to provide information to a policyholder
566 and to obtain affirmative consent from such
567 policyholder indicating approval; prohibiting an
568 insurer that removes a policy from the corporation
569 from annually increasing the rate for the renewal of a
570 replacement policy by more than a specified amount for
571 a specified number of terms; providing an effective
572 date.