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LEGISLATIVE ACTION

Senate

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House

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Floor: WD/2R

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05/02/2017 09:52 AM

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Senator Brandes moved the following:

Senate Amendment (with title amendment)

Delete lines 1483 -1486

and insert:

Section 37. Paragraphs (a) and (c) of subsection (6) of section 627.351, Florida Statutes, are amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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



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



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41 maximum financial resources to pay claims following a
42 catastrophic hurricane, it is the intent of the Legislature that
43 the corporation continue to be an integral part of the state and
44 that the income of the corporation be exempt from federal income
45 taxation and that interest on the debt obligations issued by the
46 corporation be exempt from federal income taxation.

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

68 3. With respect to coverage for personal lines residential
69 structures:



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

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

91 c. Effective January 1, 2016, a structure that has a
92 dwelling replacement cost of \$800,000 or more, or a single
93 condominium unit that has a combined dwelling and contents
94 replacement cost of \$800,000 or more, is not eligible for
95 coverage by the corporation. Such dwellings insured by the
96 corporation on December 31, 2015, may continue to be covered by
97 the corporation until the end of the policy term.

98 d. Effective January 1, 2017, a structure that has a



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

105

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

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

122 5.a. Effective January 1, 2009, a personal lines
123 residential structure that is located in the "wind-borne debris
124 region," as defined in s. 1609.2, International Building Code
125 (2006), and that has an insured value on the structure of
126 \$750,000 or more is not eligible for coverage by the corporation
127 unless the structure has opening protections as required under



128 the Florida Building Code for a newly constructed residential
129 structure in that area. A residential structure is deemed to
130 comply with this sub-subparagraph if it has shutters or opening
131 protections on all openings and if such opening protections
132 complied with the Florida Building Code at the time they were
133 installed.

134 b. Any major structure, as defined in s. 161.54(6)(a), that
135 is newly constructed, or rebuilt, repaired, restored, or
136 remodeled to increase the total square footage of finished area
137 by more than 25 percent, pursuant to a permit applied for after
138 July 1, 2015, is not eligible for coverage by the corporation if
139 the structure is seaward of the coastal construction control
140 line established pursuant to s. 161.053 or is within the Coastal
141 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
142 3510.

143 6. With respect to wind-only coverage for commercial lines
144 residential condominiums, effective July 1, 2014, a condominium
145 shall be deemed ineligible for coverage if 50 percent or more of
146 the units are rented more than eight times in a calendar year
147 for a rental agreement period of less than 30 days.

148
149 ===== T I T L E A M E N D M E N T =====

150 And the title is amended as follows:

151 Delete lines 170 - 171

152 and insert:

153 288.706 and 626.7315, F.S.; conforming cross-
154 references; amending s. 627.351, F.S.; providing that
155 Citizens Property Insurance Corporation is officially
156 recognized as the Assignment of Benefits Refugee Fund



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157 of Florida; conforming a cross-reference; repealing s.
158 43.19, F.S., relating