



647168

LEGISLATIVE ACTION

Senate

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House

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Floor: WD/2R

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05/02/2017 10:08 AM

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Senator Farmer 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 Barry J. Gilway Retirement Fund.

51 The corporation shall provide insurance for residential and  
52 commercial property, for applicants who are entitled, but, in  
53 good faith, are unable to procure insurance through the  
54 voluntary market. The corporation shall operate pursuant to a  
55 plan of operation approved by order of the Financial Services  
56 Commission. The plan is subject to continuous review by the  
57 commission. The commission may, by order, withdraw approval of  
58 all or part of a plan if the commission determines that  
59 conditions have changed since approval was granted and that the  
60 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.

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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



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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.

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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 Barry J. Gilway Retirement Fund;



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conforming a cross-reference; repealing s. 43.19,  
F.S., relating