

By Senator Flores

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1 A bill to be entitled
2 An act relating to the Citizens Property Insurance
3 Corporation; amending s. 627.351, F.S.; revising and
4 specifying annual rate increase limits for certain
5 policies issued by the corporation; providing an
6 effective date.

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8 Be It Enacted by the Legislature of the State of Florida:

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10 Section 1. Paragraph (n) of subsection (6) of section
11 627.351, Florida Statutes, is amended to read:

12 627.351 Insurance risk apportionment plans.—

13 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

14 (n)1. Rates for coverage provided by the corporation must
15 be actuarially sound and subject to s. 627.062, except as
16 otherwise provided in this paragraph. The corporation shall file
17 its recommended rates with the office at least annually. The
18 corporation shall provide any additional information regarding
19 the rates which the office requires. The office shall consider
20 the recommendations of the board and issue a final order
21 establishing the rates for the corporation within 45 days after
22 the recommended rates are filed. The corporation may not pursue
23 an administrative challenge or judicial review of the final
24 order of the office.

25 2. In addition to the rates otherwise determined pursuant
26 to this paragraph, the corporation shall impose and collect an
27 amount equal to the premium tax provided in s. 624.509 to
28 augment the financial resources of the corporation.

29 3. After the public hurricane loss-projection model under

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30 s. 627.06281 has been found to be accurate and reliable by the
31 Florida Commission on Hurricane Loss Projection Methodology, the
32 model shall be considered when establishing the windstorm
33 portion of the corporation's rates. The corporation may use the
34 public model results in combination with the results of private
35 models to calculate rates for the windstorm portion of the
36 corporation's rates. This subparagraph does not require or allow
37 the corporation to adopt rates lower than the rates otherwise
38 required or allowed by this paragraph.

39 4. The rate filings for the corporation which were approved
40 by the office and took effect January 1, 2007, are rescinded,
41 except for those rates that were lowered. As soon as possible,
42 the corporation shall begin using the lower rates that were in
43 effect on December 31, 2006, and provide refunds to
44 policyholders who paid higher rates as a result of that rate
45 filing. The rates in effect on December 31, 2006, remain in
46 effect for the 2007 and 2008 calendar years except for any rate
47 change that results in a lower rate. The next rate change that
48 may increase rates shall take effect pursuant to a new rate
49 filing recommended by the corporation and established by the
50 office, subject to this paragraph.

51 5. Beginning on July 15, 2009, and annually thereafter, the
52 corporation must make a recommended actuarially sound rate
53 filing for each personal and commercial line of business it
54 writes, to be effective no earlier than January 1, 2010.

55 6.a. Beginning on or after January 1, 2010, and
56 notwithstanding the board's recommended rates and the office's
57 final order regarding the corporation's filed rates under
58 subparagraph 1., the corporation shall annually implement a rate

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59 increase which, except for sinkhole coverage, does not exceed 10
60 percent for any single policy issued by the corporation,
61 excluding coverage changes and surcharges.

62 b. Beginning January 1, 2021, and notwithstanding the
63 board's recommended rates and the office's final order regarding
64 the corporation's filed rates under subparagraph 1., the
65 corporation shall annually implement a rate increase that,
66 except for sinkhole coverage, does not exceed 10 percent for any
67 single policy issued by the corporation and that does not exceed
68 5 percent for any single wind-only policy issued by the
69 corporation to an insured located within a county in which,
70 during the preceding 15 years, the amount of premiums paid by
71 all policyholders in the county exceeded the total amount of
72 claims paid to all policyholders in the county by more than \$700
73 million.

74 7. The corporation may also implement an increase to
75 reflect the effect on the corporation of the cash buildup factor
76 pursuant to s. 215.555(5)(b).

77 8. The corporation's implementation of rates as prescribed
78 in subparagraph 6. shall cease for any line of business written
79 by the corporation upon the corporation's implementation of
80 actuarially sound rates. Thereafter, the corporation shall
81 annually make a recommended actuarially sound rate filing for
82 each commercial and personal line of business the corporation
83 writes.

84 Section 2. This act shall take effect July 1, 2020.