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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/08/2021	.	
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Appropriations Subcommittee on Agriculture, Environment, and
General Government (Brandes) recommended the following:

**Senate Substitute for Amendment (133436) (with title
amendment)**

Delete lines 370 - 977
and insert:

(c) The corporation's plan of operation:

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



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11 following policy forms:

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

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

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

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

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

36 f. The corporation may adopt variations of the policy forms
37 listed in sub-subparagraphs a.-e. which contain more restrictive
38 coverage.

39 g. Effective January 1, 2013, the corporation shall offer a



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40 basic personal lines policy similar to an HO-8 policy with
41 dwelling repair based on common construction materials and
42 methods.

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

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

50 (II) "Primary residence" means the dwelling that the
51 insured has represented as their permanent home on the insurance
52 application or otherwise to the corporation.

53 (III)~~(I)~~ "Quota share primary insurance" means an
54 arrangement in which the primary hurricane coverage of an
55 eligible risk is provided in specified percentages by the
56 corporation and an authorized insurer. The corporation and
57 authorized insurer are each solely responsible for a specified
58 percentage of hurricane coverage of an eligible risk as set
59 forth in a quota share primary insurance agreement between the
60 corporation and an authorized insurer and the insurance
61 contract. The responsibility of the corporation or authorized
62 insurer to pay its specified percentage of hurricane losses of
63 an eligible risk, as set forth in the agreement, may not be
64 altered by the inability of the other party to pay its specified
65 percentage of losses. Eligible risks that are provided hurricane
66 coverage through a quota share primary insurance arrangement
67 must be provided policy forms that set forth the obligations of
68 the 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 (I)~~(II)~~ "Eligible risks" means personal lines residential
75 and commercial lines residential risks that meet the
76 underwriting criteria of the corporation and are located in
77 areas that were eligible for coverage by the Florida Windstorm
78 Underwriting 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 this ~~the~~ state, one of whom
164 is 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 deemed to be within the scope
167 of the exemption provided in s. 112.313(7) (b) and is in addition
168 to the 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 this ~~the~~ state; one representative from the Office
209 of Insurance Regulation; one consumer appointed by the board who
210 is 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 that ~~which~~ may include
217 rates 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 unless the premium for comparable coverage from the
239 authorized insurer is more than 15 percent greater than the
240 premium under subparagraph (n)1. for personal residential
241 properties that are not the insured's primary residence. If the
242 risk is not able to obtain such offer, the risk is eligible for



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243 a standard policy including wind coverage or a basic policy
244 including wind coverage issued by the corporation; however, if
245 the risk could not be insured under a standard policy including
246 wind coverage regardless of market conditions, the risk is
247 eligible for a basic policy including wind coverage unless
248 rejected under subparagraph 8. However, a policyholder removed
249 from the corporation through an assumption agreement remains
250 eligible for coverage from the corporation until the end of the
251 assumption period. The corporation shall determine the type of
252 policy to be provided on the basis of objective standards
253 specified in the underwriting manual and based on generally
254 accepted underwriting practices.

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

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

268 (B) Offer to allow the producing agent of record of the
269 policy to continue servicing the policy for at least 1 year and
270 offer to pay the agent the greater of the insurer's or the
271 corporation's usual and customary commission for the type of



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272 policy written.

273

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

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

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

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

290

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

294 b. With respect to commercial lines residential risks, for
295 a new application to the corporation for coverage, if the risk
296 is offered coverage under a policy including wind coverage from
297 an authorized insurer at its approved rate, the risk is not
298 eligible for a policy issued by the corporation unless the
299 premium for coverage from the authorized insurer is more than 15
300 percent greater than the premium for comparable coverage from



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301 the corporation. Whenever an offer of coverage for a commercial
302 lines residential risk is received for a policyholder of the
303 corporation at renewal from an authorized insurer, if the offer
304 is equal to or less than the corporation's renewal premium for
305 comparable coverage, the risk is not eligible for coverage with
306 the corporation. If the risk is not able to obtain any such
307 offer, the risk is eligible for a policy including wind coverage
308 issued by the corporation. However, a policyholder removed from
309 the corporation through an assumption agreement remains eligible
310 for coverage from the corporation until the end of the
311 assumption period.

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

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

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



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330
331 If the producing agent is unwilling or unable to accept
332 appointment, the new insurer shall pay the agent in accordance
333 with sub-sub-sub-subparagraph (A).

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

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

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

347
348 If the producing agent is unwilling or unable to accept
349 appointment, the new insurer shall pay the agent in accordance
350 with sub-sub-sub-subparagraph (A).

351 c. For purposes of determining comparable coverage under
352 sub-subparagraphs a. and b., the comparison must be based on
353 those forms and coverages that are reasonably comparable. The
354 corporation may rely on a determination of comparable coverage
355 and premium made by the producing agent who submits the
356 application to the corporation, made in the agent's capacity as
357 the corporation's agent. A comparison may be made solely of the
358 premium with respect to the main building or structure only on



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

385 6. Must include rules for classifications of risks and
386 rates.

387 7. Must provide that if premium and investment income for



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388 an account attributable to a particular calendar year are in
389 excess of projected losses and expenses for the account
390 attributable to that year, such excess shall be held in surplus
391 in the account. Such surplus must be available to defray
392 deficits in that account as to future years and used for that
393 purpose before assessing assessable insurers and assessable
394 insureds as to any calendar year.

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

400 a. Whether the likelihood of a loss for the individual risk
401 is substantially higher than for other risks of the same class;
402 and

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

405
406 The acceptance or rejection of a risk by the corporation shall
407 be construed as the private placement of insurance, and ~~the~~
408 ~~provisions of chapter 120~~ does ~~de~~ not apply.

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

413 10. The policies issued by the corporation must provide
414 that if the corporation or the market assistance plan obtains an
415 offer from an authorized insurer to cover the risk at its
416 approved rates, the risk is no longer eligible for renewal



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417 through the corporation, except as otherwise provided in this
418 subsection.

419 11. Corporation policies and applications must include a
420 notice that the corporation policy could, under this section, be
421 replaced with a policy issued by an authorized insurer which
422 does not provide coverage identical to the coverage provided by
423 the corporation. The notice must also specify that acceptance of
424 corporation coverage creates a conclusive presumption that the
425 applicant or policyholder is aware of this potential.

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

440 13. Must provide that, with respect to the coastal account,
441 any assessable insurer with a surplus as to policyholders of \$25
442 million or less writing 25 percent or more of its total
443 countrywide property insurance premiums in this state may
444 petition the office, within the first 90 days of each calendar
445 year, to qualify as a limited apportionment company. A regular



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

464 14. Must provide that the corporation appoint as its
465 licensed agents only those agents who throughout such
466 appointments also hold an appointment as defined in s. 626.015
467 by an insurer who is authorized to write and is actually writing
468 or renewing personal lines residential property coverage,
469 commercial residential property coverage, or commercial
470 nonresidential property coverage within this ~~the~~ state.

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



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

478 17. Must provide coverage for manufactured or mobile home
479 dwellings. Such coverage must also include the following
480 attached structures:

481 a. Screened enclosures that are aluminum framed or screened
482 enclosures that are not covered by the same or substantially the
483 same materials as those of the primary dwelling;

484 b. Carports that are aluminum or carports that are not
485 covered by the same or substantially the same materials as those
486 of the primary dwelling; and

487 c. Patios that have a roof covering that is constructed of
488 materials that are not the same or substantially the same
489 materials as those of the primary dwelling.

490
491 The corporation shall make available a policy for mobile homes
492 or manufactured homes for a minimum insured value of at least
493 \$3,000.

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

496 19. May require commercial property to meet specified
497 hurricane mitigation construction features as a condition of
498 eligibility for coverage.

499 20. Must provide that new or renewal policies issued by the
500 corporation on or after January 1, 2012, which cover sinkhole
501 loss do not include coverage for any loss to appurtenant
502 structures, driveways, sidewalks, decks, or patios that are
503 directly or indirectly caused by sinkhole activity. The



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504 corporation shall exclude such coverage using a notice of
505 coverage change, which may be included with the policy renewal,
506 and not by issuance of a notice of nonrenewal of the excluded
507 coverage upon renewal of the current policy.

508 21. As of January 1, 2012, must require that the agent
509 obtain from an applicant for coverage from the corporation an
510 acknowledgment signed by the applicant, which includes, at a
511 minimum, the following statement:

512
513 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
514 AND ASSESSMENT LIABILITY:
515

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

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

531 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
532 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER



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533 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
534 FLORIDA LEGISLATURE.

535 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
536 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
537 STATE OF FLORIDA.

538
539 a. The corporation shall maintain, in electronic format or
540 otherwise, a copy of the applicant's signed acknowledgment and
541 provide a copy of the statement to the policyholder as part of
542 the first renewal after the effective date of this subparagraph.

543 b. The signed acknowledgment form creates a conclusive
544 presumption that the policyholder understood and accepted his or
545 her potential surcharge and assessment liability as a
546 policyholder of the corporation.

547 22. The corporation shall pay a producing agent of record a
548 reasonable commission not to exceed the average of commissions
549 paid in the preceding year by the 20 admitted insurers writing
550 the greatest market share of property insurance in this state.

551 (n)1. Rates for coverage provided by the corporation must
552 be actuarially sound and subject to s. 627.062, except as
553 otherwise provided in this paragraph. The corporation shall file
554 its recommended rates with the office at least annually. The
555 corporation shall provide any additional information regarding
556 the rates which the office requires. The office shall consider
557 the recommendations of the board and issue a final order
558 establishing the rates for the corporation within 45 days after
559 the recommended rates are filed. The corporation may not pursue
560 an administrative challenge or judicial review of the final
561 order of the office.



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562 2. In addition to the rates otherwise determined pursuant
563 to this paragraph, the corporation shall impose and collect an
564 amount equal to the premium tax provided in s. 624.509 to
565 augment the financial resources of the corporation.

566 3. ~~After~~ The public hurricane loss-projection model under
567 s. 627.06281, if ~~has been~~ found to be accurate and reliable by
568 the Florida Commission on Hurricane Loss Projection Methodology,
569 ~~the model~~ shall be considered when establishing the windstorm
570 portion of the corporation's rates. The corporation may use the
571 public model results in combination with the results of private
572 models to calculate rates for the windstorm portion of the
573 corporation's rates. This subparagraph does not require or allow
574 the corporation to adopt rates lower than the rates otherwise
575 required or allowed by this paragraph.

576 4. The rate filings for the corporation which were approved
577 by the office and took effect January 1, 2007, are rescinded,
578 except for those rates that were lowered. As soon as possible,
579 the corporation shall begin using the lower rates that were in
580 effect on December 31, 2006, and provide refunds to
581 policyholders who paid higher rates as a result of that rate
582 filing. The rates in effect on December 31, 2006, remain in
583 effect for the 2007 and 2008 calendar years except for any rate
584 change that results in a lower rate. The next rate change that
585 may increase rates shall take effect pursuant to a new rate
586 filing recommended by the corporation and established by the
587 office, subject to this paragraph.

588 5. Beginning on July 15, 2009, and annually thereafter, the
589 corporation must make a recommended actuarially sound rate
590 filing for each personal and commercial line of business it



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591 writes, to be effective no earlier than January 1, 2010.

592 6. Beginning on or after January 1, 2022 ~~January 1, 2010~~,
593 and notwithstanding the board's recommended rates and the
594 office's final order regarding the corporation's filed rates
595 under subparagraph 1., the corporation shall annually implement
596 a rate increase which, except for sinkhole coverage, does not
597 exceed 10 percent for any single policy renewed ~~issued~~ by the
598 corporation covering a personal residential property that is
599 used as the primary residence of the insured which has a
600 dwelling replacement cost less than \$700,000 or that is a single
601 condominium unit that has a combined dwelling and contents
602 replacement cost less than \$700,000, excluding coverage changes
603 and surcharges, if the policy was initially issued by the
604 corporation before January 1, 2022.

605
606 ===== T I T L E A M E N D M E N T =====

607 And the title is amended as follows:

608 Delete lines 7 - 8

609 and insert:

610 certain circumstances; defining the term "primary
611 residence"; revising