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LEGISLATIVE ACTION

Senate

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House

The Committee on Appropriations (Boyd) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (a) of subsection (1) of section
489.147, Florida Statutes, is amended to read:

489.147 Prohibited property insurance practices.—

(1) As used in this section, the term:

(a) "Prohibited advertisement" means any written or
electronic communication by a contractor which ~~that~~ encourages,



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11 instructs, or induces a consumer to contact a contractor or
12 public adjuster for the purpose of making an insurance claim for
13 roof damage, if such communication does not state in a font size
14 of at least 12 points and at least half as large as the largest
15 font size used in the communication that:

16 1. The consumer is responsible for payment of any insurance
17 deductible;

18 2. It is insurance fraud punishable as a felony of the
19 third degree for a contractor to pay, waive, or rebate all or
20 part of an insurance deductible applicable to payment to the
21 contractor for repairs to property covered by a property
22 insurance policy; and

23 3. It is insurance fraud punishable as a felony of the
24 third degree to intentionally file an insurance claim containing
25 any false, incomplete, or misleading information.

26
27 The term includes, but is not limited to, door hangers, business
28 cards, magnets, flyers, pamphlets, and e-mails.

29 Section 2. Subsection (2) of section 627.021, Florida
30 Statutes, is amended to read:

31 627.021 Scope of this part.—

32 (2) This part does not apply to:

33 (a) Reinsurance, except joint reinsurance as provided in s.
34 627.311.

35 (b) Insurance against loss of or damage to aircraft, their
36 hulls, accessories, or equipment, or against liability, other
37 than workers' compensation and employer's liability, arising out
38 of the ownership, maintenance, or use of aircraft.

39 (c) Insurance of vessels or craft, their cargoes, marine



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40 builders' risks, marine protection and indemnity, or other risks
41 commonly insured under marine insurance policies.

42 (d) Commercial inland marine insurance.

43 (e) Except as may be specifically stated to apply, surplus
44 lines insurance placed under ~~the provisions of~~ ss. 626.913-
45 626.937.

46 Section 3. Paragraphs (a), (b), (c), (n), (q), (x), and
47 (ii) of subsection (6) of section 627.351, Florida Statutes, are
48 amended to read:

49 627.351 Insurance risk apportionment plans.—

50 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

54 1. The Legislature finds that private insurers are
55 unwilling or unable to provide affordable property insurance
56 coverage in this state to the extent sought and needed. The
57 absence of affordable property insurance threatens the public
58 health, safety, and welfare and likewise threatens the economic
59 health of the state. The state therefore has a compelling public
60 interest and a public purpose to assist in assuring that
61 property in this ~~the~~ state is insured and that it is insured at
62 affordable rates so as to facilitate the remediation,
63 reconstruction, and replacement of damaged or destroyed property
64 in order to reduce or avoid the negative effects otherwise
65 resulting to the public health, safety, and welfare, to the
66 economy of the state, and to the revenues of the state and local
67 governments which are needed to provide for the public welfare.
68 It is necessary, therefore, to provide affordable property



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69 insurance to applicants who are in good faith entitled to
70 procure insurance through the voluntary market but are unable to
71 do so. The Legislature intends, therefore, that affordable
72 property insurance be provided and that it continue to be
73 provided, as long as necessary, through Citizens Property
74 Insurance Corporation, a government entity that is an integral
75 part of the state, and that is not a private insurance company.
76 To that end, the corporation shall strive to increase the
77 availability of affordable property insurance in this state,
78 while achieving efficiencies and economies, and while providing
79 service to policyholders, applicants, and agents which is no
80 less than the quality generally provided in the voluntary
81 market, for the achievement of the foregoing public purposes.
82 Because it is essential for this government entity to have the
83 maximum financial resources to pay claims following a
84 catastrophic hurricane, it is the intent of the Legislature that
85 the corporation continue to be an integral part of the state and
86 that the income of the corporation be exempt from federal income
87 taxation and that interest on the debt obligations issued by the
88 corporation be exempt from federal income taxation.

89 2. The Residential Property and Casualty Joint Underwriting
90 Association originally created by this statute shall be known as
91 the Citizens Property Insurance Corporation. The corporation
92 shall provide insurance for residential and commercial property,
93 for applicants who are entitled, but, in good faith, are unable
94 to procure insurance through the voluntary market. The
95 corporation shall operate pursuant to a plan of operation
96 approved by order of the Financial Services Commission. The plan
97 is subject to continuous review by the commission. The



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98 commission may, by order, withdraw approval of all or part of a
99 plan if the commission determines that conditions have changed
100 since approval was granted and that the purposes of the plan
101 require changes in the plan. For the purposes of this
102 subsection, residential coverage includes both personal lines
103 residential coverage, which consists of the type of coverage
104 provided by homeowner, mobile home owner, dwelling, tenant,
105 condominium unit owner, and similar policies; and commercial
106 lines residential coverage, which consists of the type of
107 coverage provided by condominium association, apartment
108 building, and similar policies.

109 3. With respect to coverage for personal lines residential
110 structures, and:

111 ~~a. Effective January 1, 2014, a structure that has a~~
112 ~~dwelling replacement cost of \$1 million or more, or a single~~
113 ~~condominium unit that has a combined dwelling and contents~~
114 ~~replacement cost of \$1 million or more, is not eligible for~~
115 ~~coverage by the corporation. Such dwellings insured by the~~
116 ~~corporation on December 31, 2013, may continue to be covered by~~
117 ~~the corporation until the end of the policy term. The office~~
118 ~~shall approve the method used by the corporation for valuing the~~
119 ~~dwelling replacement cost for the purposes of this subparagraph.~~
120 ~~If a policyholder is insured by the corporation before being~~
121 ~~determined to be ineligible pursuant to this subparagraph and~~
122 ~~such policyholder files a lawsuit challenging the determination,~~
123 ~~the policyholder may remain insured by the corporation until the~~
124 ~~conclusion of the litigation.~~

125 ~~b. Effective January 1, 2015, a structure that has a~~
126 ~~dwelling replacement cost of \$900,000 or more, or a single~~



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127 ~~condominium unit that has a combined dwelling and contents~~
128 ~~replacement cost of \$900,000 or more, is not eligible for~~
129 ~~coverage by the corporation. Such dwellings insured by the~~
130 ~~corporation on December 31, 2014, may continue to be covered by~~
131 ~~the corporation only until the end of the policy term.~~

132 ~~e. Effective January 1, 2016, a structure that has a~~
133 ~~dwelling replacement cost of \$800,000 or more, or a single~~
134 ~~condominium unit that has a combined dwelling and contents~~
135 ~~replacement cost of \$800,000 or more, is not eligible for~~
136 ~~coverage by the corporation. Such dwellings insured by the~~
137 ~~corporation on December 31, 2015, may continue to be covered by~~
138 ~~the corporation until the end of the policy term.~~

139 ~~d. effective January 1, 2017, a structure that has a~~
140 ~~dwelling replacement cost of \$700,000 or more, or a single~~
141 ~~condominium unit that has a combined dwelling and contents~~
142 ~~replacement cost of \$700,000 or more, is not eligible for~~
143 ~~coverage by the corporation. The corporation must use a method~~
144 ~~for valuing the dwelling replacement cost which is approved by~~
145 ~~the office Such dwellings insured by the corporation on December~~
146 ~~31, 2016, may continue to be covered by the corporation until~~
147 ~~the end of the policy term. The requirements of sub-~~
148 ~~subparagraphs b. d. do not apply However, in counties where the~~
149 ~~office determines there is not a reasonable degree of~~
150 ~~competition, . In such counties a personal lines residential~~
151 ~~structure that has a dwelling replacement cost of less than \$1~~
152 ~~million, or a single condominium unit that has a combined~~
153 ~~dwelling and contents replacement cost of less than \$1 million,~~
154 ~~is eligible for coverage by the corporation.~~

155 4. It is the intent of the Legislature that policyholders,



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156 applicants, and agents of the corporation receive service and
157 treatment of the highest possible level but never less than that
158 generally provided in the voluntary market. It is also intended
159 that the corporation be held to service standards no less than
160 those applied to insurers in the voluntary market by the office
161 with respect to responsiveness, timeliness, customer courtesy,
162 and overall dealings with policyholders, applicants, or agents
163 of the corporation.

164 5.a. Effective January 1, 2009, a personal lines
165 residential structure that is located in the "wind-borne debris
166 region," as defined in s. 1609.2, International Building Code
167 (2006), and that has an insured value on the structure of
168 \$750,000 or more is not eligible for coverage by the corporation
169 unless the structure has opening protections as required under
170 the Florida Building Code for a newly constructed residential
171 structure in that area. A residential structure is deemed to
172 comply with this sub-subparagraph if it has shutters or opening
173 protections on all openings and if such opening protections
174 complied with the Florida Building Code at the time they were
175 installed.

176 b. Any major structure, as defined in s. 161.54(6)(a), that
177 is newly constructed, or rebuilt, repaired, restored, or
178 remodeled to increase the total square footage of finished area
179 by more than 25 percent, pursuant to a permit applied for after
180 July 1, 2015, is not eligible for coverage by the corporation if
181 the structure is seaward of the coastal construction control
182 line established pursuant to s. 161.053 or is within the Coastal
183 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
184 3510.



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

190 (b)1. All insurers authorized to write one or more subject
191 lines of business in this state are subject to assessment by the
192 corporation and, for the purposes of this subsection, are
193 referred to collectively as "assessable insurers." Insurers
194 writing one or more subject lines of business in this state
195 pursuant to part VIII of chapter 626 are not assessable
196 insurers; however, insureds who procure one or more subject
197 lines of business in this state pursuant to part VIII of chapter
198 626 are subject to assessment by the corporation and are
199 referred to collectively as "assessable insureds." An insurer's
200 assessment liability begins on the first day of the calendar
201 year following the year in which the insurer was issued a
202 certificate of authority to transact insurance for subject lines
203 of business in this state and terminates 1 year after the end of
204 the first calendar year during which the insurer no longer holds
205 a certificate of authority to transact insurance for subject
206 lines of business in this state.

207 2.a. All revenues, assets, liabilities, losses, and
208 expenses of the corporation shall be divided into three separate
209 accounts as follows:

210 (I) A personal lines account for personal residential
211 policies issued by the corporation which provides comprehensive,
212 multiperil coverage on risks that are not located in areas
213 eligible for coverage by the Florida Windstorm Underwriting



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214 Association as those areas were defined on January 1, 2002, and
215 for policies that do not provide coverage for the peril of wind
216 on risks that are located in such areas;

217 (II) A commercial lines account for commercial residential
218 and commercial nonresidential policies issued by the corporation
219 which provides coverage for basic property perils on risks that
220 are not located in areas eligible for coverage by the Florida
221 Windstorm Underwriting Association as those areas were defined
222 on January 1, 2002, and for policies that do not provide
223 coverage for the peril of wind on risks that are located in such
224 areas; and

225 (III) A coastal account for personal residential policies
226 and commercial residential and commercial nonresidential
227 property policies issued by the corporation which provides
228 coverage for the peril of wind on risks that are located in
229 areas eligible for coverage by the Florida Windstorm
230 Underwriting Association as those areas were defined on January
231 1, 2002. The corporation may offer policies that provide
232 multiperil coverage and shall offer policies that provide
233 coverage only for the peril of wind for risks located in areas
234 eligible for coverage in the coastal account. Effective July 1,
235 2014, the corporation shall cease offering new commercial
236 residential policies providing multiperil coverage and shall
237 instead continue to offer commercial residential wind-only
238 policies, and may offer commercial residential policies
239 excluding wind. The corporation may, however, continue to renew
240 a commercial residential multiperil policy on a building that is
241 insured by the corporation on June 30, 2014, under a multiperil
242 policy. In issuing multiperil coverage, the corporation may use



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243 its approved policy forms and rates for the personal lines
244 account. An applicant or insured who is eligible to purchase a
245 multiperil policy from the corporation may purchase a multiperil
246 policy from an authorized insurer without prejudice to the
247 applicant's or insured's eligibility to prospectively purchase a
248 policy that provides coverage only for the peril of wind from
249 the corporation. An applicant or insured who is eligible for a
250 corporation policy that provides coverage only for the peril of
251 wind may elect to purchase or retain such policy and also
252 purchase or retain coverage excluding wind from an authorized
253 insurer without prejudice to the applicant's or insured's
254 eligibility to prospectively purchase a policy that provides
255 multiperil coverage from the corporation. It is the goal of the
256 Legislature that there be an overall average savings of 10
257 percent or more for a policyholder who currently has a wind-only
258 policy with the corporation, and an ex-wind policy with a
259 voluntary insurer or the corporation, and who obtains a
260 multiperil policy from the corporation. It is the intent of the
261 Legislature that the offer of multiperil coverage in the coastal
262 account be made and implemented in a manner that does not
263 adversely affect the tax-exempt status of the corporation or
264 creditworthiness of or security for currently outstanding
265 financing obligations or credit facilities of the coastal
266 account, the personal lines account, or the commercial lines
267 account. The coastal account must also include quota share
268 primary insurance under subparagraph (c)2. The area eligible for
269 coverage under the coastal account also includes the area within
270 Port Canaveral, which is bordered on the south by the City of
271 Cape Canaveral, bordered on the west by the Banana River, and



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272 bordered on the north by Federal Government property.

273 b. The three separate accounts must be maintained as long
274 as financing obligations entered into by the Florida Windstorm
275 Underwriting Association or Residential Property and Casualty
276 Joint Underwriting Association are outstanding, in accordance
277 with the terms of the corresponding financing documents. If the
278 financing obligations are no longer outstanding, the corporation
279 shall ~~may~~ use a single account for all revenues, assets,
280 liabilities, losses, and expenses of the corporation. Consistent
281 with this subparagraph and prudent investment policies that
282 minimize the cost of carrying debt, the board shall exercise its
283 best efforts to retire existing debt or obtain the approval of
284 necessary parties to amend the terms of existing debt, so as to
285 structure the most efficient plan for consolidating the three
286 separate accounts into a single account.

287 c. Creditors of the Residential Property and Casualty Joint
288 Underwriting Association and the accounts specified in sub-sub-
289 subparagraphs a.(I) and (II) may have a claim against, and
290 recourse to, those accounts and no claim against, or recourse
291 to, the account referred to in sub-sub-subparagraph a.(III).
292 Creditors of the Florida Windstorm Underwriting Association have
293 a claim against, and recourse to, the account referred to in
294 sub-sub-subparagraph a.(III) and no claim against, or recourse
295 to, the accounts referred to in sub-sub-subparagraphs a.(I) and
296 (II).

297 d. Revenues, assets, liabilities, losses, and expenses not
298 attributable to particular accounts shall be prorated among the
299 accounts.

300 e. The Legislature finds that the revenues of the



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301 corporation are revenues that are necessary to meet the
302 requirements set forth in documents authorizing the issuance of
303 bonds under this subsection.

304 f. The income of the corporation may not inure to the
305 benefit of any private person.

306 3. With respect to a deficit in an account:

307 a. After accounting for the Citizens policyholder surcharge
308 imposed under sub-subparagraph i., if the remaining projected
309 deficit incurred in the coastal account in a particular calendar
310 year:

311 (I) Is not greater than 2 percent of the aggregate
312 statewide direct written premium for the subject lines of
313 business for the prior calendar year, the entire deficit shall
314 be recovered through regular assessments of assessable insurers
315 under paragraph (q) and assessable insureds.

316 (II) Exceeds 2 percent of the aggregate statewide direct
317 written premium for the subject lines of business for the prior
318 calendar year, the corporation shall levy regular assessments on
319 assessable insurers under paragraph (q) and on assessable
320 insureds in an amount equal to the greater of 2 percent of the
321 projected deficit or 2 percent of the aggregate statewide direct
322 written premium for the subject lines of business for the prior
323 calendar year. Any remaining projected deficit shall be
324 recovered through emergency assessments under sub-subparagraph
325 d.

326 b. Each assessable insurer's share of the amount being
327 assessed under sub-subparagraph a. must be in the proportion
328 that the assessable insurer's direct written premium for the
329 subject lines of business for the year preceding the assessment



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330 bears to the aggregate statewide direct written premium for the
331 subject lines of business for that year. The assessment
332 percentage applicable to each assessable insured is the ratio of
333 the amount being assessed under sub-subparagraph a. to the
334 aggregate statewide direct written premium for the subject lines
335 of business for the prior year. Assessments levied by the
336 corporation on assessable insurers under sub-subparagraph a.
337 must be paid as required by the corporation's plan of operation
338 and paragraph (q). Assessments levied by the corporation on
339 assessable insureds under sub-subparagraph a. shall be collected
340 by the surplus lines agent at the time the surplus lines agent
341 collects the surplus lines tax required by s. 626.932, and paid
342 to the Florida Surplus Lines Service Office at the time the
343 surplus lines agent pays the surplus lines tax to that office.
344 Upon receipt of regular assessments from surplus lines agents,
345 the Florida Surplus Lines Service Office shall transfer the
346 assessments directly to the corporation as determined by the
347 corporation.

348 c. After accounting for the Citizens policyholder surcharge
349 imposed under sub-subparagraph i., the remaining projected
350 deficits in the personal lines account and in the commercial
351 lines account in a particular calendar year shall be recovered
352 through emergency assessments under sub-subparagraph d.

353 d. Upon a determination by the board of governors that a
354 projected deficit in an account exceeds the amount that is
355 expected to be recovered through regular assessments under sub-
356 subparagraph a., plus the amount that is expected to be
357 recovered through surcharges under sub-subparagraph i., the
358 board, after verification by the office, shall levy emergency



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359 assessments for as many years as necessary to cover the
360 deficits, to be collected by assessable insurers and the
361 corporation and collected from assessable insureds upon issuance
362 or renewal of policies for subject lines of business, excluding
363 National Flood Insurance policies. The amount collected in a
364 particular year must be a uniform percentage of that year's
365 direct written premium for subject lines of business and all
366 accounts of the corporation, excluding National Flood Insurance
367 Program policy premiums, as annually determined by the board and
368 verified by the office. The office shall verify the arithmetic
369 calculations involved in the board's determination within 30
370 days after receipt of the information on which the determination
371 was based. The office shall notify assessable insurers and the
372 Florida Surplus Lines Service Office of the date on which
373 assessable insurers shall begin to collect and assessable
374 insureds shall begin to pay such assessment. The date must be at
375 least 90 days after the date the corporation levies emergency
376 assessments pursuant to this sub-subparagraph. Notwithstanding
377 any other provision of law, the corporation and each assessable
378 insurer that writes subject lines of business shall collect
379 emergency assessments from its policyholders without such
380 obligation being affected by any credit, limitation, exemption,
381 or deferment. Emergency assessments levied by the corporation on
382 assessable insureds shall be collected by the surplus lines
383 agent at the time the surplus lines agent collects the surplus
384 lines tax required by s. 626.932 and paid to the Florida Surplus
385 Lines Service Office at the time the surplus lines agent pays
386 the surplus lines tax to that office. The emergency assessments
387 collected shall be transferred directly to the corporation on a



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388 periodic basis as determined by the corporation and held by the
389 corporation solely in the applicable account. The aggregate
390 amount of emergency assessments levied for an account in any
391 calendar year may be less than but may not exceed the greater of
392 10 percent of the amount needed to cover the deficit, plus
393 interest, fees, commissions, required reserves, and other costs
394 associated with financing the original deficit, or 10 percent of
395 the aggregate statewide direct written premium for subject lines
396 of business and all accounts of the corporation for the prior
397 year, plus interest, fees, commissions, required reserves, and
398 other costs associated with financing the deficit.

399 e. The corporation may pledge the proceeds of assessments,
400 projected recoveries from the Florida Hurricane Catastrophe
401 Fund, other insurance and reinsurance recoverables, policyholder
402 surcharges and other surcharges, and other funds available to
403 the corporation as the source of revenue for and to secure bonds
404 issued under paragraph (q), bonds or other indebtedness issued
405 under subparagraph (c)3., or lines of credit or other financing
406 mechanisms issued or created under this subsection, or to retire
407 any other debt incurred as a result of deficits or events giving
408 rise to deficits, or in any other way that the board determines
409 will efficiently recover such deficits. The purpose of the lines
410 of credit or other financing mechanisms is to provide additional
411 resources to assist the corporation in covering claims and
412 expenses attributable to a catastrophe. As used in this
413 subsection, the term "assessments" includes regular assessments
414 under sub-subparagraph a. or subparagraph (q)1. and emergency
415 assessments under sub-subparagraph d. Emergency assessments
416 collected under sub-subparagraph d. are not part of an insurer's



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417 rates, are not premium, and are not subject to premium tax,
418 fees, or commissions; however, failure to pay the emergency
419 assessment shall be treated as failure to pay premium. The
420 emergency assessments shall continue as long as any bonds issued
421 or other indebtedness incurred with respect to a deficit for
422 which the assessment was imposed remain outstanding, unless
423 adequate provision has been made for the payment of such bonds
424 or other indebtedness pursuant to the documents governing such
425 bonds or indebtedness.

426 f. As used in this subsection for purposes of any deficit
427 incurred on or after January 25, 2007, the term "subject lines
428 of business" means insurance written by assessable insurers or
429 procured by assessable insureds for all property and casualty
430 lines of business in this state, but not including workers'
431 compensation or medical malpractice. As used in this sub-
432 subparagraph, the term "property and casualty lines of business"
433 includes all lines of business identified on Form 2, Exhibit of
434 Premiums and Losses, in the annual statement required of
435 authorized insurers under s. 624.424 and any rule adopted under
436 this section, except for those lines identified as accident and
437 health insurance and except for policies written under the
438 National Flood Insurance Program or the Federal Crop Insurance
439 Program. For purposes of this sub-subparagraph, the term
440 "workers' compensation" includes both workers' compensation
441 insurance and excess workers' compensation insurance.

442 g. The Florida Surplus Lines Service Office shall determine
443 annually the aggregate statewide written premium in subject
444 lines of business procured by assessable insureds and report
445 that information to the corporation in a form and at a time the



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446 corporation specifies to ensure that the corporation can meet
447 the requirements of this subsection and the corporation's
448 financing obligations.

449 h. The Florida Surplus Lines Service Office shall verify
450 the proper application by surplus lines agents of assessment
451 percentages for regular assessments and emergency assessments
452 levied under this subparagraph on assessable insureds and assist
453 the corporation in ensuring the accurate, timely collection and
454 payment of assessments by surplus lines agents as required by
455 the corporation.

456 i. Upon determination by the board of governors that an
457 account has a projected deficit, the board shall levy a Citizens
458 policyholder surcharge against all policyholders of the
459 corporation.

460 (I) The surcharge shall be levied as a uniform percentage
461 of the premium for the policy of up to 15 percent of such
462 premium, which funds shall be used to offset the deficit.

463 (II) The surcharge is payable upon cancellation or
464 termination of the policy, upon renewal of the policy, or upon
465 issuance of a new policy by the corporation within the first 12
466 months after the date of the levy or the period of time
467 necessary to fully collect the surcharge amount.

468 (III) The corporation may not levy any regular assessments
469 under paragraph (q) pursuant to sub-subparagraph a. or sub-
470 subparagraph b. with respect to a particular year's deficit
471 until the corporation has first levied the full amount of the
472 surcharge authorized by this sub-subparagraph.

473 (IV) The surcharge is not considered premium and is not
474 subject to commissions, fees, or premium taxes. However, failure



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475 to pay the surcharge shall be treated as failure to pay premium.

476 j. If the amount of any assessments or surcharges collected
477 from corporation policyholders, assessable insurers or their
478 policyholders, or assessable insureds exceeds the amount of the
479 deficits, such excess amounts shall be remitted to and retained
480 by the corporation in a reserve to be used by the corporation,
481 as determined by the board of governors and approved by the
482 office, to pay claims or reduce any past, present, or future
483 plan-year deficits or to reduce outstanding debt.

484 (c) The corporation's plan of operation:

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

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

494 b. Basic personal lines policy forms that are policies
495 similar to an HO-8 policy or a dwelling fire policy that provide
496 coverage meeting the requirements of the secondary mortgage
497 market, but which is more limited than the coverage under a
498 standard policy.

499 c. Commercial lines residential and nonresidential policy
500 forms that are generally similar to the basic perils of full
501 coverage obtainable for commercial residential structures and
502 commercial nonresidential structures in the admitted voluntary
503 market.



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

509 e. Commercial lines nonresidential property insurance forms
510 that cover the peril of wind only. The forms are applicable only
511 to nonresidential properties located in areas eligible for
512 coverage under the coastal account referred to in sub-
513 subparagraph (b)2.a.

514 f. The corporation may adopt variations of the policy forms
515 listed in sub-subparagraphs a.-e. which contain more restrictive
516 coverage.

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

521 2. Must provide that the corporation adopt a program in
522 which the corporation and authorized insurers enter into quota
523 share primary insurance agreements for hurricane coverage, as
524 defined in s. 627.4025(2)(a), for eligible risks, and adopt
525 property insurance forms for eligible risks which cover the
526 peril of wind only.

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

528 (I) "Quota share primary insurance" means an arrangement in
529 which the primary hurricane coverage of an eligible risk is
530 provided in specified percentages by the corporation and an
531 authorized insurer. The corporation and authorized insurer are
532 each solely responsible for a specified percentage of hurricane



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533 coverage of an eligible risk as set forth in a quota share
534 primary insurance agreement between the corporation and an
535 authorized insurer and the insurance contract. The
536 responsibility of the corporation or authorized insurer to pay
537 its specified percentage of hurricane losses of an eligible
538 risk, as set forth in the agreement, may not be altered by the
539 inability of the other party to pay its specified percentage of
540 losses. Eligible risks that are provided hurricane coverage
541 through a quota share primary insurance arrangement must be
542 provided policy forms that set forth the obligations of the
543 corporation and authorized insurer under the arrangement,
544 clearly specify the percentages of quota share primary insurance
545 provided by the corporation and authorized insurer, and
546 conspicuously and clearly state that the authorized insurer and
547 the corporation may not be held responsible beyond their
548 specified percentage of coverage of hurricane losses.

549 (II) "Eligible risks" means personal lines residential and
550 commercial lines residential risks that meet the underwriting
551 criteria of the corporation and are located in areas that were
552 eligible for coverage by the Florida Windstorm Underwriting
553 Association on January 1, 2002.

554 b. The corporation may enter into quota share primary
555 insurance agreements with authorized insurers at corporation
556 coverage levels of 90 percent and 50 percent.

557 c. If the corporation determines that additional coverage
558 levels are necessary to maximize participation in quota share
559 primary insurance agreements by authorized insurers, the
560 corporation may establish additional coverage levels. However,
561 the corporation's quota share primary insurance coverage level



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562 may not exceed 90 percent.

563 d. Any quota share primary insurance agreement entered into
564 between an authorized insurer and the corporation must provide
565 for a uniform specified percentage of coverage of hurricane
566 losses, by county or territory as set forth by the corporation
567 board, for all eligible risks of the authorized insurer covered
568 under the agreement.

569 e. Any quota share primary insurance agreement entered into
570 between an authorized insurer and the corporation is subject to
571 review and approval by the office. However, such agreement shall
572 be authorized only as to insurance contracts entered into
573 between an authorized insurer and an insured who is already
574 insured by the corporation for wind coverage.

575 f. For all eligible risks covered under quota share primary
576 insurance agreements, the exposure and coverage levels for both
577 the corporation and authorized insurers shall be reported by the
578 corporation to the Florida Hurricane Catastrophe Fund. For all
579 policies of eligible risks covered under such agreements, the
580 corporation and the authorized insurer must maintain complete
581 and accurate records for the purpose of exposure and loss
582 reimbursement audits as required by fund rules. The corporation
583 and the authorized insurer shall each maintain duplicate copies
584 of policy declaration pages and supporting claims documents.

585 g. The corporation board shall establish in its plan of
586 operation standards for quota share agreements which ensure that
587 there is no discriminatory application among insurers as to the
588 terms of the agreements, pricing of the agreements, incentive
589 provisions if any, and consideration paid for servicing policies
590 or adjusting claims.



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591 h. The quota share primary insurance agreement between the
592 corporation and an authorized insurer must set forth the
593 specific terms under which coverage is provided, including, but
594 not limited to, the sale and servicing of policies issued under
595 the agreement by the insurance agent of the authorized insurer
596 producing the business, the reporting of information concerning
597 eligible risks, the payment of premium to the corporation, and
598 arrangements for the adjustment and payment of hurricane claims
599 incurred on eligible risks by the claims adjuster and personnel
600 of the authorized insurer. Entering into a quota sharing
601 insurance agreement between the corporation and an authorized
602 insurer is voluntary and at the discretion of the authorized
603 insurer.

604 3. May provide that the corporation may employ or otherwise
605 contract with individuals or other entities to provide
606 administrative or professional services that may be appropriate
607 to effectuate the plan. The corporation may borrow funds by
608 issuing bonds or by incurring other indebtedness, and shall have
609 other powers reasonably necessary to effectuate the requirements
610 of this subsection, including, without limitation, the power to
611 issue bonds and incur other indebtedness in order to refinance
612 outstanding bonds or other indebtedness. The corporation may
613 seek judicial validation of its bonds or other indebtedness
614 under chapter 75. The corporation may issue bonds or incur other
615 indebtedness, or have bonds issued on its behalf by a unit of
616 local government pursuant to subparagraph (q)2. in the absence
617 of a hurricane or other weather-related event, upon a
618 determination by the corporation, subject to approval by the
619 office, that such action would enable it to efficiently meet the



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620 financial obligations of the corporation and that such
621 financings are reasonably necessary to effectuate the
622 requirements of this subsection. The corporation may take all
623 actions needed to facilitate tax-free status for such bonds or
624 indebtedness, including formation of trusts or other affiliated
625 entities. The corporation may pledge assessments, projected
626 recoveries from the Florida Hurricane Catastrophe Fund, other
627 reinsurance recoverables, policyholder surcharges and other
628 surcharges, and other funds available to the corporation as
629 security for bonds or other indebtedness. In recognition of s.
630 10, Art. I of the State Constitution, prohibiting the impairment
631 of obligations of contracts, it is the intent of the Legislature
632 that no action be taken whose purpose is to impair any bond
633 indenture or financing agreement or any revenue source committed
634 by contract to such bond or other indebtedness.

635 4. Must require that the corporation operate subject to the
636 supervision and approval of a board of governors consisting of
637 nine individuals who are residents of this state and who are
638 from different geographical areas of the state, one of whom is
639 appointed by the Governor and serves solely to advocate on
640 behalf of the consumer. The appointment of a consumer
641 representative by the Governor is deemed to be within the scope
642 of the exemption provided in s. 112.313(7)(b) and is in addition
643 to the appointments authorized under sub-subparagraph a.

644 a. The Governor, the Chief Financial Officer, the President
645 of the Senate, and the Speaker of the House of Representatives
646 shall each appoint two members of the board. At least one of the
647 two members appointed by each appointing officer must have
648 demonstrated expertise in insurance and be deemed to be within



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649 the scope of the exemption provided in s. 112.313(7)(b) at the
650 time of appointment or reappointment. The Chief Financial
651 Officer shall designate one of the appointees as chair. On or
652 after July 1, 2022, an appointee designated as chair must have
653 demonstrated expertise in insurance or must have at least 1 year
654 of experience serving on the board of governors. All board
655 members serve at the pleasure of the appointing officer. All
656 members of the board are subject to removal at will by the
657 officers who appointed them. All board members, including the
658 chair, must be appointed to serve for 3-year terms beginning
659 annually on a date designated by the plan. However, for the
660 first term beginning on or after July 1, 2009, each appointing
661 officer shall appoint one member of the board for a 2-year term
662 and one member for a 3-year term. A board vacancy shall be
663 filled for the unexpired term by the appointing officer. The
664 Chief Financial Officer shall appoint a technical advisory group
665 to provide information and advice to the board in connection
666 with the board's duties under this subsection. The executive
667 director and senior managers of the corporation shall be engaged
668 by the board and serve at the pleasure of the board. The
669 executive director must, at the time of the appointment, have
670 the experience, character, and qualifications required under s.
671 624.404(3) to serve as the chief executive officer of an
672 insurer. Any executive director appointed on or after July 1,
673 2006, is subject to confirmation by the Senate. The executive
674 director is responsible for employing other staff as the
675 corporation may require, subject to review and concurrence by
676 the board. As used in this sub-subparagraph, the term
677 "demonstrated expertise in insurance" means at least 10 years'



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678 experience:

679 (I) In property and casualty insurance as a full-time
680 employee, officer, or owner of a licensed insurance agency or an
681 insurer authorized to transact property insurance in this state;
682 or

683 (II) As an insurance regulator or as an executive or
684 officer of an insurance trade association.

685 b. The board shall create a Market Accountability Advisory
686 Committee to assist the corporation in developing awareness of
687 its rates and its customer and agent service levels in
688 relationship to the voluntary market insurers writing similar
689 coverage.

690 (I) The members of the advisory committee consist of the
691 following 11 persons, one of whom must be elected chair by the
692 members of the committee: four representatives, one appointed by
693 the Florida Association of Insurance Agents, one by the Florida
694 Association of Insurance and Financial Advisors, one by the
695 Professional Insurance Agents of Florida, and one by the Latin
696 American Association of Insurance Agencies; three
697 representatives appointed by the insurers with the three highest
698 voluntary market share of residential property insurance
699 business in the state; one representative from the Office of
700 Insurance Regulation; one consumer appointed by the board who is
701 insured by the corporation at the time of appointment to the
702 committee; one representative appointed by the Florida
703 Association of Realtors; and one representative appointed by the
704 Florida Bankers Association. All members shall be appointed to
705 3-year terms and may serve for consecutive terms.

706 (II) The committee shall report to the corporation at each



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707 board meeting on insurance market issues which may include rates
708 and rate competition with the voluntary market; service,
709 including policy issuance, claims processing, and general
710 responsiveness to policyholders, applicants, and agents; and
711 matters relating to depopulation.

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

714 a. Subject to s. 627.3517, with respect to personal lines
715 residential risks, if the risk is offered coverage from an
716 authorized insurer at the insurer's approved rate under a
717 standard policy including wind coverage or, if consistent with
718 the insurer's underwriting rules as filed with the office, a
719 basic policy including wind coverage, for a new application to
720 the corporation for coverage, the risk is not eligible for any
721 policy issued by the corporation unless the premium for coverage
722 from the authorized insurer is more than 20 percent greater than
723 the premium for comparable coverage from the corporation.

724 Whenever an offer of coverage for a personal lines residential
725 risk is received for a policyholder of the corporation at
726 renewal from an authorized insurer, ~~if the offer is equal to or~~
727 ~~less than the corporation's renewal premium for comparable~~
728 ~~coverage,~~ the risk is not eligible for coverage with the
729 corporation unless the premium for coverage from the authorized
730 insurer is more than 20 percent greater than the renewal premium
731 for comparable coverage from the corporation. If the risk is not
732 able to obtain such offer, the risk is eligible for a standard
733 policy including wind coverage or a basic policy including wind
734 coverage issued by the corporation; however, if the risk could
735 not be insured under a standard policy including wind coverage



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736 regardless of market conditions, the risk is eligible for a
737 basic policy including wind coverage unless rejected under
738 subparagraph 8. However, a policyholder removed from the
739 corporation through an assumption agreement remains eligible for
740 coverage from the corporation until the end of the assumption
741 period. The corporation shall determine the type of policy to be
742 provided on the basis of objective standards specified in the
743 underwriting manual and based on generally accepted underwriting
744 practices.

745 (I) If the risk accepts an offer of coverage through the
746 market assistance plan or through a mechanism established by the
747 corporation other than a plan established by s. 627.3518, before
748 a policy is issued to the risk by the corporation or during the
749 first 30 days of coverage by the corporation, and the producing
750 agent who submitted the application to the plan or to the
751 corporation is not currently appointed by the insurer, the
752 insurer shall:

753 (A) Pay to the producing agent of record of the policy for
754 the first year, an amount that is the greater of the insurer's
755 usual and customary commission for the type of policy written or
756 a fee equal to the usual and customary commission of the
757 corporation; or

758 (B) Offer to allow the producing agent of record of the
759 policy to continue servicing the policy for at least 1 year and
760 offer to pay the agent the greater of the insurer's or the
761 corporation's usual and customary commission for the type of
762 policy written.

763
764 If the producing agent is unwilling or unable to accept



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765 appointment, the new insurer shall pay the agent in accordance
766 with sub-sub-sub-subparagraph (A).

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

771 (A) Pay to the producing agent of record, for the first
772 year, an amount that is the greater of the insurer's usual and
773 customary commission for the type of policy written or a fee
774 equal to the usual and customary commission of the corporation;
775 or

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

780

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

784 b. With respect to commercial lines residential risks, for
785 a new application to the corporation for coverage, if the risk
786 is offered coverage under a policy including wind coverage from
787 an authorized insurer at its approved rate, the risk is not
788 eligible for a policy issued by the corporation unless the
789 premium for coverage from the authorized insurer is more than 20
790 ~~15~~ percent greater than the premium for comparable coverage from
791 the corporation. Whenever an offer of coverage for a commercial
792 lines residential risk is received for a policyholder of the
793 corporation at renewal from an authorized insurer, ~~if the offer~~



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794 ~~is equal to or less than the corporation's renewal premium for~~
795 ~~comparable coverage,~~ the risk is not eligible for coverage with
796 the corporation unless the premium for coverage from the
797 authorized insurer is more than 20 percent greater than the
798 renewal premium for comparable coverage from the corporation. If
799 the risk is not able to obtain any such offer, the risk is
800 eligible for a policy including wind coverage issued by the
801 corporation. However, a policyholder removed from the
802 corporation through an assumption agreement remains eligible for
803 coverage from the corporation until the end of the assumption
804 period.

805 (I) If the risk accepts an offer of coverage through the
806 market assistance plan or through a mechanism established by the
807 corporation other than a plan established by s. 627.3518, before
808 a policy is issued to the risk by the corporation or during the
809 first 30 days of coverage by the corporation, and the producing
810 agent who submitted the application to the plan or the
811 corporation is not currently appointed by the insurer, the
812 insurer shall:

813 (A) Pay to the producing agent of record of the policy, for
814 the first year, an amount that is the greater of the insurer's
815 usual and customary commission for the type of policy written or
816 a fee equal to the usual and customary commission of the
817 corporation; or

818 (B) Offer to allow the producing agent of record of the
819 policy to continue servicing the policy for at least 1 year and
820 offer to pay the agent the greater of the insurer's or the
821 corporation's usual and customary commission for the type of
822 policy written.



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

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

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

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

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

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



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852 the following basis: the same coverage A or other building
853 limits; the same percentage hurricane deductible that applies on
854 an annual basis or that applies to each hurricane for commercial
855 residential property; the same percentage of ordinance and law
856 coverage, if the same limit is offered by both the corporation
857 and the authorized insurer; the same mitigation credits, to the
858 extent the same types of credits are offered both by the
859 corporation and the authorized insurer; the same method for loss
860 payment, such as replacement cost or actual cash value, if the
861 same method is offered both by the corporation and the
862 authorized insurer in accordance with underwriting rules; and
863 any other form or coverage that is reasonably comparable as
864 determined by the board. If an application is submitted to the
865 corporation for wind-only coverage in the coastal account, the
866 premium for the corporation's wind-only policy plus the premium
867 for the ex-wind policy ~~that is~~ offered by an authorized insurer
868 to the applicant must be compared to the premium for multiperil
869 coverage offered by an authorized insurer, subject to the
870 standards for comparison specified in this subparagraph. If the
871 corporation or the applicant requests from the authorized
872 insurer a breakdown of the premium of the offer by types of
873 coverage so that a comparison may be made by the corporation or
874 its agent and the authorized insurer refuses or is unable to
875 provide such information, the corporation may treat the offer as
876 not being an offer of coverage from an authorized insurer at the
877 insurer's approved rate.

878 6. Must include rules for classifications of risks and
879 rates.

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



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881 an account attributable to a particular calendar year are in
882 excess of projected losses and expenses for the account
883 attributable to that year, such excess shall be held in surplus
884 in the account. Such surplus must be available to defray
885 deficits in that account as to future years and used for that
886 purpose before assessing assessable insurers and assessable
887 insureds as to any calendar year.

888 8. Must provide objective criteria and procedures to be
889 uniformly applied to all applicants in determining whether an
890 individual risk is so hazardous as to be uninsurable. In making
891 this determination and in establishing the criteria and
892 procedures, the following must be considered:

893 a. Whether the likelihood of a loss for the individual risk
894 is substantially higher than for other risks of the same class;
895 and

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

898
899 The acceptance or rejection of a risk by the corporation shall
900 be construed as the private placement of insurance, and the
901 provisions of chapter 120 do not apply.

902 9. Must provide that the corporation make its best efforts
903 to procure catastrophe reinsurance at reasonable rates, to cover
904 its projected 100-year probable maximum loss as determined by
905 the board of governors. If catastrophe reinsurance is not
906 available at reasonable rates, the corporation need not purchase
907 it, but the corporation shall include the costs of reinsurance
908 to cover its projected 100-year probable maximum loss in its
909 rate calculations even if it does not purchase catastrophe



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910 reinsurance.

911 10. The policies issued by the corporation must provide
912 that if the corporation or the market assistance plan obtains an
913 offer from an authorized insurer to cover the risk at its
914 approved rates, the risk is no longer eligible for renewal
915 through the corporation, except as otherwise provided in this
916 subsection.

917 11. Corporation policies and applications must include a
918 notice that the corporation policy could, under this section, be
919 replaced with a policy issued by an authorized insurer which
920 does not provide coverage identical to the coverage provided by
921 the corporation. The notice must also specify that acceptance of
922 corporation coverage creates a conclusive presumption that the
923 applicant or policyholder is aware of this potential.

924 12. May establish, subject to approval by the office,
925 different eligibility requirements and operational procedures
926 for any line or type of coverage for any specified county or
927 area if the board determines that such changes are justified due
928 to the voluntary market being sufficiently stable and
929 competitive in such area or for such line or type of coverage
930 and that consumers who, in good faith, are unable to obtain
931 insurance through the voluntary market through ordinary methods
932 continue to have access to coverage from the corporation. If
933 coverage is sought in connection with a real property transfer,
934 the requirements and procedures may not provide an effective
935 date of coverage later than the date of the closing of the
936 transfer as established by the transferor, the transferee, and,
937 if applicable, the lender.

938 13. Must provide that, with respect to the coastal account,



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939 any assessable insurer with a surplus as to policyholders of \$25
940 million or less writing 25 percent or more of its total
941 countrywide property insurance premiums in this state may
942 petition the office, within the first 90 days of each calendar
943 year, to qualify as a limited apportionment company. A regular
944 assessment levied by the corporation on a limited apportionment
945 company for a deficit incurred by the corporation for the
946 coastal account may be paid to the corporation on a monthly
947 basis as the assessments are collected by the limited
948 apportionment company from its insureds, but a limited
949 apportionment company must begin collecting the regular
950 assessments not later than 90 days after the regular assessments
951 are levied by the corporation, and the regular assessments must
952 be paid in full within 15 months after being levied by the
953 corporation. A limited apportionment company shall collect from
954 its policyholders any emergency assessment imposed under sub-
955 subparagraph (b)3.d. The plan must provide that, if the office
956 determines that any regular assessment will result in an
957 impairment of the surplus of a limited apportionment company,
958 the office may direct that all or part of such assessment be
959 deferred as provided in subparagraph (q)4. However, an emergency
960 assessment to be collected from policyholders under sub-
961 subparagraph (b)3.d. may not be limited or deferred.

962 14. Must provide that the corporation appoint as its
963 licensed agents only those agents who throughout such
964 appointments also hold an appointment as defined in s. 626.015
965 by an insurer who is authorized to write and is actually writing
966 or renewing personal lines residential property coverage,
967 commercial residential property coverage, or commercial



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968 nonresidential property coverage within the state.

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

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

976 17. Must provide coverage for manufactured or mobile home
977 dwellings. Such coverage must also include the following
978 attached structures:

979 a. Screened enclosures that are aluminum framed or screened
980 enclosures that are not covered by the same or substantially the
981 same materials as those of the primary dwelling;

982 b. Carports that are aluminum or carports that are not
983 covered by the same or substantially the same materials as those
984 of the primary dwelling; and

985 c. Patios that have a roof covering ~~that is~~ constructed of
986 materials that are not the same or substantially the same
987 materials as those of the primary dwelling.

988
989 The corporation shall make available a policy for mobile homes
990 or manufactured homes for a minimum insured value of at least
991 \$3,000.

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

994 19. May require commercial property to meet specified
995 hurricane mitigation construction features as a condition of
996 eligibility for coverage.



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997 20. Must provide that new or renewal policies issued by the
998 corporation on or after January 1, 2012, which cover sinkhole
999 loss do not include coverage for any loss to appurtenant
1000 structures, driveways, sidewalks, decks, or patios that are
1001 directly or indirectly caused by sinkhole activity. The
1002 corporation shall exclude such coverage using a notice of
1003 coverage change, which may be included with the policy renewal,
1004 and not by issuance of a notice of nonrenewal of the excluded
1005 coverage upon renewal of the current policy.

1006 21. As of January 1, 2012, must require that the agent
1007 obtain from an applicant for coverage from the corporation an
1008 acknowledgment signed by the applicant, which includes, at a
1009 minimum, the following statement:

1010
1011 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
1012 AND ASSESSMENT LIABILITY:
1013

1014 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
1015 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
1016 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
1017 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
1018 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
1019 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
1020 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
1021 LEGISLATURE.

1022 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
1023 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
1024 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
1025 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN



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1026 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
1027 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
1028 ARE REGULATED AND APPROVED BY THE STATE.

1029 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
1030 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
1031 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
1032 FLORIDA LEGISLATURE.

1033 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
1034 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
1035 STATE OF FLORIDA.

1036
1037 a. The corporation shall maintain, in electronic format or
1038 otherwise, a copy of the applicant's signed acknowledgment and
1039 provide a copy of the statement to the policyholder as part of
1040 the first renewal after the effective date of this subparagraph.

1041 b. The signed acknowledgment form creates a conclusive
1042 presumption that the policyholder understood and accepted his or
1043 her potential surcharge and assessment liability as a
1044 policyholder of the corporation.

1045 (n)1. Rates for coverage provided by the corporation must
1046 be actuarially sound and subject to s. 627.062, except as
1047 otherwise provided in this paragraph. The corporation shall file
1048 its recommended rates with the office at least annually. The
1049 corporation shall provide any additional information regarding
1050 the rates which the office requires. The office shall consider
1051 the recommendations of the board and issue a final order
1052 establishing the rates for the corporation within 45 days after
1053 the recommended rates are filed. The corporation may not pursue
1054 an administrative challenge or judicial review of the final



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1055 order of the office.

1056 2. In addition to the rates otherwise determined pursuant
1057 to this paragraph, the corporation shall impose and collect an
1058 amount equal to the premium tax provided in s. 624.509 to
1059 augment the financial resources of the corporation.

1060 3. After the public hurricane loss-projection model under
1061 s. 627.06281 has been found to be accurate and reliable by the
1062 Florida Commission on Hurricane Loss Projection Methodology, the
1063 model shall be considered when establishing the windstorm
1064 portion of the corporation's rates. The corporation may use the
1065 public model results in combination with the results of private
1066 models to calculate rates for the windstorm portion of the
1067 corporation's rates. This subparagraph does not require or allow
1068 the corporation to adopt rates lower than the rates otherwise
1069 required or allowed by this paragraph.

1070 4. The corporation must make a recommended actuarially
1071 sound rate filing for each personal and commercial line of
1072 business it writes.

1073 5. Notwithstanding the board's recommended rates and the
1074 office's final order regarding the corporation's filed rates
1075 under subparagraph 1., the corporation shall annually implement
1076 a rate increase which, except for sinkhole coverage, does not
1077 exceed the following for any single personal lines residential
1078 policy issued by the corporation that covers an insured's
1079 primary residence, and any single commercial lines residential
1080 policy issued by the corporation, excluding coverage changes and
1081 surcharges:

- 1082 a. Eleven percent for 2022.
1083 b. Twelve percent for 2023.



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1084 c. Thirteen percent for 2024.
1085 d. Fourteen percent for 2025.
1086 e. Fifteen percent for 2026 and all subsequent years.
1087 6. The corporation may also implement an increase to
1088 reflect the effect on the corporation of the cash buildup factor
1089 pursuant to s. 215.555(5)(b).
1090 7. The corporation's implementation of rates as prescribed
1091 in subparagraph 5. shall cease for any line of business written
1092 by the corporation upon the corporation's implementation of
1093 actuarially sound rates. Thereafter, the corporation shall
1094 annually make a recommended actuarially sound rate filing for
1095 each commercial and personal line of business the corporation
1096 writes.
1097 8. Any new personal lines residential policy written by the
1098 corporation with an effective date on or after January 1, 2023,
1099 which covers a risk for which the immediately preceding policy
1100 covering such risk was written by an unsound insurer shall be
1101 charged a premium for coverage that is the higher of the last
1102 premium amount charged by the unsound insurer or the premium
1103 charged by the corporation applicable to the policy. Premiums
1104 established by the unsound insurer shall remain unchanged,
1105 except for adjustments for coverage changes at renewal, until
1106 such time as the corporation's premium for that policy exceeds
1107 this amount and thus the policy becomes subject to the
1108 corporation's annually approved rate.
1109 9. As used in this paragraph, the term:
1110 a. "Primary residence" means the dwelling that the insured
1111 has represented as their permanent home on the insurance
1112 application or otherwise to the corporation.



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1113 b. "Unsound insurer" means an insurer determined by the
1114 Office of Insurance Regulation to be in unsound condition as
1115 defined in s. 624.80(2) or an insurer placed in receivership
1116 under chapter 631.

1117 (q)1. The corporation shall certify to the office its needs
1118 for annual assessments as to a particular calendar year, and for
1119 any interim assessments that it deems to be necessary to sustain
1120 operations as to a particular year pending the receipt of annual
1121 assessments. Upon verification, the office shall approve such
1122 certification, and the corporation shall levy such annual or
1123 interim assessments. Such assessments shall be prorated as
1124 provided in paragraph (b). The corporation shall take all
1125 reasonable and prudent steps necessary to collect the amount of
1126 assessments due from each assessable insurer, including, if
1127 prudent, filing suit to collect the assessments, and the office
1128 may provide such assistance to the corporation it deems
1129 appropriate. If the corporation is unable to collect an
1130 assessment from any assessable insurer, the uncollected
1131 assessments shall be levied as an additional assessment against
1132 the assessable insurers and any assessable insurer required to
1133 pay an additional assessment as a result of such failure to pay
1134 shall have a cause of action against such nonpaying assessable
1135 insurer. Assessments shall be included as an appropriate factor
1136 in the making of rates. The failure of a surplus lines agent to
1137 collect and remit any regular or emergency assessment levied by
1138 the corporation is considered to be a violation of s. 626.936
1139 and subjects the surplus lines agent to the penalties provided
1140 in that section.

1141 2. The governing body of any unit of local government, any



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1142 residents of which are insured by the corporation, may issue
1143 bonds as defined in s. 125.013 or s. 166.101 from time to time
1144 to fund an assistance program, in conjunction with the
1145 corporation, for the purpose of defraying deficits of the
1146 corporation. In order to avoid needless and indiscriminate
1147 proliferation, duplication, and fragmentation of such assistance
1148 programs, any unit of local government, any residents of which
1149 are insured by the corporation, may provide for the payment of
1150 losses, regardless of whether or not the losses occurred within
1151 or outside of the territorial jurisdiction of the local
1152 government. Revenue bonds under this subparagraph may not be
1153 issued until validated pursuant to chapter 75, unless a state of
1154 emergency is declared by executive order or proclamation of the
1155 Governor pursuant to s. 252.36 making such findings as are
1156 necessary to determine that it is in the best interests of, and
1157 necessary for, the protection of the public health, safety, and
1158 general welfare of residents of this state and declaring it an
1159 essential public purpose to permit certain municipalities or
1160 counties to issue such bonds as will permit relief to claimants
1161 and policyholders of the corporation. Any such unit of local
1162 government may enter into such contracts with the corporation
1163 and with any other entity created pursuant to this subsection as
1164 are necessary to carry out this paragraph. Any bonds issued
1165 under this subparagraph shall be payable from and secured by
1166 moneys received by the corporation from emergency assessments
1167 under sub-subparagraph (b)3.d., and assigned and pledged to or
1168 on behalf of the unit of local government for the benefit of the
1169 holders of such bonds. The funds, credit, property, and taxing
1170 power of the state or of the unit of local government may ~~shall~~



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1171 not be pledged for the payment of such bonds.

1172 3.a. The corporation shall adopt one or more programs
1173 subject to approval by the office for the reduction of both new
1174 and renewal writings in the corporation. Beginning January 1,
1175 2008, any program the corporation adopts for the payment of
1176 bonuses to an insurer for each risk the insurer removes from the
1177 corporation shall comply with s. 627.3511(2) and may not exceed
1178 the amount referenced in s. 627.3511(2) for each risk removed.
1179 The corporation may consider any prudent and not unfairly
1180 discriminatory approach to reducing corporation writings, and
1181 may adopt a credit against assessment liability or other
1182 liability that provides an incentive for insurers to take risks
1183 out of the corporation and to keep risks out of the corporation
1184 by maintaining or increasing voluntary writings in counties or
1185 areas in which corporation risks are highly concentrated and a
1186 program to provide a formula under which an insurer voluntarily
1187 taking risks out of the corporation by maintaining or increasing
1188 voluntary writings will be relieved wholly or partially from
1189 assessments under sub-subparagraph (b)3.a. However, any "take-
1190 out bonus" or payment to an insurer must be conditioned on the
1191 property being insured for at least 5 years by the insurer,
1192 unless canceled or nonrenewed by the policyholder. If the policy
1193 is canceled or nonrenewed by the policyholder before the end of
1194 the 5-year period, the amount of the take-out bonus must be
1195 prorated for the time period the policy was insured. When the
1196 corporation enters into a contractual agreement for a take-out
1197 plan, the producing agent of record of the corporation policy is
1198 entitled to retain any unearned commission on such policy, and
1199 the insurer shall either:



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1200 (I) Pay to the producing agent of record of the policy, for
1201 the first year, an amount which is the greater of the insurer's
1202 usual and customary commission for the type of policy written or
1203 a policy fee equal to the usual and customary commission of the
1204 corporation; or

1205 (II) Offer to allow the producing agent of record of the
1206 policy to continue servicing the policy for a period of not less
1207 than 1 year and offer to pay the agent the insurer's usual and
1208 customary commission for the type of policy written. If the
1209 producing agent is unwilling or unable to accept appointment by
1210 the new insurer, the new insurer shall pay the agent in
1211 accordance with sub-sub-subparagraph (I).

1212 b. Any credit or exemption from regular assessments adopted
1213 under this subparagraph shall last no longer than the 3 years
1214 following the cancellation or expiration of the policy by the
1215 corporation. With the approval of the office, the board may
1216 extend such credits for an additional year if the insurer
1217 guarantees an additional year of renewability for all policies
1218 removed from the corporation, or for 2 additional years if the
1219 insurer guarantees 2 additional years of renewability for all
1220 policies so removed.

1221 c. There shall be no credit, limitation, exemption, or
1222 deferment from emergency assessments to be collected from
1223 policyholders pursuant to sub-subparagraph (b)3.d.

1224 d. Notwithstanding any other law, for purposes of a
1225 depopulation, take-out, or keep-out program adopted by the
1226 corporation, including an initial or renewal offer of coverage
1227 made to a policyholder removed from the corporation pursuant to
1228 such program, an eligible surplus lines insurer may participate



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1229 in the program in the same manner and on the same terms as an
1230 authorized insurer, except as provided under this sub-
1231 subparagraph.

1232 (I) The policy count of the corporation must be more than
1233 700,000 within the 30 days before the time a take-out offer is
1234 made by a surplus lines insurer.

1235 (II) To qualify for participation, the surplus lines
1236 insurer must first obtain approval from the office for its
1237 depopulation, take-out, or keep-out plan and then comply with
1238 all of the corporation's requirements for the plan applicable to
1239 admitted insurers and with all statutory provisions applicable
1240 to the removal of policies from the corporation.

1241 (III) In considering a surplus lines insurer's request for
1242 approval for its plan, the office shall determine whether the
1243 surplus lines insurer meets the following requirements:

1244 (A) Maintains a surplus of \$50 million on a company or
1245 pooled basis;

1246 (B) Has a superior, excellent, exceptional, or equally
1247 comparable financial strength rating by a rating agency
1248 acceptable to the office;

1249 (C) Maintains reserves, surplus, reinsurance, and
1250 reinsurance equivalents sufficient to cover the insurer's 100-
1251 year probable maximum hurricane loss at least twice in a single
1252 hurricane season and submits such reinsurance to the office to
1253 review for purposes of the take-out;

1254 (D) Provides prominent notice to the policyholder before
1255 the assumption of the policy that surplus lines policies are not
1256 provided coverage by the Florida Insurance Guaranty Association
1257 and provides an outline of any substantial differences in



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1258 coverage between the existing policy and the policy being
1259 offered to the insured; and
1260 (E) Provides policy coverage similar to that provided by
1261 the corporation.
1262 (IV) To obtain approval for a plan, the surplus lines
1263 insurer must file the following with the office:
1264 (A) Information requested by the office to demonstrate
1265 compliance with s. 624.404(3), including biographical
1266 affidavits, fingerprints processed pursuant to s. 624.34, and
1267 the results of criminal history records checks for officers and
1268 directors of the insurer and its parent or holding company;
1269 (B) A service-of-process consent and agreement form
1270 executed by the insurer;
1271 (C) Proof that the insurer has been an eligible or
1272 authorized insurer for at least 3 years;
1273 (D) A duly authenticated copy of the insurer's current
1274 audited financial statement, in English, which, in the case of
1275 statements originally made in the currencies of other countries,
1276 expresses all monetary values in United States dollars, at an
1277 exchange rate then current and shown in the statement, and
1278 including any additional information relative to the insurer as
1279 the office may request;
1280 (E) A complete certified copy of the latest official
1281 financial statement required by the insurer's domiciliary state,
1282 if different from the statement required by sub-sub-sub-
1283 subparagraph (D); and
1284 (F) If applicable, a copy of the United States trust
1285 account agreement.
1286



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1287 This sub-sub-subparagraph does not subject any surplus lines
1288 insurer to requirements in addition to part VIII of chapter 626.
1289 Surplus lines brokers making an offer of coverage under this
1290 sub-subparagraph are not required to comply with s.
1291 626.916(1) (a), (b), (c), or (e).

1292 (V) Within 10 days after the date of assumption, the
1293 surplus lines insurer assuming policies from the corporation
1294 shall remit to the Bureau of Collateral Management within the
1295 Department of Financial Services a special deposit equal to the
1296 unearned premium net of unearned commissions on the assumed
1297 block of business. The surplus lines insurer shall submit to the
1298 office, along with the special deposit, an accounting of the
1299 policies assumed and the amount of unearned premium for such
1300 policies and a sworn affidavit attesting to the accuracy of the
1301 accounting by an officer of the surplus lines insurer.

1302 Thereafter, the surplus lines insurer shall make a filing within
1303 10 days after the end of each calendar quarter attesting to the
1304 unearned premium in force for the previous quarter on policies
1305 assumed from the corporation and shall submit additional funds
1306 with that filing if the special deposit is insufficient to cover
1307 the unearned premium on assumed policies, or shall receive a
1308 return of funds within 60 days if the special deposit exceeds
1309 the amount of unearned premium required for assumed policies.

1310 The special deposit is an asset of the surplus lines insurer
1311 which is held by the department for the benefit of state
1312 policyholders of the surplus lines insurer in the event of the
1313 insolvency of the surplus lines insurer. If an order of
1314 liquidation is entered in any state against the surplus lines
1315 insurer, the department may use the special deposit for payment



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1316 of unearned premium or policy claims, return all or part of the
1317 deposit to the domiciliary receiver, or use the funds in
1318 accordance with any action authorized under part I of chapter
1319 631 or in compliance with any order of a court having
1320 jurisdiction over the insolvency.

1321 (VI) In advance of a surplus lines insurer assuming a
1322 policy, surplus lines brokers representing a surplus lines
1323 insurer on a take-out program shall obtain confirmation, in
1324 written or e-mail form, from each producing agent stating that
1325 the agent is willing to participate in the take-out program with
1326 the surplus lines insurer engaging in the take-out program. The
1327 take-out program is also subject to s. 627.3517. If a
1328 policyholder is selected for removal from the corporation by a
1329 surplus lines insurer and an authorized insurer, the corporation
1330 must give priority to the offer of coverage from the authorized
1331 insurer.

1332 (VII) (A) A risk that has a dwelling replacement cost of
1333 \$700,000 or more or a single condominium unit that has a
1334 combined dwelling and contents replacement cost of \$700,000 or
1335 more is not eligible for coverage by the corporation if it is
1336 offered comparable coverage from a qualified surplus lines
1337 insurer at a premium no greater than the premium charged by the
1338 corporation.

1339 (B) A risk that has a dwelling replacement cost below
1340 \$700,000 or a single condominium unit that has a combined
1341 dwelling and contents replacement cost below \$700,000 remains
1342 eligible for coverage by the corporation if it is offered
1343 coverage from a qualified surplus lines insurer.

1344 4. The plan shall provide for the deferment, in whole or in



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1345 part, of the assessment of an assessable insurer, other than an
1346 emergency assessment collected from policyholders pursuant to
1347 sub-subparagraph (b)3.d., if the office finds that payment of
1348 the assessment would endanger or impair the solvency of the
1349 insurer. In the event an assessment against an assessable
1350 insurer is deferred in whole or in part, the amount by which
1351 such assessment is deferred may be assessed against the other
1352 assessable insurers in a manner consistent with the basis for
1353 assessments set forth in paragraph (b).

1354 5. Effective July 1, 2007, in order to evaluate the costs
1355 and benefits of approved take-out plans, if the corporation pays
1356 a bonus or other payment to an insurer for an approved take-out
1357 plan, it shall maintain a record of the address or such other
1358 identifying information on the property or risk removed in order
1359 to track if and when the property or risk is later insured by
1360 the corporation.

1361 6. Any policy taken out, assumed, or removed from the
1362 corporation is, as of the effective date of the take-out,
1363 assumption, or removal, direct insurance issued by the insurer
1364 and not by the corporation, even if the corporation continues to
1365 service the policies. This subparagraph applies to policies of
1366 the corporation and not policies taken out, assumed, or removed
1367 from any other entity.

1368 7. For a policy taken out, assumed, or removed from the
1369 corporation, the insurer may, for a period of no more than 3
1370 years, continue to use any of the corporation's policy forms or
1371 endorsements that apply to the policy taken out, removed, or
1372 assumed without obtaining approval from the office for use of
1373 such policy form or endorsement.



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1374 (x)1. The following records of the corporation are
1375 confidential and exempt from ~~the provisions of~~ s. 119.07(1) and
1376 s. 24(a), Art. I of the State Constitution:

1377 a. Underwriting files, except that a policyholder or an
1378 applicant shall have access to his or her own underwriting
1379 files. Confidential and exempt underwriting file records may
1380 also be released to other governmental agencies upon written
1381 request and demonstration of need; such records held by the
1382 receiving agency remain confidential and exempt as provided
1383 herein.

1384 b. Claims files, until termination of all litigation and
1385 settlement of all claims arising out of the same incident,
1386 although portions of the claims files may remain exempt, as
1387 otherwise provided by law. Confidential and exempt claims file
1388 records may be released to other governmental agencies upon
1389 written request and demonstration of need; such records held by
1390 the receiving agency remain confidential and exempt as provided
1391 herein.

1392 c. Records obtained or generated by an internal auditor
1393 pursuant to a routine audit, until the audit is completed, or if
1394 the audit is conducted as part of an investigation, until the
1395 investigation is closed or ceases to be active. An investigation
1396 is considered "active" while the investigation is being
1397 conducted with a reasonable, good faith belief that it could
1398 lead to the filing of administrative, civil, or criminal
1399 proceedings.

1400 d. Matters reasonably encompassed in privileged attorney-
1401 client communications.

1402 e. Proprietary information licensed to the corporation



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1403 under contract and the contract provides for the confidentiality
1404 of such proprietary information.

1405 f. All information relating to the medical condition or
1406 medical status of a corporation employee which is not relevant
1407 to the employee's capacity to perform his or her duties, except
1408 as otherwise provided in this paragraph. Information that is
1409 exempt includes ~~shall include~~, but is not limited to,
1410 information relating to workers' compensation, insurance
1411 benefits, and retirement or disability benefits.

1412 g. Upon an employee's entrance into the employee assistance
1413 program, a program to assist any employee who has a behavioral
1414 or medical disorder, substance abuse problem, or emotional
1415 difficulty that affects the employee's job performance, all
1416 records relative to that participation are ~~shall be~~ confidential
1417 and exempt from ~~the provisions of~~ s. 119.07(1) and s. 24(a),
1418 Art. I of the State Constitution, except as otherwise provided
1419 in s. 112.0455(11).

1420 h. Information relating to negotiations for financing,
1421 reinsurance, depopulation, or contractual services, until the
1422 conclusion of the negotiations.

1423 i. Minutes of closed meetings regarding underwriting files,
1424 and minutes of closed meetings regarding an open claims file
1425 until termination of all litigation and settlement of all claims
1426 with regard to that claim, except that information otherwise
1427 confidential or exempt by law must ~~shall~~ be redacted.

1428 2. If an authorized insurer, a reinsurance intermediary, an
1429 eligible surplus lines insurer, or an entity that has filed an
1430 application with the office for licensure as a property and
1431 casualty insurer in this state is considering writing or



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1432 assisting in the underwriting of a risk insured by the
1433 corporation, relevant information from both the underwriting
1434 files and confidential claims files may be released to the
1435 insurer, reinsurance intermediary, eligible surplus lines
1436 insurer, or entity that has been created to seek authority to
1437 write property insurance in this state, provided that the
1438 recipient insurer agrees in writing, notarized and under oath,
1439 to maintain the confidentiality of such files. If a policy file
1440 is transferred to an insurer, that policy file is no longer a
1441 public record because it is not held by an agency subject to ~~the~~
1442 ~~provisions of~~ the public records law. Underwriting files and
1443 confidential claims files may also be released to staff and the
1444 board of governors of the market assistance plan established
1445 pursuant to s. 627.3515, who must retain the confidentiality of
1446 such files, except such files may be released to authorized
1447 insurers that are considering assuming the risks to which the
1448 files apply, provided the insurer agrees in writing, notarized
1449 and under oath, to maintain the confidentiality of such files.
1450 Finally, the corporation or the board or staff of the market
1451 assistance plan may make the following information obtained from
1452 underwriting files and confidential claims files available to an
1453 entity that has obtained a permit to become an authorized
1454 insurer, a reinsurer that may provide reinsurance under s.
1455 624.610, a licensed reinsurance broker, a licensed rating
1456 organization, a modeling company, or a licensed general lines
1457 insurance agent: name, address, and telephone number of the
1458 residential property owner or insured; location of the risk;
1459 rating information; loss history; and policy type. The receiving
1460 person must retain the confidentiality of the information



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1461 received and may use the information only for the purposes of
1462 developing a take-out plan or a rating plan to be submitted to
1463 the office for approval or otherwise analyzing the underwriting
1464 of a risk or risks insured by the corporation on behalf of the
1465 private insurance market. A licensed general lines insurance
1466 agent may not use such information for the direct solicitation
1467 of policyholders.

1468 3. A policyholder who has filed suit against the
1469 corporation has the right to discover the contents of his or her
1470 own claims file to the same extent that discovery of such
1471 contents would be available from a private insurer in litigation
1472 as provided by the Florida Rules of Civil Procedure, the Florida
1473 Evidence Code, and other applicable law. Pursuant to subpoena, a
1474 third party has the right to discover the contents of an
1475 insured's or applicant's underwriting or claims file to the same
1476 extent that discovery of such contents would be available from a
1477 private insurer by subpoena as provided by the Florida Rules of
1478 Civil Procedure, the Florida Evidence Code, and other applicable
1479 law, and subject to any confidentiality protections requested by
1480 the corporation and agreed to by the seeking party or ordered by
1481 the court. The corporation may release confidential underwriting
1482 and claims file contents and information as it deems necessary
1483 and appropriate to underwrite or service insurance policies and
1484 claims, subject to any confidentiality protections deemed
1485 necessary and appropriate by the corporation.

1486 4. Portions of meetings of the corporation are exempt from
1487 ~~the provisions of~~ s. 286.011 and s. 24(b), Art. I of the State
1488 Constitution wherein confidential underwriting files or
1489 confidential open claims files are discussed. All portions of



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1490 corporation meetings which are closed to the public shall be
1491 recorded by a court reporter. The court reporter shall record
1492 the times of commencement and termination of the meeting, all
1493 discussion and proceedings, the names of all persons present at
1494 any time, and the names of all persons speaking. No portion of
1495 any closed meeting shall be off the record. Subject to the
1496 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's
1497 notes of any closed meeting shall be retained by the corporation
1498 for a minimum of 5 years. A copy of the transcript, less any
1499 exempt matters, of any closed meeting wherein claims are
1500 discussed shall become public as to individual claims after
1501 settlement of the claim.

1502 (ii) The corporation shall revise the programs adopted
1503 pursuant to sub-subparagraph (q)3.a. for personal lines
1504 residential policies to maximize policyholder options and
1505 encourage increased participation by insurers and agents. After
1506 January 1, 2017, a policy may not be taken out of the
1507 corporation unless the provisions of this paragraph are met.

1508 1. The corporation must publish a periodic schedule of
1509 cycles during which an insurer may identify, and notify the
1510 corporation of, policies that the insurer is requesting to take
1511 out. A request must include a description of the coverage
1512 offered and an estimated premium and must be submitted to the
1513 corporation in a form and manner prescribed by the corporation.

1514 2. The corporation must maintain and make available to the
1515 agent of record a consolidated list of all insurers requesting
1516 to take out a policy. The list must include a description of the
1517 coverage offered and the estimated premium for each take-out
1518 request.



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1519 3. The corporation must provide written notice to the
1520 policyholder and the agent of record regarding all insurers
1521 requesting to take out the policy, which notice must inform that
1522 a take-out offer that is not more than 20 percent greater than
1523 the corporation's premium renders the risk ineligible for
1524 coverage from and regarding the policyholder's option to accept
1525 a take-out offer or to reject all take-out offers and to remain
1526 with the corporation. The notice must be in a format prescribed
1527 by the corporation and include, for each take-out offer:

- 1528 a. The amount of the estimated premium;
- 1529 b. A description of the coverage; and
- 1530 c. A comparison of the estimated premium and coverage
1531 offered by the insurer to the estimated premium and coverage
1532 provided by the corporation.

1533 Section 4. Section 627.3518, Florida Statutes, is amended
1534 to read:

1535 627.3518 Citizens Property Insurance Corporation
1536 policyholder eligibility clearinghouse program. ~~The purpose of~~
1537 ~~this section is to provide a framework for the corporation to~~
1538 ~~implement a clearinghouse program by January 1, 2014.~~

1539 (1) As used in this section, the term:

1540 (a) "Corporation" means Citizens Property Insurance
1541 Corporation.

1542 (b) "Exclusive agent" means any licensed insurance agent
1543 that has, by contract, agreed to act exclusively for one company
1544 or group of affiliated insurance companies and is disallowed by
1545 the provisions of that contract to directly write for any other
1546 unaffiliated insurer absent express consent from the company or
1547 group of affiliated insurance companies.



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1548 (c) "Independent agent" means any licensed insurance agent
1549 not described in paragraph (b).

1550 (d) "Program" means the clearinghouse created under this
1551 section.

1552 (2) In order to confirm eligibility with the corporation
1553 and to enhance access of new applicants for coverage and
1554 existing policyholders of the corporation to offers of coverage
1555 from authorized insurers, the corporation shall establish a
1556 program for personal residential risks in order to facilitate
1557 the diversion of ineligible applicants and existing
1558 policyholders from the corporation into the voluntary insurance
1559 market. The corporation shall also develop appropriate
1560 procedures for facilitating the diversion of ineligible
1561 applicants and existing policyholders for commercial residential
1562 coverage into the private insurance market ~~and shall report such~~
1563 ~~procedures to the President of the Senate and the Speaker of the~~
1564 ~~House of Representatives by January 1, 2014.~~

1565 (3) The corporation board shall establish the clearinghouse
1566 program as an organizational unit within the corporation. The
1567 program shall have all the rights and responsibilities in
1568 carrying out its duties as a licensed general lines agent, but
1569 may not be required to employ or engage a licensed general lines
1570 agent or to maintain an insurance agency license to carry out
1571 its activities in the solicitation and placement of insurance
1572 coverage. In establishing the program, the corporation may:

1573 (a) Require all new applications, and all policies due for
1574 renewal, to be submitted for coverage to the program in order to
1575 facilitate obtaining an offer of coverage from an authorized
1576 insurer before binding or renewing coverage by the corporation.



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1577 (b) Employ or otherwise contract with individuals or other
1578 entities for appropriate administrative or professional services
1579 to effectuate the plan within the corporation in accordance with
1580 the applicable purchasing requirements under s. 627.351.

1581 (c) Enter into contracts with any authorized insurer to
1582 participate in the program and accept an appointment by such
1583 insurer.

1584 (d) Provide funds to operate the program. Insurers and
1585 agents participating in the program are not required to pay a
1586 fee to offset or partially offset the cost of the program or use
1587 the program for renewal of policies initially written through
1588 the clearinghouse.

1589 (e) Develop an enhanced application that includes
1590 information to assist private insurers in determining whether to
1591 make an offer of coverage through the program.

1592 (f) For personal lines residential risks, require, before
1593 approving all new applications for coverage by the corporation,
1594 that every application be subject to a period of 2 business days
1595 when any insurer participating in the program may select the
1596 application for coverage. The insurer may issue a binder on any
1597 policy selected for coverage for a period of at least 30 days
1598 but not more than 60 days.

1599 (4) Any authorized insurer may participate in the program;
1600 however, participation is not mandatory for any insurer.
1601 Insurers making offers of coverage to new applicants or renewal
1602 policyholders through the program:

1603 (a) May not be required to individually appoint any agent
1604 whose customer is underwritten and bound through the program.
1605 Notwithstanding s. 626.112, insurers are not required to appoint



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1606 any agent on a policy underwritten through the program for as
1607 long as that policy remains with the insurer. Insurers may, at
1608 their election, appoint any agent whose customer is initially
1609 underwritten and bound through the program. In the event an
1610 insurer accepts a policy from an agent who is not appointed
1611 pursuant to this paragraph, and thereafter elects to accept a
1612 policy from such agent, the provisions of s. 626.112 requiring
1613 appointment apply to the agent.

1614 (b) Must enter into a limited agency agreement with each
1615 agent that is not appointed in accordance with paragraph (a) and
1616 whose customer is underwritten and bound through the program.

1617 (c) Must enter into its standard agency agreement with each
1618 agent whose customer is underwritten and bound through the
1619 program when that agent has been appointed by the insurer
1620 pursuant to s. 626.112.

1621 (d) Must comply with s. 627.4133(2).

1622 (e) May participate through their single-designated
1623 managing general agent or broker; however, the provisions of
1624 paragraph (6) (a) regarding ownership, control, and use of the
1625 expirations continue to apply.

1626 (f) Must pay to the producing agent a commission equal to
1627 that paid by the corporation or the usual and customary
1628 commission paid by the insurer for that line of business,
1629 whichever is greater.

1630 (5) Notwithstanding s. 627.3517, any applicant for new
1631 coverage from the corporation is not eligible for coverage from
1632 the corporation if provided an offer of coverage from an
1633 authorized insurer through the program at a premium that is at
1634 or below the eligibility threshold established in s.



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1635 627.351(6)(c)5.a. Whenever an offer of coverage for a personal
1636 lines risk is received for a policyholder of the corporation at
1637 renewal from an authorized insurer through the program, if the
1638 offer is at or below the eligibility threshold established in s.
1639 627.351(6)(c)5.a. equal to or less than the corporation's
1640 renewal premium for comparable coverage, the risk is not
1641 eligible for coverage with the corporation. In the event an
1642 offer of coverage for a new applicant is received from an
1643 authorized insurer through the program, and the premium offered
1644 exceeds the eligibility threshold contained in s.
1645 627.351(6)(c)5.a., the applicant or insured may elect to accept
1646 such coverage, or may elect to accept or continue coverage with
1647 the corporation. In the event an offer of coverage for a
1648 personal lines risk is received from an authorized insurer at
1649 renewal through the program, and the premium offered is at or
1650 below the eligibility threshold established in s.
1651 627.351(6)(c)5.a. more than the corporation's renewal premium
1652 for comparable coverage, the insured is not eligible to ~~may~~
1653 ~~elect to accept such coverage, or may elect to accept or~~
1654 continue coverage with the corporation. Section
1655 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from
1656 an authorized insurer obtained through the program. An applicant
1657 for coverage from the corporation who was declared ineligible
1658 for coverage at renewal by the corporation in the previous 36
1659 months due to an offer of coverage pursuant to this subsection
1660 shall be considered a renewal under this section if the
1661 corporation determines that the authorized insurer making the
1662 offer of coverage pursuant to this subsection continues to
1663 insure the applicant and increased the rate on the policy in



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1664 excess of the increase allowed for the corporation under s.
1665 627.351(6)(n)5.

1666 (6) Independent insurance agents submitting new
1667 applications for coverage or that are the agent of record on a
1668 renewal policy submitted to the program:

1669 (a) Are granted and must maintain ownership and the
1670 exclusive use of expirations, records, or other written or
1671 electronic information directly related to such applications or
1672 renewals written through the corporation or through an insurer
1673 participating in the program, notwithstanding s.

1674 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted
1675 for as long as the insured remains with the agency or until sold
1676 or surrendered in writing by the agent. Contracts with the
1677 corporation or required by the corporation must not amend,
1678 modify, interfere with, or limit such rights of ownership. Such
1679 expirations, records, or other written or electronic information
1680 may be used to review an application, issue a policy, or for any
1681 other purpose necessary for placing such business through the
1682 program.

1683 (b) May not be required to be appointed by any insurer
1684 participating in the program for policies written solely through
1685 the program, notwithstanding the provisions of s. 626.112.

1686 (c) May accept an appointment from any insurer
1687 participating in the program.

1688 (d) May enter into either a standard or limited agency
1689 agreement with the insurer, at the insurer's option.

1690

1691 Applicants ineligible for coverage in accordance with subsection
1692 (5) remain ineligible if their independent agent is unwilling or



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1693 unable to enter into a standard or limited agency agreement with
1694 an insurer participating in the program.

1695 (7) Exclusive agents submitting new applications for
1696 coverage or that are the agent of record on a renewal policy
1697 submitted to the program:

1698 (a) Must maintain ownership and the exclusive use of
1699 expirations, records, or other written or electronic information
1700 directly related to such applications or renewals written
1701 through the corporation or through an insurer participating in
1702 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and
1703 (II)(B). Contracts with the corporation or required by the
1704 corporation must not amend, modify, interfere with, or limit
1705 such rights of ownership. Such expirations, records, or other
1706 written or electronic information may be used to review an
1707 application, issue a policy, or for any other purpose necessary
1708 for placing such business through the program.

1709 (b) May not be required to be appointed by any insurer
1710 participating in the program for policies written solely through
1711 the program, notwithstanding the provisions of s. 626.112.

1712 (c) Must only facilitate the placement of an offer of
1713 coverage from an insurer whose limited servicing agreement is
1714 approved by that exclusive agent's exclusive insurer.

1715 (d) May enter into a limited servicing agreement with the
1716 insurer making an offer of coverage, and only after the
1717 exclusive agent's insurer has approved the limited servicing
1718 agreement terms. The exclusive agent's insurer must approve a
1719 limited service agreement for the program for any insurer for
1720 which it has approved a service agreement for other purposes.

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1722 Applicants ineligible for coverage in accordance with subsection
1723 (5) remain ineligible if their exclusive agent is unwilling or
1724 unable to enter into a standard or limited agency agreement with
1725 an insurer making an offer of coverage to that applicant.

1726 (8) Submission of an application for coverage by the
1727 corporation to the program does not constitute the binding of
1728 coverage by the corporation, and failure of the program to
1729 obtain an offer of coverage by an insurer may not be considered
1730 acceptance of coverage of the risk by the corporation.

1731 (9) The 45-day notice of nonrenewal requirement set forth
1732 in s. 627.4133(2)(b)5. applies when a policy is nonrenewed by
1733 the corporation because the risk has received an offer of
1734 coverage pursuant to this section which renders the risk
1735 ineligible for coverage by the corporation.

1736 (10) The program may not include commercial nonresidential
1737 policies.

1738 (11) Proprietary business information provided to the
1739 corporation's clearinghouse by insurers with respect to
1740 identifying and selecting risks for an offer of coverage is
1741 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I
1742 of the State Constitution.

1743 (a) As used in this subsection, the term "proprietary
1744 business information" means information, regardless of form or
1745 characteristics, which is owned or controlled by an insurer and:

1746 1. Is identified by the insurer as proprietary business
1747 information and is intended to be and is treated by the insurer
1748 as private in that the disclosure of the information would cause
1749 harm to the insurer, an individual, or the company's business
1750 operations and has not been disclosed unless disclosed pursuant



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1751 to a statutory requirement, an order of a court or
1752 administrative body, or a private agreement that provides that
1753 the information will not be released to the public;

1754 2. Is not otherwise readily ascertainable or publicly
1755 available by proper means by other persons from another source
1756 in the same configuration as provided to the clearinghouse; and

1757 3. Includes:

1758 a. Trade secrets, as defined in s. 688.002.

1759 b. Information relating to competitive interests, the
1760 disclosure of which would impair the competitive business of the
1761 provider of the information.

1762

1763 Proprietary business information may be found in underwriting
1764 criteria or instructions which are used to identify and select
1765 risks through the program for an offer of coverage and are
1766 shared with the clearinghouse to facilitate the shopping of
1767 risks with the insurer.

1768 (b) The clearinghouse may disclose confidential and exempt
1769 proprietary business information:

1770 1. If the insurer to which it pertains gives prior written
1771 consent;

1772 2. Pursuant to a court order; or

1773 3. To another state agency in this or another state or to a
1774 federal agency if the recipient agrees in writing to maintain
1775 the confidential and exempt status of the document, material, or
1776 other information and has verified in writing its legal
1777 authority to maintain such confidentiality.

1778 Section 5. Subsections (2) and (4) of section 627.701,
1779 Florida Statutes, are amended, and subsection (10) is added to



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1780 that section, to read:

1781 627.701 Liability of insureds; coinsurance; deductibles.—

1782 (2) Unless the office determines that the deductible
1783 provision is clear and unambiguous, a property insurer may not
1784 issue an insurance policy or contract covering real property in
1785 this state which contains a deductible provision that:

1786 (a) Applies solely to hurricane losses.

1787 (b) States the deductible as a percentage rather than as a
1788 specific amount of money.

1789 (c) Applies a roof deductible as provided in subsection
1790 (10).

1791 (4) (a) Any policy that contains a separate hurricane
1792 deductible must on its face include in boldfaced type no smaller
1793 than 18 points the following statement: "THIS POLICY CONTAINS A
1794 SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN
1795 HIGH OUT-OF-POCKET EXPENSES TO YOU." A policy containing a
1796 coinsurance provision applicable to hurricane losses must on its
1797 face include in boldfaced type no smaller than 18 points the
1798 following statement: "THIS POLICY CONTAINS A CO-PAY PROVISION
1799 THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."

1800 (b) For any personal lines residential property insurance
1801 policy containing a separate hurricane deductible, the insurer
1802 shall compute and prominently display the actual dollar value of
1803 the hurricane deductible on the declarations page of the policy
1804 at issuance and, for renewal, on the renewal declarations page
1805 of the policy or on the premium renewal notice.

1806 (c) For any personal lines residential property insurance
1807 policy containing an inflation guard rider, the insurer shall
1808 compute and prominently display the actual dollar value of the



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1809 hurricane deductible on the declarations page of the policy at
1810 issuance and, for renewal, on the renewal declarations page of
1811 the policy or on the premium renewal notice. In addition, for
1812 any personal lines residential property insurance policy
1813 containing an inflation guard rider, the insurer shall notify
1814 the policyholder of the possibility that the hurricane
1815 deductible may be higher than indicated when loss occurs due to
1816 application of the inflation guard rider. Such notification
1817 shall be made on the declarations page of the policy at issuance
1818 and, for renewal, on the renewal declarations page of the policy
1819 or on the premium renewal notice.

1820 (d)1. A personal lines residential property insurance
1821 policy covering a risk valued at less than \$500,000 may not have
1822 a hurricane deductible in excess of 10 percent of the policy
1823 dwelling limits, unless the following conditions are met:

1824 a. The policyholder must personally write and provide to
1825 the insurer the following statement in his or her own
1826 handwriting and sign his or her name, which must also be signed
1827 by every other named insured on the policy, and dated: "I do not
1828 want the insurance on my home to pay for the first (specify
1829 dollar value) of damage from hurricanes. I will pay those costs.
1830 My insurance will not."

1831 b. If the structure insured by the policy is subject to a
1832 mortgage or lien, the policyholder must provide the insurer with
1833 a written statement from the mortgageholder or lienholder
1834 indicating that the mortgageholder or lienholder approves the
1835 policyholder electing to have the specified deductible.

1836 2. A deductible subject to the requirements of this
1837 paragraph applies for the term of the policy and for each



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1838 renewal thereafter. Changes to the deductible percentage may be
1839 implemented only as of the date of renewal.

1840 3. An insurer shall keep the original copy of the signed
1841 statement required by this paragraph, electronically or
1842 otherwise, and provide a copy to the policyholder providing the
1843 signed statement. A signed statement meeting the requirements of
1844 this paragraph creates a presumption that there was an informed,
1845 knowing election of coverage.

1846 4. The commission shall adopt rules providing appropriate
1847 alternative methods for providing the statements required by
1848 this section for policyholders who have a handicapping or
1849 disabling condition that prevents them from providing a
1850 handwritten statement.

1851 (e)1. Any personal lines residential property insurance
1852 policy that contains a separate roof deductible must on its face
1853 include in boldfaced type no smaller than 18 points the
1854 following statement: "THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE
1855 FOR ROOF LOSSES WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES
1856 TO YOU."

1857 2. For any personal lines residential property insurance
1858 policy containing a separate roof deductible, the insurer shall
1859 compute and prominently display the actual dollar value of the
1860 roof deductible on the declarations page of the policy at
1861 issuance and, for renewal, on the renewal declarations page of
1862 the policy or on the premium renewal notice.

1863 (10) Notwithstanding any other provision of this section
1864 and any other provision of law, a property insurer may require a
1865 separate roof deductible as a condition of eligibility or
1866 renewal of a residential property insurance policy if all of the



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1867 following conditions are met:

1868 (a) The roof deductible does not exceed 2 percent of the
1869 policy dwelling limits.

1870 (b) The premium for such coverage includes an actuarially
1871 sound premium discount or credit for the impact of the roof
1872 deductible.

1873 (c) If a roof deductible is added to the policy at renewal,
1874 the insurer provides a notice of change in policy terms pursuant
1875 to s. 627.43141.

1876 (d) The roof deductible does not apply to:

1877 1. A total loss to a primary structure in accordance with
1878 the valued policy law under s. 627.702 which is caused by a
1879 covered peril.

1880 2. A roof loss that is caused by a hurricane as defined by
1881 s. 627.4025(2).

1882 3. A roof loss that can be repaired without replacement of
1883 the roof.

1884 (e) If a roof deductible is applied, no other policy
1885 deductible may be applied to the loss. If, however, a roof
1886 deductible is not applied, the all-other-perils deductible or
1887 the hurricane deductible may be applied.

1888 Section 6. Paragraph (a) of subsection (3) of section
1889 627.7011, Florida Statutes, is amended to read:

1890 627.7011 Homeowners' policies; offer of replacement cost
1891 coverage and law and ordinance coverage.—

1892 (3) In the event of a loss for which a dwelling or personal
1893 property is insured on the basis of replacement costs:

1894 (a) For a dwelling, the insurer must initially pay at least
1895 the actual cash value of the insured loss, less any applicable



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1896 deductible. The insurer shall pay any remaining amounts
1897 necessary to perform such repairs as work is performed and
1898 expenses are incurred. However, if a roof deductible under s.
1899 627.701(10) is applied to the insured loss, the insurer may
1900 limit the claim payment as to the roof to the actual cash value
1901 of the loss to the roof until the insurer receives reasonable
1902 proof of payment by the policyholder of the roof deductible.
1903 Reasonable proof of payment includes a canceled check, money
1904 order receipt, credit card statement, or copy of an executed
1905 installment plan contract or other financing arrangement that
1906 requires full payment of the deductible over time. If a total
1907 loss of a dwelling occurs, the insurer shall pay the replacement
1908 cost coverage without reservation or holdback of any
1909 depreciation in value, pursuant to s. 627.702.

1910 Section 7. Paragraph (b) of subsection (8) of section
1911 627.70152, Florida Statutes, is amended to read:

1912 627.70152 Suits arising under a property insurance policy.-

1913 (8) ATTORNEY FEES.-

1914 (b) In a suit arising under a residential or commercial
1915 property insurance policy not brought by an assignee, if a court
1916 dismisses a claimant's suit pursuant to subsection (5), the
1917 court may not award to the claimant any incurred attorney fees
1918 for services rendered before the dismissal of the suit. When a
1919 claimant's suit is dismissed pursuant to subsection (5), the
1920 defendant may be awarded reasonable attorney fees for the costs
1921 and expenses associated with securing the dismissal.

1922 Section 8. For the purpose of incorporating the amendments
1923 made by this act to section 627.351, Florida Statutes, in a
1924 reference thereto, subsection (10) of section 624.424, Florida



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1925 Statutes, is reenacted to read:

1926 624.424 Annual statement and other information.—

1927 (10) Each insurer or insurer group doing business in this
1928 state shall file on a quarterly basis in conjunction with
1929 financial reports required by paragraph (1) (a) a supplemental
1930 report on an individual and group basis on a form prescribed by
1931 the commission with information on personal lines and commercial
1932 lines residential property insurance policies in this state. The
1933 supplemental report shall include separate information for
1934 personal lines property policies and for commercial lines
1935 property policies and totals for each item specified, including
1936 premiums written for each of the property lines of business as
1937 described in ss. 215.555(2) (c) and 627.351(6) (a). The report
1938 shall include the following information for each county on a
1939 monthly basis:

1940 (a) Total number of policies in force at the end of each
1941 month.

1942 (b) Total number of policies canceled.

1943 (c) Total number of policies nonrenewed.

1944 (d) Number of policies canceled due to hurricane risk.

1945 (e) Number of policies nonrenewed due to hurricane risk.

1946 (f) Number of new policies written.

1947 (g) Total dollar value of structure exposure under policies
1948 that include wind coverage.

1949 (h) Number of policies that exclude wind coverage.

1950 Section 9. For the purpose of incorporating the amendments
1951 made by this act to section 627.351, Florida Statutes, in a
1952 reference thereto, section 627.3517, Florida Statutes, is
1953 reenacted to read:



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1954 627.3517 Consumer choice.—No provision of s. 627.351, s.
1955 627.3511, or s. 627.3515 shall be construed to impair the right
1956 of any insurance risk apportionment plan policyholder, upon
1957 receipt of any keepout or take-out offer, to retain his or her
1958 current agent, so long as that agent is duly licensed and
1959 appointed by the insurance risk apportionment plan or otherwise
1960 authorized to place business with the insurance risk
1961 apportionment plan. This right shall not be canceled, suspended,
1962 impeded, abridged, or otherwise compromised by any rule, plan of
1963 operation, or depopulation plan, whether through keepout, take-
1964 out, midterm assumption, or any other means, of any insurance
1965 risk apportionment plan or depopulation plan, including, but not
1966 limited to, those described in s. 627.351, s. 627.3511, or s.
1967 627.3515. The commission shall adopt any rules necessary to
1968 cause any insurance risk apportionment plan or market assistance
1969 plan under such sections to demonstrate that the operations of
1970 the plan do not interfere with, promote, or allow interference
1971 with the rights created under this section. If the
1972 policyholder's current agent is unable or unwilling to be
1973 appointed with the insurer making the take-out or keepout offer,
1974 the policyholder shall not be disqualified from participation in
1975 the appropriate insurance risk apportionment plan because of an
1976 offer of coverage in the voluntary market. An offer of full
1977 property insurance coverage by the insurer currently insuring
1978 either the ex-wind or wind-only coverage on the policy to which
1979 the offer applies shall not be considered a take-out or keepout
1980 offer. Any rule, plan of operation, or plan of depopulation,
1981 through keepout, take-out, midterm assumption, or any other
1982 means, of any property insurance risk apportionment plan under



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1983 s. 627.351(2) or (6) is subject to ss. 627.351(2)(b) and (6)(c)
1984 and 627.351(4).

1985 Section 10. For the purpose of incorporating the amendments
1986 made by this act to section 627.351, Florida Statutes, in a
1987 reference thereto, subsection (1) of section 627.712, Florida
1988 Statutes, is reenacted to read:

1989 627.712 Residential windstorm coverage required;
1990 availability of exclusions for windstorm or contents.—

1991 (1) An insurer issuing a residential property insurance
1992 policy must provide windstorm coverage. Except as provided in
1993 paragraph (2)(c), this section does not apply to risks that are
1994 eligible for wind-only coverage from Citizens Property Insurance
1995 Corporation under s. 627.351(6), and risks that are not eligible
1996 for coverage from Citizens Property Insurance Corporation under
1997 s. 627.351(6)(a)3. or 5. A risk ineligible for coverage by the
1998 corporation under s. 627.351(6)(a)3. or 5. is exempt from this
1999 section only if the risk is located within the boundaries of the
2000 coastal account of the corporation.

2001 Section 11. This act shall take effect July 1, 2022.

2002
2003 ===== T I T L E A M E N D M E N T =====

2004 And the title is amended as follows:

2005 Delete everything before the enacting clause
2006 and insert:

2007 A bill to be entitled
2008 An act relating to property insurance; amending s.
2009 489.147, F.S.; revising the definition of the term
2010 "prohibited advertisement"; amending s. 627.021, F.S.;
2011 revising applicability; amending s. 627.351, F.S.;



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2012 deleting obsolete provisions related to eligibility
2013 thresholds for personal lines residential coverage
2014 with the Citizens Property Insurance Corporation;
2015 requiring the corporation to use a method for valuing
2016 dwelling replacement costs which is approved by the
2017 Office of Insurance Regulation; requiring, rather than
2018 authorizing, the corporation to use a single account
2019 under certain circumstances; specifying qualifications
2020 requirements for certain members of the board of
2021 governors for the corporation; defining the term
2022 "demonstrated expertise in insurance"; revising
2023 conditions for eligibility for coverage with the
2024 corporation; providing for a required limited annual
2025 rate increase for specified policies; requiring that
2026 certain new policies written by the corporation be
2027 charged a specified premium until certain conditions
2028 are met; defining the terms "primary residence" and
2029 "unsound insurer"; providing that eligible surplus
2030 lines insurers may participate, in the same manner and
2031 on the same terms as an authorized insurer, in
2032 depopulation, take-out, or keep-out programs relating
2033 to policies removed from Citizens Property Insurance
2034 Corporation; providing certain exceptions, conditions,
2035 and requirements relating to such participation by a
2036 surplus lines insurer in the corporation's
2037 depopulation, take-out, or keep-out programs;
2038 providing thresholds for eligibility for coverage by
2039 the corporation for risks that are offered coverage
2040 from qualified surplus lines insurers; authorizing



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2041 information from underwriting files and confidential
2042 claims files to be released under certain
2043 circumstances by the corporation to specified entities
2044 that consider writing or underwriting risks insured by
2045 the corporation; specifying that only the
2046 corporation's transfer of a policy file to an insurer,
2047 as opposed to the transfer of any file, changes the
2048 file's public record status; revising the contents of
2049 a specified notice provided by the corporation; making
2050 technical changes; amending s. 627.3518, F.S.;
2051 deleting an obsolete provision related to implementing
2052 the clearinghouse program by a specified date;
2053 deleting an obsolete reporting requirement; conforming
2054 provisions to changes made by the act; amending s.
2055 627.701, F.S.; revising a prohibition against the
2056 issuance of insurance policies containing certain
2057 deductible provisions; requiring personal lines
2058 residential property insurance policies containing
2059 separate roof deductibles to include specified
2060 information; authorizing property insurers to require
2061 separate roof deductibles if certain conditions are
2062 met; amending s. 627.7011, F.S.; authorizing insurers
2063 to limit roof claim payments to the actual cash value
2064 under certain circumstances; amending s. 627.70152,
2065 F.S.; authorizing the award of reasonable attorney
2066 fees to defendants under certain circumstances;
2067 reenacting ss. 624.424(10), 627.3517, and 627.712(1),
2068 F.S., relating to annual insurer statements, consumer
2069 choice, and required residential windstorm coverage,



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2070 respectively, to incorporate the amendments made to s.
2071 627.351, F.S., in references thereto; providing an
2072 effective date.