

By Senator Boyd

21-01768A-22

20221728__

1 A bill to be entitled
2 An act relating to property insurance; amending s.
3 489.147, F.S.; revising the definition of the term
4 "prohibited advertisement"; amending s. 627.351, F.S.;
5 deleting obsolete provisions related to eligibility
6 thresholds for personal lines residential coverage
7 with the Citizens Property Insurance Corporation;
8 requiring the corporation to use a method for valuing
9 dwelling replacement costs which is approved by the
10 Office of Insurance Regulation; specifying
11 qualifications requirements for certain members of the
12 board of governors for the corporation; revising
13 conditions for eligibility for coverage with the
14 corporation; providing for a required limited annual
15 rate increase for specified policies; defining the term
16 "primary residence"; providing that eligible surplus
17 lines insurers may participate, in the same manner and
18 on the same terms as an authorized insurer, in
19 depopulation, take-out, or keepout programs relating
20 to policies removed from Citizens Property Insurance
21 Corporation; providing certain exceptions, conditions,
22 and requirements relating to such participation by a
23 surplus lines insurer in the corporation's
24 depopulation, take-out, or keepout programs; providing
25 thresholds for eligibility for coverage by the
26 corporation for risks that are offered coverage from
27 qualified surplus lines insurers; authorizing
28 information from underwriting files and confidential
29 claims files to be released under certain

21-01768A-22

20221728__

30 circumstances by the corporation to specified entities
31 that consider writing or underwriting risks insured by
32 the corporation; specifying that only the
33 corporation's transfer of a policy file to an insurer,
34 as opposed to the transfer of any file, changes the
35 file's public record status; revising the contents of
36 a specified notice provided by the corporation;
37 amending s. 627.3518, F.S.; deleting an obsolete
38 provision related to implementing the clearinghouse
39 program by a specified date; deleting an obsolete
40 reporting requirement; conforming provisions to
41 changes made by the act; amending s. 627.7011, F.S.;
42 providing that certain provisions relating to
43 homeowners' policies do not prohibit insurers from
44 providing limited coverage on personal lines
45 residential property insurance policies by including
46 roof surface type reimbursement schedules; providing
47 requirements for roof surface type reimbursement
48 schedules; authorizing the conversion of a residential
49 property insurance policy to a roof surface type
50 reimbursement schedule under certain circumstances;
51 providing that certain provisions relating to
52 homeowners' policies do not prohibit insurers from
53 providing coverage on personal lines residential
54 property insurance policies that limits roof coverage
55 to a stated value sublimit of coverage; providing
56 requirements for stated value sublimits of coverages;
57 providing that certain provisions relating to
58 homeowners' policies do not prohibit certain insurers

21-01768A-22

20221728__

59 from offering roof reimbursement on the basis of
60 replacement costs; reenacting ss. 624.424(10),
61 627.3517, and 627.712(1), F.S., relating to annual
62 insurer statements, consumer choice, and required
63 residential windstorm coverage, respectively, to
64 incorporate the amendments made to s. 627.351, F.S.,
65 in references thereto; providing an effective date.
66

67 Be It Enacted by the Legislature of the State of Florida:
68

69 Section 1. Paragraph (a) of subsection (1) of section
70 489.147, Florida Statutes, is amended to read:

71 489.147 Prohibited property insurance practices.—

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

73 (a) "Prohibited advertisement" means any written or
74 electronic communication by a contractor which ~~that~~ encourages,
75 instructs, or induces a consumer to contact a contractor or
76 public adjuster for the purpose of making an insurance claim for
77 roof damage, if such communication does not state in a font size
78 of at least 12 points and at least half as large as the largest
79 font size used in the communication that:

80 1. The consumer is responsible for payment of any insurance
81 deductible;

82 2. It is insurance fraud punishable as a felony of the
83 third degree for a contractor to pay, waive, or rebate all or
84 part of an insurance deductible applicable to payment to the
85 contractor for repairs to property covered by a property
86 insurance policy; and

87 3. It is insurance fraud punishable as a felony of the

21-01768A-22

20221728__

88 third degree to intentionally file an insurance claim containing
89 any false, incomplete, or misleading information.

90

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

93 Section 2. Paragraphs (a), (c), (n), (q), (x), and (ii) of
94 subsection (6) of section 627.351, Florida Statutes, are amended
95 to read:

96 627.351 Insurance risk apportionment plans.—

97 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

101 1. The Legislature finds that private insurers are
102 unwilling or unable to provide affordable property insurance
103 coverage in this state to the extent sought and needed. The
104 absence of affordable property insurance threatens the public
105 health, safety, and welfare and likewise threatens the economic
106 health of the state. The state therefore has a compelling public
107 interest and a public purpose to assist in assuring that
108 property in this ~~the~~ state is insured and that it is insured at
109 affordable rates so as to facilitate the remediation,
110 reconstruction, and replacement of damaged or destroyed property
111 in order to reduce or avoid the negative effects otherwise
112 resulting to the public health, safety, and welfare, to the
113 economy of the state, and to the revenues of the state and local
114 governments which are needed to provide for the public welfare.
115 It is necessary, therefore, to provide affordable property
116 insurance to applicants who are in good faith entitled to

21-01768A-22

20221728__

117 procure insurance through the voluntary market but are unable to
118 do so. The Legislature intends, therefore, that affordable
119 property insurance be provided and that it continue to be
120 provided, as long as necessary, through Citizens Property
121 Insurance Corporation, a government entity that is an integral
122 part of the state, and that is not a private insurance company.
123 To that end, the corporation shall strive to increase the
124 availability of affordable property insurance in this state,
125 while achieving efficiencies and economies, and while providing
126 service to policyholders, applicants, and agents which is no
127 less than the quality generally provided in the voluntary
128 market, for the achievement of the foregoing public purposes.
129 Because it is essential for this government entity to have the
130 maximum financial resources to pay claims following a
131 catastrophic hurricane, it is the intent of the Legislature that
132 the corporation continue to be an integral part of the state and
133 that the income of the corporation be exempt from federal income
134 taxation and that interest on the debt obligations issued by the
135 corporation be exempt from federal income taxation.

136 2. The Residential Property and Casualty Joint Underwriting
137 Association originally created by this statute shall be known as
138 the Citizens Property Insurance Corporation. The corporation
139 shall provide insurance for residential and commercial property,
140 for applicants who are entitled, but, in good faith, are unable
141 to procure insurance through the voluntary market. The
142 corporation shall operate pursuant to a plan of operation
143 approved by order of the Financial Services Commission. The plan
144 is subject to continuous review by the commission. The
145 commission may, by order, withdraw approval of all or part of a

21-01768A-22

20221728__

146 plan if the commission determines that conditions have changed
147 since approval was granted and that the purposes of the plan
148 require changes in the plan. For the purposes of this
149 subsection, residential coverage includes both personal lines
150 residential coverage, which consists of the type of coverage
151 provided by homeowner, mobile home owner, dwelling, tenant,
152 condominium unit owner, and similar policies; and commercial
153 lines residential coverage, which consists of the type of
154 coverage provided by condominium association, apartment
155 building, and similar policies.

156 3. With respect to coverage for personal lines residential
157 structures, and:

158 ~~a. Effective January 1, 2014, a structure that has a~~
159 ~~dwelling replacement cost of \$1 million or more, or a single~~
160 ~~condominium unit that has a combined dwelling and contents~~
161 ~~replacement cost of \$1 million or more, is not eligible for~~
162 ~~coverage by the corporation. Such dwellings insured by the~~
163 ~~corporation on December 31, 2013, may continue to be covered by~~
164 ~~the corporation until the end of the policy term. The office~~
165 ~~shall approve the method used by the corporation for valuing the~~
166 ~~dwelling replacement cost for the purposes of this subparagraph.~~
167 ~~If a policyholder is insured by the corporation before being~~
168 ~~determined to be ineligible pursuant to this subparagraph and~~
169 ~~such policyholder files a lawsuit challenging the determination,~~
170 ~~the policyholder may remain insured by the corporation until the~~
171 ~~conclusion of the litigation.~~

172 ~~b. Effective January 1, 2015, a structure that has a~~
173 ~~dwelling replacement cost of \$900,000 or more, or a single~~
174 ~~condominium unit that has a combined dwelling and contents~~

21-01768A-22

20221728__

175 ~~replacement cost of \$900,000 or more, is not eligible for~~
176 ~~coverage by the corporation. Such dwellings insured by the~~
177 ~~corporation on December 31, 2014, may continue to be covered by~~
178 ~~the corporation only until the end of the policy term.~~

179 ~~e. Effective January 1, 2016, a structure that has a~~
180 ~~dwelling replacement cost of \$800,000 or more, or a single~~
181 ~~condominium unit that has a combined dwelling and contents~~
182 ~~replacement cost of \$800,000 or more, is not eligible for~~
183 ~~coverage by the corporation. Such dwellings insured by the~~
184 ~~corporation on December 31, 2015, may continue to be covered by~~
185 ~~the corporation until the end of the policy term.~~

186 ~~d. effective January 1, 2017, a structure that has a~~
187 ~~dwelling replacement cost of \$700,000 or more, or a single~~
188 ~~condominium unit that has a combined dwelling and contents~~
189 ~~replacement cost of \$700,000 or more, is not eligible for~~
190 ~~coverage by the corporation. The corporation must use a method~~
191 ~~for valuing the dwelling replacement cost which is approved by~~
192 ~~the office Such dwellings insured by the corporation on December~~
193 ~~31, 2016, may continue to be covered by the corporation until~~
194 ~~the end of the policy term. ~~The requirements of sub-~~~~
195 ~~subparagraphs b. d. do not apply However, in counties where the~~
196 ~~office determines there is not a reasonable degree of~~
197 ~~competition, . In such counties a personal lines residential~~
198 ~~structure that has a dwelling replacement cost of less than \$1~~
199 ~~million, or a single condominium unit that has a combined~~
200 ~~dwelling and contents replacement cost of less than \$1 million,~~
201 ~~is eligible for coverage by the corporation.~~

202 4. It is the intent of the Legislature that policyholders,
203 applicants, and agents of the corporation receive service and

21-01768A-22

20221728__

204 treatment of the highest possible level but never less than that
205 generally provided in the voluntary market. It is also intended
206 that the corporation be held to service standards no less than
207 those applied to insurers in the voluntary market by the office
208 with respect to responsiveness, timeliness, customer courtesy,
209 and overall dealings with policyholders, applicants, or agents
210 of the corporation.

211 5.a. Effective January 1, 2009, a personal lines
212 residential structure that is located in the "wind-borne debris
213 region," as defined in s. 1609.2, International Building Code
214 (2006), and that has an insured value on the structure of
215 \$750,000 or more is not eligible for coverage by the corporation
216 unless the structure has opening protections as required under
217 the Florida Building Code for a newly constructed residential
218 structure in that area. A residential structure is deemed to
219 comply with this sub-subparagraph if it has shutters or opening
220 protections on all openings and if such opening protections
221 complied with the Florida Building Code at the time they were
222 installed.

223 b. Any major structure, as defined in s. 161.54(6)(a), that
224 is newly constructed, or rebuilt, repaired, restored, or
225 remodeled to increase the total square footage of finished area
226 by more than 25 percent, pursuant to a permit applied for after
227 July 1, 2015, is not eligible for coverage by the corporation if
228 the structure is seaward of the coastal construction control
229 line established pursuant to s. 161.053 or is within the Coastal
230 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
231 3510.

232 6. With respect to wind-only coverage for commercial lines

21-01768A-22

20221728__

233 residential condominiums, effective July 1, 2014, a condominium
234 shall be deemed ineligible for coverage if 50 percent or more of
235 the units are rented more than eight times in a calendar year
236 for a rental agreement period of less than 30 days.

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

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

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

247 b. Basic personal lines policy forms that are policies
248 similar to an HO-8 policy or a dwelling fire policy that provide
249 coverage meeting the requirements of the secondary mortgage
250 market, but which is more limited than the coverage under a
251 standard policy.

252 c. Commercial lines residential and nonresidential policy
253 forms that are generally similar to the basic perils of full
254 coverage obtainable for commercial residential structures and
255 commercial nonresidential structures in the admitted voluntary
256 market.

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

21-01768A-22

20221728__

262 e. Commercial lines nonresidential property insurance forms
263 that cover the peril of wind only. The forms are applicable only
264 to nonresidential properties located in areas eligible for
265 coverage under the coastal account referred to in sub-
266 subparagraph (b)2.a.

267 f. The corporation may adopt variations of the policy forms
268 listed in sub-subparagraphs a.-e. which contain more restrictive
269 coverage.

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

274 2. Must provide that the corporation adopt a program in
275 which the corporation and authorized insurers enter into quota
276 share primary insurance agreements for hurricane coverage, as
277 defined in s. 627.4025(2)(a), for eligible risks, and adopt
278 property insurance forms for eligible risks which cover the
279 peril of wind only.

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

281 (I) "Quota share primary insurance" means an arrangement in
282 which the primary hurricane coverage of an eligible risk is
283 provided in specified percentages by the corporation and an
284 authorized insurer. The corporation and authorized insurer are
285 each solely responsible for a specified percentage of hurricane
286 coverage of an eligible risk as set forth in a quota share
287 primary insurance agreement between the corporation and an
288 authorized insurer and the insurance contract. The
289 responsibility of the corporation or authorized insurer to pay
290 its specified percentage of hurricane losses of an eligible

21-01768A-22

20221728__

291 risk, as set forth in the agreement, may not be altered by the
292 inability of the other party to pay its specified percentage of
293 losses. Eligible risks that are provided hurricane coverage
294 through a quota share primary insurance arrangement must be
295 provided policy forms that set forth the obligations of the
296 corporation and authorized insurer under the arrangement,
297 clearly specify the percentages of quota share primary insurance
298 provided by the corporation and authorized insurer, and
299 conspicuously and clearly state that the authorized insurer and
300 the corporation may not be held responsible beyond their
301 specified percentage of coverage of hurricane losses.

302 (II) "Eligible risks" means personal lines residential and
303 commercial lines residential risks that meet the underwriting
304 criteria of the corporation and are located in areas that were
305 eligible for coverage by the Florida Windstorm Underwriting
306 Association on January 1, 2002.

307 b. The corporation may enter into quota share primary
308 insurance agreements with authorized insurers at corporation
309 coverage levels of 90 percent and 50 percent.

310 c. If the corporation determines that additional coverage
311 levels are necessary to maximize participation in quota share
312 primary insurance agreements by authorized insurers, the
313 corporation may establish additional coverage levels. However,
314 the corporation's quota share primary insurance coverage level
315 may not exceed 90 percent.

316 d. Any quota share primary insurance agreement entered into
317 between an authorized insurer and the corporation must provide
318 for a uniform specified percentage of coverage of hurricane
319 losses, by county or territory as set forth by the corporation

21-01768A-22

20221728__

320 board, for all eligible risks of the authorized insurer covered
321 under the agreement.

322 e. Any quota share primary insurance agreement entered into
323 between an authorized insurer and the corporation is subject to
324 review and approval by the office. However, such agreement shall
325 be authorized only as to insurance contracts entered into
326 between an authorized insurer and an insured who is already
327 insured by the corporation for wind coverage.

328 f. For all eligible risks covered under quota share primary
329 insurance agreements, the exposure and coverage levels for both
330 the corporation and authorized insurers shall be reported by the
331 corporation to the Florida Hurricane Catastrophe Fund. For all
332 policies of eligible risks covered under such agreements, the
333 corporation and the authorized insurer must maintain complete
334 and accurate records for the purpose of exposure and loss
335 reimbursement audits as required by fund rules. The corporation
336 and the authorized insurer shall each maintain duplicate copies
337 of policy declaration pages and supporting claims documents.

338 g. The corporation board shall establish in its plan of
339 operation standards for quota share agreements which ensure that
340 there is no discriminatory application among insurers as to the
341 terms of the agreements, pricing of the agreements, incentive
342 provisions if any, and consideration paid for servicing policies
343 or adjusting claims.

344 h. The quota share primary insurance agreement between the
345 corporation and an authorized insurer must set forth the
346 specific terms under which coverage is provided, including, but
347 not limited to, the sale and servicing of policies issued under
348 the agreement by the insurance agent of the authorized insurer

21-01768A-22

20221728__

349 producing the business, the reporting of information concerning
350 eligible risks, the payment of premium to the corporation, and
351 arrangements for the adjustment and payment of hurricane claims
352 incurred on eligible risks by the claims adjuster and personnel
353 of the authorized insurer. Entering into a quota sharing
354 insurance agreement between the corporation and an authorized
355 insurer is voluntary and at the discretion of the authorized
356 insurer.

357 3. May provide that the corporation may employ or otherwise
358 contract with individuals or other entities to provide
359 administrative or professional services that may be appropriate
360 to effectuate the plan. The corporation may borrow funds by
361 issuing bonds or by incurring other indebtedness, and shall have
362 other powers reasonably necessary to effectuate the requirements
363 of this subsection, including, without limitation, the power to
364 issue bonds and incur other indebtedness in order to refinance
365 outstanding bonds or other indebtedness. The corporation may
366 seek judicial validation of its bonds or other indebtedness
367 under chapter 75. The corporation may issue bonds or incur other
368 indebtedness, or have bonds issued on its behalf by a unit of
369 local government pursuant to subparagraph (q)2. in the absence
370 of a hurricane or other weather-related event, upon a
371 determination by the corporation, subject to approval by the
372 office, that such action would enable it to efficiently meet the
373 financial obligations of the corporation and that such
374 financings are reasonably necessary to effectuate the
375 requirements of this subsection. The corporation may take all
376 actions needed to facilitate tax-free status for such bonds or
377 indebtedness, including formation of trusts or other affiliated

21-01768A-22

20221728__

378 entities. The corporation may pledge assessments, projected
379 recoveries from the Florida Hurricane Catastrophe Fund, other
380 reinsurance recoverables, policyholder surcharges and other
381 surcharges, and other funds available to the corporation as
382 security for bonds or other indebtedness. In recognition of s.
383 10, Art. I of the State Constitution, prohibiting the impairment
384 of obligations of contracts, it is the intent of the Legislature
385 that no action be taken whose purpose is to impair any bond
386 indenture or financing agreement or any revenue source committed
387 by contract to such bond or other indebtedness.

388 4. Must require that the corporation operate subject to the
389 supervision and approval of a board of governors consisting of
390 nine individuals who are residents of this state and who are
391 from different geographical areas of the state, one of whom is
392 appointed by the Governor and serves solely to advocate on
393 behalf of the consumer. The appointment of a consumer
394 representative by the Governor is deemed to be within the scope
395 of the exemption provided in s. 112.313(7)(b) and is in addition
396 to the appointments authorized under sub-subparagraph a.

397 a. The Governor, the Chief Financial Officer, the President
398 of the Senate, and the Speaker of the House of Representatives
399 shall each appoint two members of the board. At least one of the
400 two members appointed by each appointing officer must have
401 demonstrated expertise in insurance of at least 10 years'
402 experience with property and casualty insurance as a full-time
403 employee, officer, or owner of a licensed insurance agency, an
404 insurer authorized to transact property insurance in this state,
405 or an insurance trade association and be deemed to be within the
406 scope of the exemption provided in s. 112.313(7)(b). The Chief

21-01768A-22

20221728__

407 Financial Officer shall designate one of the appointees with
408 demonstrated expertise in insurance as chair. All board members
409 serve at the pleasure of the appointing officer. All members of
410 the board are subject to removal at will by the officers who
411 appointed them. All board members, including the chair, must be
412 appointed to serve for 3-year terms beginning annually on a date
413 designated by the plan. However, for the first term beginning on
414 or after July 1, 2009, each appointing officer shall appoint one
415 member of the board for a 2-year term and one member for a 3-
416 year term. A board vacancy shall be filled for the unexpired
417 term by the appointing officer. The Chief Financial Officer
418 shall appoint a technical advisory group to provide information
419 and advice to the board in connection with the board's duties
420 under this subsection. The executive director and senior
421 managers of the corporation shall be engaged by the board and
422 serve at the pleasure of the board. The executive director must
423 have the experience, character, and qualifications required
424 under s. 624.404(3) to serve as the chief executive officer of
425 an insurer. Any executive director appointed on or after July 1,
426 2006, is subject to confirmation by the Senate. The executive
427 director is responsible for employing other staff as the
428 corporation may require, subject to review and concurrence by
429 the board.

430 b. The board shall create a Market Accountability Advisory
431 Committee to assist the corporation in developing awareness of
432 its rates and its customer and agent service levels in
433 relationship to the voluntary market insurers writing similar
434 coverage.

435 (I) The members of the advisory committee consist of the

21-01768A-22

20221728__

436 following 11 persons, one of whom must be elected chair by the
437 members of the committee: four representatives, one appointed by
438 the Florida Association of Insurance Agents, one by the Florida
439 Association of Insurance and Financial Advisors, one by the
440 Professional Insurance Agents of Florida, and one by the Latin
441 American Association of Insurance Agencies; three
442 representatives appointed by the insurers with the three highest
443 voluntary market share of residential property insurance
444 business in the state; one representative from the Office of
445 Insurance Regulation; one consumer appointed by the board who is
446 insured by the corporation at the time of appointment to the
447 committee; one representative appointed by the Florida
448 Association of Realtors; and one representative appointed by the
449 Florida Bankers Association. All members shall be appointed to
450 3-year terms and may serve for consecutive terms.

451 (II) The committee shall report to the corporation at each
452 board meeting on insurance market issues which may include rates
453 and rate competition with the voluntary market; service,
454 including policy issuance, claims processing, and general
455 responsiveness to policyholders, applicants, and agents; and
456 matters relating to depopulation.

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

459 a. Subject to s. 627.3517, with respect to personal lines
460 residential risks, if the risk is offered coverage from an
461 authorized insurer at the insurer's approved rate under a
462 standard policy including wind coverage or, if consistent with
463 the insurer's underwriting rules as filed with the office, a
464 basic policy including wind coverage, for a new application to

21-01768A-22

20221728__

465 the corporation for coverage, the risk is not eligible for any
466 policy issued by the corporation unless the premium for coverage
467 from the authorized insurer is more than 20 percent greater than
468 the premium for comparable coverage from the corporation.
469 Whenever an offer of coverage for a personal lines residential
470 risk is received for a policyholder of the corporation at
471 renewal from an authorized insurer, ~~if the offer is equal to or~~
472 ~~less than the corporation's renewal premium for comparable~~
473 ~~coverage,~~ the risk is not eligible for coverage with the
474 corporation unless the premium for coverage from the authorized
475 insurer is more than 20 percent greater than the renewal premium
476 for comparable coverage from the corporation. If the risk is not
477 able to obtain such offer, the risk is eligible for a standard
478 policy including wind coverage or a basic policy including wind
479 coverage issued by the corporation; however, if the risk could
480 not be insured under a standard policy including wind coverage
481 regardless of market conditions, the risk is eligible for a
482 basic policy including wind coverage unless rejected under
483 subparagraph 8. ~~However,~~ A policyholder removed from the
484 corporation through an assumption agreement is not ~~remains~~
485 eligible for coverage from the corporation ~~until the end of the~~
486 ~~assumption period.~~ The corporation shall determine the type of
487 policy to be provided on the basis of objective standards
488 specified in the underwriting manual and based on generally
489 accepted underwriting practices.

490 (I) If the risk accepts an offer of coverage through the
491 market assistance plan or through a mechanism established by the
492 corporation other than a plan established by s. 627.3518, before
493 a policy is issued to the risk by the corporation or during the

21-01768A-22

20221728__

494 first 30 days of coverage by the corporation, and the producing
495 agent who submitted the application to the plan or to the
496 corporation is not currently appointed by the insurer, the
497 insurer shall:

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

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

508

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

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

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

521 (B) Offer to allow the producing agent of record to
522 continue servicing the policy for at least 1 year and offer to

21-01768A-22

20221728__

523 pay the agent the greater of the insurer's or the corporation's
524 usual and customary commission for the type of policy written.

525

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

529 b. With respect to commercial lines residential risks, for
530 a new application to the corporation for coverage, if the risk
531 is offered coverage under a policy including wind coverage from
532 an authorized insurer at its approved rate, the risk is not
533 eligible for a policy issued by the corporation unless the
534 premium for coverage from the authorized insurer is more than 20
535 ~~15~~ percent greater than the premium for comparable coverage from
536 the corporation. Whenever an offer of coverage for a commercial
537 lines residential risk is received for a policyholder of the
538 corporation at renewal from an authorized insurer, ~~if the offer~~
539 ~~is equal to or less than the corporation's renewal premium for~~
540 ~~comparable coverage,~~ the risk is not eligible for coverage with
541 the corporation unless the premium for coverage from the
542 authorized insurer is more than 20 percent greater than the
543 renewal premium for comparable coverage from the corporation. If
544 the risk is not able to obtain any such offer, the risk is
545 eligible for a policy including wind coverage issued by the
546 corporation. ~~However,~~ A policyholder removed from the
547 corporation through an assumption agreement is not ~~remains~~
548 eligible for coverage from the corporation ~~until the end of the~~
549 ~~assumption period.~~

550 (I) If the risk accepts an offer of coverage through the
551 market assistance plan or through a mechanism established by the

21-01768A-22

20221728__

552 corporation other than a plan established by s. 627.3518, before
553 a policy is issued to the risk by the corporation or during the
554 first 30 days of coverage by the corporation, and the producing
555 agent who submitted the application to the plan or the
556 corporation is not currently appointed by the insurer, the
557 insurer shall:

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

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

568

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

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

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

21-01768A-22

20221728__

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

585

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

589 c. For purposes of determining comparable coverage under
590 sub-subparagraphs a. and b., the comparison must be based on
591 those forms and coverages that are reasonably comparable. The
592 corporation may rely on a determination of comparable coverage
593 and premium made by the producing agent who submits the
594 application to the corporation, made in the agent's capacity as
595 the corporation's agent. A comparison may be made solely of the
596 premium with respect to the main building or structure only on
597 the following basis: the same coverage A or other building
598 limits; the same percentage hurricane deductible that applies on
599 an annual basis or that applies to each hurricane for commercial
600 residential property; the same percentage of ordinance and law
601 coverage, if the same limit is offered by both the corporation
602 and the authorized insurer; the same mitigation credits, to the
603 extent the same types of credits are offered both by the
604 corporation and the authorized insurer; the same method for loss
605 payment, such as replacement cost or actual cash value, if the
606 same method is offered both by the corporation and the
607 authorized insurer in accordance with underwriting rules; and
608 any other form or coverage that is reasonably comparable as
609 determined by the board. If an application is submitted to the

21-01768A-22

20221728__

610 corporation for wind-only coverage in the coastal account, the
611 premium for the corporation's wind-only policy plus the premium
612 for the ex-wind policy ~~that is~~ offered by an authorized insurer
613 to the applicant must be compared to the premium for multiperil
614 coverage offered by an authorized insurer, subject to the
615 standards for comparison specified in this subparagraph. If the
616 corporation or the applicant requests from the authorized
617 insurer a breakdown of the premium of the offer by types of
618 coverage so that a comparison may be made by the corporation or
619 its agent and the authorized insurer refuses or is unable to
620 provide such information, the corporation may treat the offer as
621 not being an offer of coverage from an authorized insurer at the
622 insurer's approved rate.

623 6. Must include rules for classifications of risks and
624 rates.

625 7. Must provide that if premium and investment income for
626 an account attributable to a particular calendar year are in
627 excess of projected losses and expenses for the account
628 attributable to that year, such excess shall be held in surplus
629 in the account. Such surplus must be available to defray
630 deficits in that account as to future years and used for that
631 purpose before assessing assessable insurers and assessable
632 insureds as to any calendar year.

633 8. Must provide objective criteria and procedures to be
634 uniformly applied to all applicants in determining whether an
635 individual risk is so hazardous as to be uninsurable. In making
636 this determination and in establishing the criteria and
637 procedures, the following must be considered:

638 a. Whether the likelihood of a loss for the individual risk

21-01768A-22

20221728__

639 is substantially higher than for other risks of the same class;
640 and

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

643
644 The acceptance or rejection of a risk by the corporation shall
645 be construed as the private placement of insurance, and the
646 provisions of chapter 120 do not apply.

647 9. Must provide that the corporation make its best efforts
648 to procure catastrophe reinsurance at reasonable rates, to cover
649 its projected 100-year probable maximum loss as determined by
650 the board of governors. If catastrophe reinsurance is not
651 available at reasonable rates, the corporation need not purchase
652 it, but the corporation shall include the costs of reinsurance
653 to cover its projected 100-year probable maximum loss in its
654 rate calculations even if it does not purchase catastrophe
655 reinsurance.

656 10. The policies issued by the corporation must provide
657 that if the corporation or the market assistance plan obtains an
658 offer from an authorized insurer to cover the risk at its
659 approved rates, the risk is no longer eligible for renewal
660 through the corporation, except as otherwise provided in this
661 subsection.

662 11. Corporation policies and applications must include a
663 notice that the corporation policy could, under this section, be
664 replaced with a policy issued by an authorized insurer which
665 does not provide coverage identical to the coverage provided by
666 the corporation. The notice must also specify that acceptance of
667 corporation coverage creates a conclusive presumption that the

21-01768A-22

20221728__

668 applicant or policyholder is aware of this potential.

669 12. May establish, subject to approval by the office,
670 different eligibility requirements and operational procedures
671 for any line or type of coverage for any specified county or
672 area if the board determines that such changes are justified due
673 to the voluntary market being sufficiently stable and
674 competitive in such area or for such line or type of coverage
675 and that consumers who, in good faith, are unable to obtain
676 insurance through the voluntary market through ordinary methods
677 continue to have access to coverage from the corporation. If
678 coverage is sought in connection with a real property transfer,
679 the requirements and procedures may not provide an effective
680 date of coverage later than the date of the closing of the
681 transfer as established by the transferor, the transferee, and,
682 if applicable, the lender.

683 13. Must provide that, with respect to the coastal account,
684 any assessable insurer with a surplus as to policyholders of \$25
685 million or less writing 25 percent or more of its total
686 countrywide property insurance premiums in this state may
687 petition the office, within the first 90 days of each calendar
688 year, to qualify as a limited apportionment company. A regular
689 assessment levied by the corporation on a limited apportionment
690 company for a deficit incurred by the corporation for the
691 coastal account may be paid to the corporation on a monthly
692 basis as the assessments are collected by the limited
693 apportionment company from its insureds, but a limited
694 apportionment company must begin collecting the regular
695 assessments not later than 90 days after the regular assessments
696 are levied by the corporation, and the regular assessments must

21-01768A-22

20221728__

697 be paid in full within 15 months after being levied by the
698 corporation. A limited apportionment company shall collect from
699 its policyholders any emergency assessment imposed under sub-
700 subparagraph (b)3.d. The plan must provide that, if the office
701 determines that any regular assessment will result in an
702 impairment of the surplus of a limited apportionment company,
703 the office may direct that all or part of such assessment be
704 deferred as provided in subparagraph (q)4. However, an emergency
705 assessment to be collected from policyholders under sub-
706 subparagraph (b)3.d. may not be limited or deferred.

707 14. Must provide that the corporation appoint as its
708 licensed agents only those agents who throughout such
709 appointments also hold an appointment as defined in s. 626.015
710 by an insurer who is authorized to write and is actually writing
711 or renewing personal lines residential property coverage,
712 commercial residential property coverage, or commercial
713 nonresidential property coverage within the state.

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

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

721 17. Must provide coverage for manufactured or mobile home
722 dwellings. Such coverage must also include the following
723 attached structures:

724 a. Screened enclosures that are aluminum framed or screened
725 enclosures that are not covered by the same or substantially the

21-01768A-22

20221728__

726 same materials as those of the primary dwelling;

727 b. Carports that are aluminum or carports that are not
728 covered by the same or substantially the same materials as those
729 of the primary dwelling; and

730 c. Patios that have a roof covering ~~that is~~ constructed of
731 materials that are not the same or substantially the same
732 materials as those of the primary dwelling.

733

734 The corporation shall make available a policy for mobile homes
735 or manufactured homes for a minimum insured value of at least
736 \$3,000.

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

739 19. May require commercial property to meet specified
740 hurricane mitigation construction features as a condition of
741 eligibility for coverage.

742 20. Must provide that new or renewal policies issued by the
743 corporation on or after January 1, 2012, which cover sinkhole
744 loss do not include coverage for any loss to appurtenant
745 structures, driveways, sidewalks, decks, or patios that are
746 directly or indirectly caused by sinkhole activity. The
747 corporation shall exclude such coverage using a notice of
748 coverage change, which may be included with the policy renewal,
749 and not by issuance of a notice of nonrenewal of the excluded
750 coverage upon renewal of the current policy.

751 21. As of January 1, 2012, must require that the agent
752 obtain from an applicant for coverage from the corporation an
753 acknowledgment signed by the applicant, which includes, at a
754 minimum, the following statement:

21-01768A-22

20221728__

755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783

ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
AND ASSESSMENT LIABILITY:

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

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

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

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

a. The corporation shall maintain, in electronic format or otherwise, a copy of the applicant's signed acknowledgment and

21-01768A-22

20221728__

784 provide a copy of the statement to the policyholder as part of
785 the first renewal after the effective date of this subparagraph.

786 b. The signed acknowledgment form creates a conclusive
787 presumption that the policyholder understood and accepted his or
788 her potential surcharge and assessment liability as a
789 policyholder of the corporation.

790 (n)1. Rates for coverage provided by the corporation must
791 be actuarially sound and subject to s. 627.062, except as
792 otherwise provided in this paragraph. The corporation shall file
793 its recommended rates with the office at least annually. The
794 corporation shall provide any additional information regarding
795 the rates which the office requires. The office shall consider
796 the recommendations of the board and issue a final order
797 establishing the rates for the corporation within 45 days after
798 the recommended rates are filed. The corporation may not pursue
799 an administrative challenge or judicial review of the final
800 order of the office.

801 2. In addition to the rates otherwise determined pursuant
802 to this paragraph, the corporation shall impose and collect an
803 amount equal to the premium tax provided in s. 624.509 to
804 augment the financial resources of the corporation.

805 3. After the public hurricane loss-projection model under
806 s. 627.06281 has been found to be accurate and reliable by the
807 Florida Commission on Hurricane Loss Projection Methodology, the
808 model shall be considered when establishing the windstorm
809 portion of the corporation's rates. The corporation may use the
810 public model results in combination with the results of private
811 models to calculate rates for the windstorm portion of the
812 corporation's rates. This subparagraph does not require or allow

21-01768A-22

20221728__

813 the corporation to adopt rates lower than the rates otherwise
814 required or allowed by this paragraph.

815 4. The corporation must make a recommended actuarially
816 sound rate filing for each personal and commercial line of
817 business it writes.

818 5. Notwithstanding the board's recommended rates and the
819 office's final order regarding the corporation's filed rates
820 under subparagraph 1., the corporation shall annually implement
821 a rate increase which, except for sinkhole coverage, does not
822 exceed the following for any single personal lines residential
823 policy issued by the corporation that covers an insured's
824 primary residence, and any single commercial lines residential
825 policy issued by the corporation, excluding coverage changes and
826 surcharges:

- 827 a. Eleven percent for 2022.
828 b. Twelve percent for 2023.
829 c. Thirteen percent for 2024.
830 d. Fourteen percent for 2025.
831 e. Fifteen percent for 2026 and all subsequent years.

832 6. The corporation may also implement an increase to
833 reflect the effect on the corporation of the cash buildup factor
834 pursuant to s. 215.555(5)(b).

835 7. The corporation's implementation of rates as prescribed
836 in subparagraph 5. shall cease for any line of business written
837 by the corporation upon the corporation's implementation of
838 actuarially sound rates. Thereafter, the corporation shall
839 annually make a recommended actuarially sound rate filing for
840 each commercial and personal line of business the corporation
841 writes.

21-01768A-22

20221728__

842 8. As used in this paragraph, "primary residence" means the
843 dwelling that the insured has represented as their permanent
844 home on the insurance application or otherwise to the
845 corporation.

846 (q)1. The corporation shall certify to the office its needs
847 for annual assessments as to a particular calendar year, and for
848 any interim assessments that it deems to be necessary to sustain
849 operations as to a particular year pending the receipt of annual
850 assessments. Upon verification, the office shall approve such
851 certification, and the corporation shall levy such annual or
852 interim assessments. Such assessments shall be prorated as
853 provided in paragraph (b). The corporation shall take all
854 reasonable and prudent steps necessary to collect the amount of
855 assessments due from each assessable insurer, including, if
856 prudent, filing suit to collect the assessments, and the office
857 may provide such assistance to the corporation it deems
858 appropriate. If the corporation is unable to collect an
859 assessment from any assessable insurer, the uncollected
860 assessments shall be levied as an additional assessment against
861 the assessable insurers and any assessable insurer required to
862 pay an additional assessment as a result of such failure to pay
863 shall have a cause of action against such nonpaying assessable
864 insurer. Assessments shall be included as an appropriate factor
865 in the making of rates. The failure of a surplus lines agent to
866 collect and remit any regular or emergency assessment levied by
867 the corporation is considered to be a violation of s. 626.936
868 and subjects the surplus lines agent to the penalties provided
869 in that section.

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

21-01768A-22

20221728__

871 residents of which are insured by the corporation, may issue
872 bonds as defined in s. 125.013 or s. 166.101 from time to time
873 to fund an assistance program, in conjunction with the
874 corporation, for the purpose of defraying deficits of the
875 corporation. In order to avoid needless and indiscriminate
876 proliferation, duplication, and fragmentation of such assistance
877 programs, any unit of local government, any residents of which
878 are insured by the corporation, may provide for the payment of
879 losses, regardless of whether or not the losses occurred within
880 or outside of the territorial jurisdiction of the local
881 government. Revenue bonds under this subparagraph may not be
882 issued until validated pursuant to chapter 75, unless a state of
883 emergency is declared by executive order or proclamation of the
884 Governor pursuant to s. 252.36 making such findings as are
885 necessary to determine that it is in the best interests of, and
886 necessary for, the protection of the public health, safety, and
887 general welfare of residents of this state and declaring it an
888 essential public purpose to permit certain municipalities or
889 counties to issue such bonds as will permit relief to claimants
890 and policyholders of the corporation. Any such unit of local
891 government may enter into such contracts with the corporation
892 and with any other entity created pursuant to this subsection as
893 are necessary to carry out this paragraph. Any bonds issued
894 under this subparagraph shall be payable from and secured by
895 moneys received by the corporation from emergency assessments
896 under sub-subparagraph (b)3.d., and assigned and pledged to or
897 on behalf of the unit of local government for the benefit of the
898 holders of such bonds. The funds, credit, property, and taxing
899 power of the state or of the unit of local government shall not

21-01768A-22

20221728__

900 be pledged for the payment of such bonds.

901 3.a. The corporation shall adopt one or more programs
902 subject to approval by the office for the reduction of both new
903 and renewal writings in the corporation. Beginning January 1,
904 2008, any program the corporation adopts for the payment of
905 bonuses to an insurer for each risk the insurer removes from the
906 corporation shall comply with s. 627.3511(2) and may not exceed
907 the amount referenced in s. 627.3511(2) for each risk removed.
908 The corporation may consider any prudent and not unfairly
909 discriminatory approach to reducing corporation writings, and
910 may adopt a credit against assessment liability or other
911 liability that provides an incentive for insurers to take risks
912 out of the corporation and to keep risks out of the corporation
913 by maintaining or increasing voluntary writings in counties or
914 areas in which corporation risks are highly concentrated and a
915 program to provide a formula under which an insurer voluntarily
916 taking risks out of the corporation by maintaining or increasing
917 voluntary writings will be relieved wholly or partially from
918 assessments under sub-subparagraph (b)3.a. However, any "take-
919 out bonus" or payment to an insurer must be conditioned on the
920 property being insured for at least 5 years by the insurer,
921 unless canceled or nonrenewed by the policyholder. If the policy
922 is canceled or nonrenewed by the policyholder before the end of
923 the 5-year period, the amount of the take-out bonus must be
924 prorated for the time period the policy was insured. When the
925 corporation enters into a contractual agreement for a take-out
926 plan, the producing agent of record of the corporation policy is
927 entitled to retain any unearned commission on such policy, and
928 the insurer shall either:

21-01768A-22

20221728__

929 (I) Pay to the producing agent of record of the policy, for
930 the first year, an amount which is the greater of the insurer's
931 usual and customary commission for the type of policy written or
932 a policy fee equal to the usual and customary commission of the
933 corporation; or

934 (II) Offer to allow the producing agent of record of the
935 policy to continue servicing the policy for a period of not less
936 than 1 year and offer to pay the agent the insurer's usual and
937 customary commission for the type of policy written. If the
938 producing agent is unwilling or unable to accept appointment by
939 the new insurer, the new insurer shall pay the agent in
940 accordance with sub-sub-subparagraph (I).

941 b. Any credit or exemption from regular assessments adopted
942 under this subparagraph shall last no longer than the 3 years
943 following the cancellation or expiration of the policy by the
944 corporation. With the approval of the office, the board may
945 extend such credits for an additional year if the insurer
946 guarantees an additional year of renewability for all policies
947 removed from the corporation, or for 2 additional years if the
948 insurer guarantees 2 additional years of renewability for all
949 policies so removed.

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

953 d. Notwithstanding any other law, for purposes of a
954 depopulation, take-out, or keepout program adopted by the
955 corporation, including an initial or renewal offer of coverage
956 made to a policyholder removed from the corporation pursuant to
957 such program, an eligible surplus lines insurer may participate

21-01768A-22

20221728__

958 in the program in the same manner and on the same terms as an
959 authorized insurer, except as provided under this sub-
960 subparagraph.

961 (I) To qualify for participation, the surplus lines insurer
962 must first obtain approval from the office for its depopulation,
963 take-out, or keepout plan and then comply with all of the
964 corporation's requirements for the plan applicable to admitted
965 insurers and with all statutory provisions applicable to the
966 removal of policies from the corporation.

967 (II) In considering a surplus lines insurer's request for
968 approval for its plan, the office shall determine whether the
969 surplus lines insurer meets the following requirements:

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

972 (B) Has a superior, excellent, exceptional, or equally
973 comparable financial strength rating by a rating agency
974 acceptable to the office;

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

980 (D) Provides prominent notice to the policyholder before
981 the assumption of the policy that surplus lines policies are not
982 provided coverage by the Florida Insurance Guaranty Association
983 and provides an outline of any substantial differences in
984 coverage between the existing policy and the policy being
985 offered to the insured; and

986 (E) Provides policy coverage similar to that provided by

21-01768A-22

20221728__

987 the corporation.

988 (III) To obtain approval for a plan, the surplus lines
989 insurer must file the following with the office:

990 (A) Information requested by the office to demonstrate
991 compliance with s. 624.404(3), including biographical
992 affidavits, fingerprints processed pursuant to s. 624.34, and
993 the results of criminal history records checks for officers and
994 directors of the insurer and its parent or holding company;

995 (B) A service-of-process consent and agreement form
996 executed by the insurer;

997 (C) Proof that the insurer has been an eligible or
998 authorized insurer for at least 3 years;

999 (D) A duly authenticated copy of the insurer's current
1000 audited financial statement, in English, which, in the case of
1001 statements originally made in the currencies of other countries,
1002 expresses all monetary values in United States dollars, at an
1003 exchange rate then current and shown in the statement, and
1004 including any additional information relative to the insurer as
1005 the office may request;

1006 (E) A complete certified copy of the latest official
1007 financial statement required by the insurer's domiciliary state,
1008 if different from the statement required by sub-sub-sub-
1009 subparagraph (D); and

1010 (F) If applicable, a copy of the United States trust
1011 account agreement.

1012
1013 This sub-sub-subparagraph does not subject any surplus lines
1014 insurer to requirements in addition to part VIII of chapter 626.
1015 Surplus lines brokers making an offer of coverage under this

21-01768A-22

20221728__

1016 sub-subparagraph are not required to comply with s.
1017 626.916(1) (a), (b), (c), or (e).

1018 (IV) Within 10 days after the date of assumption, the
1019 surplus lines insurer assuming policies from the corporation
1020 shall remit to the Bureau of Collateral Management within the
1021 Department of Financial Services a special deposit equal to the
1022 unearned premium net of unearned commissions on the assumed
1023 block of business. The surplus lines insurer shall submit to the
1024 office, along with the special deposit, an accounting of the
1025 policies assumed and the amount of unearned premium for such
1026 policies and a sworn affidavit attesting to the accuracy of the
1027 accounting by an officer of the surplus lines insurer.
1028 Thereafter, the surplus lines insurer shall make a filing within
1029 10 days after the end of each calendar quarter attesting to the
1030 unearned premium in force for the previous quarter on policies
1031 assumed from the corporation and shall submit additional funds
1032 with that filing if the special deposit is insufficient to cover
1033 the unearned premium on assumed policies, or shall receive a
1034 return of funds within 60 days if the special deposit exceeds
1035 the amount of unearned premium required for assumed policies.
1036 The special deposit is an asset of the surplus lines insurer
1037 which is held by the department for the benefit of state
1038 policyholders of the surplus lines insurer in the event of the
1039 insolvency of the surplus lines insurer. If an order of
1040 liquidation is entered in any state against the surplus lines
1041 insurer, the department may use the special deposit for payment
1042 of unearned premium or policy claims, return all or part of the
1043 deposit to the domiciliary receiver, or use the funds in
1044 accordance with any action authorized under part I of chapter

21-01768A-22

20221728__

1045 631 or in compliance with any order of a court having
1046 jurisdiction over the insolvency.

1047 (V) In advance of a surplus lines insurer assuming a
1048 policy, surplus lines brokers representing a surplus lines
1049 insurer on a take-out program shall obtain confirmation, in
1050 written or e-mail form, from each producing agent stating that
1051 the agent is willing to participate in the take-out program with
1052 the surplus lines insurer engaging in the take-out program. The
1053 take-out program is also subject to s. 627.3517. If a
1054 policyholder is selected for removal from the corporation by a
1055 surplus lines insurer and an authorized insurer, the corporation
1056 must give priority to the offer of coverage from the authorized
1057 insurer.

1058 (VI) (A) A risk that has a dwelling replacement cost of
1059 \$700,000 or more or a single condominium unit that has a
1060 combined dwelling and contents replacement cost of \$700,000 or
1061 more is not eligible for coverage by the corporation if it is
1062 offered comparable coverage from a qualified surplus lines
1063 insurer at a premium no greater than 20 percent above the
1064 premium charged by the corporation.

1065 (B) A risk that has a dwelling replacement cost below
1066 \$700,000 or a single condominium unit that has a combined
1067 dwelling and contents replacement cost below \$700,000 remains
1068 eligible for coverage by the corporation if it is offered
1069 coverage from a qualified surplus lines insurer.

1070 4. The plan shall provide for the deferment, in whole or in
1071 part, of the assessment of an assessable insurer, other than an
1072 emergency assessment collected from policyholders pursuant to
1073 sub-subparagraph (b)3.d., if the office finds that payment of

21-01768A-22

20221728__

1074 the assessment would endanger or impair the solvency of the
1075 insurer. In the event an assessment against an assessable
1076 insurer is deferred in whole or in part, the amount by which
1077 such assessment is deferred may be assessed against the other
1078 assessable insurers in a manner consistent with the basis for
1079 assessments set forth in paragraph (b).

1080 5. Effective July 1, 2007, in order to evaluate the costs
1081 and benefits of approved take-out plans, if the corporation pays
1082 a bonus or other payment to an insurer for an approved take-out
1083 plan, it shall maintain a record of the address or such other
1084 identifying information on the property or risk removed in order
1085 to track if and when the property or risk is later insured by
1086 the corporation.

1087 6. Any policy taken out, assumed, or removed from the
1088 corporation is, as of the effective date of the take-out,
1089 assumption, or removal, direct insurance issued by the insurer
1090 and not by the corporation, even if the corporation continues to
1091 service the policies. This subparagraph applies to policies of
1092 the corporation and not policies taken out, assumed, or removed
1093 from any other entity.

1094 7. For a policy taken out, assumed, or removed from the
1095 corporation, the insurer may, for a period of no more than 3
1096 years, continue to use any of the corporation's policy forms or
1097 endorsements that apply to the policy taken out, removed, or
1098 assumed without obtaining approval from the office for use of
1099 such policy form or endorsement.

1100 (x)1. The following records of the corporation are
1101 confidential and exempt from ~~the provisions of~~ s. 119.07(1) and
1102 s. 24(a), Art. I of the State Constitution:

21-01768A-22

20221728__

1103 a. Underwriting files, except that a policyholder or an
1104 applicant shall have access to his or her own underwriting
1105 files. Confidential and exempt underwriting file records may
1106 also be released to other governmental agencies upon written
1107 request and demonstration of need; such records held by the
1108 receiving agency remain confidential and exempt as provided
1109 herein.

1110 b. Claims files, until termination of all litigation and
1111 settlement of all claims arising out of the same incident,
1112 although portions of the claims files may remain exempt, as
1113 otherwise provided by law. Confidential and exempt claims file
1114 records may be released to other governmental agencies upon
1115 written request and demonstration of need; such records held by
1116 the receiving agency remain confidential and exempt as provided
1117 herein.

1118 c. Records obtained or generated by an internal auditor
1119 pursuant to a routine audit, until the audit is completed, or if
1120 the audit is conducted as part of an investigation, until the
1121 investigation is closed or ceases to be active. An investigation
1122 is considered "active" while the investigation is being
1123 conducted with a reasonable, good faith belief that it could
1124 lead to the filing of administrative, civil, or criminal
1125 proceedings.

1126 d. Matters reasonably encompassed in privileged attorney-
1127 client communications.

1128 e. Proprietary information licensed to the corporation
1129 under contract and the contract provides for the confidentiality
1130 of such proprietary information.

1131 f. All information relating to the medical condition or

21-01768A-22

20221728__

1132 medical status of a corporation employee which is not relevant
1133 to the employee's capacity to perform his or her duties, except
1134 as otherwise provided in this paragraph. Information that is
1135 exempt includes ~~shall include~~, but is not limited to,
1136 information relating to workers' compensation, insurance
1137 benefits, and retirement or disability benefits.

1138 g. Upon an employee's entrance into the employee assistance
1139 program, a program to assist any employee who has a behavioral
1140 or medical disorder, substance abuse problem, or emotional
1141 difficulty that affects the employee's job performance, all
1142 records relative to that participation are ~~shall be~~ confidential
1143 and exempt from ~~the provisions of~~ s. 119.07(1) and s. 24(a),
1144 Art. I of the State Constitution, except as otherwise provided
1145 in s. 112.0455(11).

1146 h. Information relating to negotiations for financing,
1147 reinsurance, depopulation, or contractual services, until the
1148 conclusion of the negotiations.

1149 i. Minutes of closed meetings regarding underwriting files,
1150 and minutes of closed meetings regarding an open claims file
1151 until termination of all litigation and settlement of all claims
1152 with regard to that claim, except that information otherwise
1153 confidential or exempt by law must ~~shall~~ be redacted.

1154 2. If an authorized insurer, a reinsurance intermediary, an
1155 eligible surplus lines insurer, or an entity that has filed an
1156 application with the office for licensure as a property and
1157 casualty insurer in this state is considering writing or
1158 assisting in the underwriting of a risk insured by the
1159 corporation, relevant information from both the underwriting
1160 files and confidential claims files may be released to the

21-01768A-22

20221728__

1161 insurer, reinsurance intermediary, eligible surplus lines
1162 insurer, or entity that has been created to seek authority to
1163 write property insurance in this state, provided that the
1164 recipient ~~insurer~~ agrees in writing, notarized and under oath,
1165 to maintain the confidentiality of such files. If a policy file
1166 is transferred to an insurer, that policy file is no longer a
1167 public record because it is not held by an agency subject to ~~the~~
1168 ~~provisions of~~ the public records law. Underwriting files and
1169 confidential claims files may also be released to staff and the
1170 board of governors of the market assistance plan established
1171 pursuant to s. 627.3515, who must retain the confidentiality of
1172 such files, except such files may be released to authorized
1173 insurers that are considering assuming the risks to which the
1174 files apply, provided the insurer agrees in writing, notarized
1175 and under oath, to maintain the confidentiality of such files.
1176 Finally, the corporation or the board or staff of the market
1177 assistance plan may make the following information obtained from
1178 underwriting files and confidential claims files available to an
1179 entity that has obtained a permit to become an authorized
1180 insurer, a reinsurer that may provide reinsurance under s.
1181 624.610, a licensed reinsurance broker, a licensed rating
1182 organization, a modeling company, or a licensed general lines
1183 insurance agent: name, address, and telephone number of the
1184 residential property owner or insured; location of the risk;
1185 rating information; loss history; and policy type. The receiving
1186 person must retain the confidentiality of the information
1187 received and may use the information only for the purposes of
1188 developing a take-out plan or a rating plan to be submitted to
1189 the office for approval or otherwise analyzing the underwriting

21-01768A-22

20221728__

1190 of a risk or risks insured by the corporation on behalf of the
1191 private insurance market. A licensed general lines insurance
1192 agent may not use such information for the direct solicitation
1193 of policyholders.

1194 3. A policyholder who has filed suit against the
1195 corporation has the right to discover the contents of his or her
1196 own claims file to the same extent that discovery of such
1197 contents would be available from a private insurer in litigation
1198 as provided by the Florida Rules of Civil Procedure, the Florida
1199 Evidence Code, and other applicable law. Pursuant to subpoena, a
1200 third party has the right to discover the contents of an
1201 insured's or applicant's underwriting or claims file to the same
1202 extent that discovery of such contents would be available from a
1203 private insurer by subpoena as provided by the Florida Rules of
1204 Civil Procedure, the Florida Evidence Code, and other applicable
1205 law, and subject to any confidentiality protections requested by
1206 the corporation and agreed to by the seeking party or ordered by
1207 the court. The corporation may release confidential underwriting
1208 and claims file contents and information as it deems necessary
1209 and appropriate to underwrite or service insurance policies and
1210 claims, subject to any confidentiality protections deemed
1211 necessary and appropriate by the corporation.

1212 4. Portions of meetings of the corporation are exempt from
1213 ~~the provisions of~~ s. 286.011 and s. 24(b), Art. I of the State
1214 Constitution wherein confidential underwriting files or
1215 confidential open claims files are discussed. All portions of
1216 corporation meetings which are closed to the public shall be
1217 recorded by a court reporter. The court reporter shall record
1218 the times of commencement and termination of the meeting, all

21-01768A-22

20221728__

1219 discussion and proceedings, the names of all persons present at
1220 any time, and the names of all persons speaking. No portion of
1221 any closed meeting shall be off the record. Subject to the
1222 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's
1223 notes of any closed meeting shall be retained by the corporation
1224 for a minimum of 5 years. A copy of the transcript, less any
1225 exempt matters, of any closed meeting wherein claims are
1226 discussed shall become public as to individual claims after
1227 settlement of the claim.

1228 (ii) The corporation shall revise the programs adopted
1229 pursuant to sub-subparagraph (q)3.a. for personal lines
1230 residential policies to maximize policyholder options and
1231 encourage increased participation by insurers and agents. After
1232 January 1, 2017, a policy may not be taken out of the
1233 corporation unless the provisions of this paragraph are met.

1234 1. The corporation must publish a periodic schedule of
1235 cycles during which an insurer may identify, and notify the
1236 corporation of, policies that the insurer is requesting to take
1237 out. A request must include a description of the coverage
1238 offered and an estimated premium and must be submitted to the
1239 corporation in a form and manner prescribed by the corporation.

1240 2. The corporation must maintain and make available to the
1241 agent of record a consolidated list of all insurers requesting
1242 to take out a policy. The list must include a description of the
1243 coverage offered and the estimated premium for each take-out
1244 request.

1245 3. The corporation must provide written notice to the
1246 policyholder and the agent of record regarding all insurers
1247 requesting to take out the policy, which notice must inform that

21-01768A-22

20221728__

1248 a take-out offer that is not more than 20 percent greater than
1249 the corporation's premium renders the risk ineligible for
1250 coverage from and regarding the policyholder's option to accept
1251 ~~a take-out offer or to reject all take-out offers and to remain~~
1252 ~~with~~ the corporation. The notice must be in a format prescribed
1253 by the corporation and include, for each take-out offer:

- 1254 a. The amount of the estimated premium;
- 1255 b. A description of the coverage; and
- 1256 c. A comparison of the estimated premium and coverage
1257 offered by the insurer to the estimated premium and coverage
1258 provided by the corporation.

1259 Section 3. Section 627.3518, Florida Statutes, is amended
1260 to read:

1261 627.3518 Citizens Property Insurance Corporation
1262 policyholder eligibility clearinghouse program. ~~The purpose of~~
1263 ~~this section is to provide a framework for the corporation to~~
1264 ~~implement a clearinghouse program by January 1, 2014.~~

1265 (1) As used in this section, the term:

1266 (a) "Corporation" means Citizens Property Insurance
1267 Corporation.

1268 (b) "Exclusive agent" means any licensed insurance agent
1269 that has, by contract, agreed to act exclusively for one company
1270 or group of affiliated insurance companies and is disallowed by
1271 the provisions of that contract to directly write for any other
1272 unaffiliated insurer absent express consent from the company or
1273 group of affiliated insurance companies.

1274 (c) "Independent agent" means any licensed insurance agent
1275 not described in paragraph (b).

1276 (d) "Program" means the clearinghouse created under this

21-01768A-22

20221728__

1277 section.

1278 (2) In order to confirm eligibility with the corporation
1279 and to enhance access of new applicants for coverage and
1280 existing policyholders of the corporation to offers of coverage
1281 from authorized insurers, the corporation shall establish a
1282 program for personal residential risks in order to facilitate
1283 the diversion of ineligible applicants and existing
1284 policyholders from the corporation into the voluntary insurance
1285 market. The corporation shall also develop appropriate
1286 procedures for facilitating the diversion of ineligible
1287 applicants and existing policyholders for commercial residential
1288 coverage into the private insurance market ~~and shall report such~~
1289 ~~procedures to the President of the Senate and the Speaker of the~~
1290 ~~House of Representatives by January 1, 2014.~~

1291 (3) The corporation board shall establish the clearinghouse
1292 program as an organizational unit within the corporation. The
1293 program shall have all the rights and responsibilities in
1294 carrying out its duties as a licensed general lines agent, but
1295 may not be required to employ or engage a licensed general lines
1296 agent or to maintain an insurance agency license to carry out
1297 its activities in the solicitation and placement of insurance
1298 coverage. In establishing the program, the corporation may:

1299 (a) Require all new applications, and all policies due for
1300 renewal, to be submitted for coverage to the program in order to
1301 facilitate obtaining an offer of coverage from an authorized
1302 insurer before binding or renewing coverage by the corporation.

1303 (b) Employ or otherwise contract with individuals or other
1304 entities for appropriate administrative or professional services
1305 to effectuate the plan within the corporation in accordance with

21-01768A-22

20221728__

1306 the applicable purchasing requirements under s. 627.351.

1307 (c) Enter into contracts with any authorized insurer to
1308 participate in the program and accept an appointment by such
1309 insurer.

1310 (d) Provide funds to operate the program. Insurers and
1311 agents participating in the program are not required to pay a
1312 fee to offset or partially offset the cost of the program or use
1313 the program for renewal of policies initially written through
1314 the clearinghouse.

1315 (e) Develop an enhanced application that includes
1316 information to assist private insurers in determining whether to
1317 make an offer of coverage through the program.

1318 (f) For personal lines residential risks, require, before
1319 approving all new applications for coverage by the corporation,
1320 that every application be subject to a period of 2 business days
1321 when any insurer participating in the program may select the
1322 application for coverage. The insurer may issue a binder on any
1323 policy selected for coverage for a period of at least 30 days
1324 but not more than 60 days.

1325 (4) Any authorized insurer may participate in the program;
1326 however, participation is not mandatory for any insurer.
1327 Insurers making offers of coverage to new applicants or renewal
1328 policyholders through the program:

1329 (a) May not be required to individually appoint any agent
1330 whose customer is underwritten and bound through the program.
1331 Notwithstanding s. 626.112, insurers are not required to appoint
1332 any agent on a policy underwritten through the program for as
1333 long as that policy remains with the insurer. Insurers may, at
1334 their election, appoint any agent whose customer is initially

21-01768A-22

20221728__

1335 underwritten and bound through the program. In the event an
1336 insurer accepts a policy from an agent who is not appointed
1337 pursuant to this paragraph, and thereafter elects to accept a
1338 policy from such agent, the provisions of s. 626.112 requiring
1339 appointment apply to the agent.

1340 (b) Must enter into a limited agency agreement with each
1341 agent that is not appointed in accordance with paragraph (a) and
1342 whose customer is underwritten and bound through the program.

1343 (c) Must enter into its standard agency agreement with each
1344 agent whose customer is underwritten and bound through the
1345 program when that agent has been appointed by the insurer
1346 pursuant to s. 626.112.

1347 (d) Must comply with s. 627.4133(2).

1348 (e) May participate through their single-designated
1349 managing general agent or broker; however, the provisions of
1350 paragraph (6) (a) regarding ownership, control, and use of the
1351 expirations continue to apply.

1352 (f) Must pay to the producing agent a commission equal to
1353 that paid by the corporation or the usual and customary
1354 commission paid by the insurer for that line of business,
1355 whichever is greater.

1356 (5) Notwithstanding s. 627.3517, any applicant for new
1357 coverage from the corporation is not eligible for coverage from
1358 the corporation if provided an offer of coverage from an
1359 authorized insurer through the program at a premium that is at
1360 or below the eligibility threshold established in s.
1361 627.351(6) (c) 5.a. Whenever an offer of coverage for a personal
1362 lines risk is received for a policyholder of the corporation at
1363 renewal from an authorized insurer through the program, if the

21-01768A-22

20221728__

1364 offer is at or below the eligibility threshold established in s.
1365 627.351(6)(c)5.a. ~~equal to or less than the corporation's~~
1366 ~~renewal premium for comparable coverage,~~ the risk is not
1367 eligible for coverage with the corporation. In the event an
1368 offer of coverage for a new applicant is received from an
1369 authorized insurer through the program, and the premium offered
1370 exceeds the eligibility threshold contained in s.
1371 627.351(6)(c)5.a., the applicant or insured may elect to accept
1372 such coverage, or may elect to accept or continue coverage with
1373 the corporation. In the event an offer of coverage for a
1374 personal lines risk is received from an authorized insurer at
1375 renewal through the program, and the premium offered is at or
1376 below the eligibility threshold established in s.
1377 627.351(6)(c)5.a. ~~more than the corporation's renewal premium~~
1378 ~~for comparable coverage,~~ the insured is not eligible to ~~may~~
1379 ~~elect to accept such coverage, or may elect to accept or~~
1380 continue coverage with the corporation. Section
1381 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from
1382 an authorized insurer obtained through the program. An applicant
1383 for coverage from the corporation who was declared ineligible
1384 for coverage at renewal by the corporation in the previous 36
1385 months due to an offer of coverage pursuant to this subsection
1386 shall be considered a renewal under this section if the
1387 corporation determines that the authorized insurer making the
1388 offer of coverage pursuant to this subsection continues to
1389 insure the applicant and increased the rate on the policy in
1390 excess of the increase allowed for the corporation under s.
1391 627.351(6)(n)5.

1392 (6) Independent insurance agents submitting new

21-01768A-22

20221728__

1393 applications for coverage or that are the agent of record on a
1394 renewal policy submitted to the program:

1395 (a) Are granted and must maintain ownership and the
1396 exclusive use of expirations, records, or other written or
1397 electronic information directly related to such applications or
1398 renewals written through the corporation or through an insurer
1399 participating in the program, notwithstanding s.

1400 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted
1401 for as long as the insured remains with the agency or until sold
1402 or surrendered in writing by the agent. Contracts with the
1403 corporation or required by the corporation must not amend,
1404 modify, interfere with, or limit such rights of ownership. Such
1405 expirations, records, or other written or electronic information
1406 may be used to review an application, issue a policy, or for any
1407 other purpose necessary for placing such business through the
1408 program.

1409 (b) May not be required to be appointed by any insurer
1410 participating in the program for policies written solely through
1411 the program, notwithstanding the provisions of s. 626.112.

1412 (c) May accept an appointment from any insurer
1413 participating in the program.

1414 (d) May enter into either a standard or limited agency
1415 agreement with the insurer, at the insurer's option.

1416
1417 Applicants ineligible for coverage in accordance with subsection
1418 (5) remain ineligible if their independent agent is unwilling or
1419 unable to enter into a standard or limited agency agreement with
1420 an insurer participating in the program.

1421 (7) Exclusive agents submitting new applications for

21-01768A-22

20221728__

1422 coverage or that are the agent of record on a renewal policy
1423 submitted to the program:

1424 (a) Must maintain ownership and the exclusive use of
1425 expirations, records, or other written or electronic information
1426 directly related to such applications or renewals written
1427 through the corporation or through an insurer participating in
1428 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and
1429 (II)(B). Contracts with the corporation or required by the
1430 corporation must not amend, modify, interfere with, or limit
1431 such rights of ownership. Such expirations, records, or other
1432 written or electronic information may be used to review an
1433 application, issue a policy, or for any other purpose necessary
1434 for placing such business through the program.

1435 (b) May not be required to be appointed by any insurer
1436 participating in the program for policies written solely through
1437 the program, notwithstanding the provisions of s. 626.112.

1438 (c) Must only facilitate the placement of an offer of
1439 coverage from an insurer whose limited servicing agreement is
1440 approved by that exclusive agent's exclusive insurer.

1441 (d) May enter into a limited servicing agreement with the
1442 insurer making an offer of coverage, and only after the
1443 exclusive agent's insurer has approved the limited servicing
1444 agreement terms. The exclusive agent's insurer must approve a
1445 limited service agreement for the program for any insurer for
1446 which it has approved a service agreement for other purposes.

1447
1448 Applicants ineligible for coverage in accordance with subsection
1449 (5) remain ineligible if their exclusive agent is unwilling or
1450 unable to enter into a standard or limited agency agreement with

21-01768A-22

20221728__

1451 an insurer making an offer of coverage to that applicant.

1452 (8) Submission of an application for coverage by the
1453 corporation to the program does not constitute the binding of
1454 coverage by the corporation, and failure of the program to
1455 obtain an offer of coverage by an insurer may not be considered
1456 acceptance of coverage of the risk by the corporation.

1457 (9) The 45-day notice of nonrenewal requirement set forth
1458 in s. 627.4133(2)(b)5. applies when a policy is nonrenewed by
1459 the corporation because the risk has received an offer of
1460 coverage pursuant to this section which renders the risk
1461 ineligible for coverage by the corporation.

1462 (10) The program may not include commercial nonresidential
1463 policies.

1464 (11) Proprietary business information provided to the
1465 corporation's clearinghouse by insurers with respect to
1466 identifying and selecting risks for an offer of coverage is
1467 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I
1468 of the State Constitution.

1469 (a) As used in this subsection, the term "proprietary
1470 business information" means information, regardless of form or
1471 characteristics, which is owned or controlled by an insurer and:

1472 1. Is identified by the insurer as proprietary business
1473 information and is intended to be and is treated by the insurer
1474 as private in that the disclosure of the information would cause
1475 harm to the insurer, an individual, or the company's business
1476 operations and has not been disclosed unless disclosed pursuant
1477 to a statutory requirement, an order of a court or
1478 administrative body, or a private agreement that provides that
1479 the information will not be released to the public;

21-01768A-22

20221728__

1480 2. Is not otherwise readily ascertainable or publicly
1481 available by proper means by other persons from another source
1482 in the same configuration as provided to the clearinghouse; and

1483 3. Includes:

1484 a. Trade secrets, as defined in s. 688.002.

1485 b. Information relating to competitive interests, the
1486 disclosure of which would impair the competitive business of the
1487 provider of the information.

1488

1489 Proprietary business information may be found in underwriting
1490 criteria or instructions which are used to identify and select
1491 risks through the program for an offer of coverage and are
1492 shared with the clearinghouse to facilitate the shopping of
1493 risks with the insurer.

1494 (b) The clearinghouse may disclose confidential and exempt
1495 proprietary business information:

1496 1. If the insurer to which it pertains gives prior written
1497 consent;

1498 2. Pursuant to a court order; or

1499 3. To another state agency in this or another state or to a
1500 federal agency if the recipient agrees in writing to maintain
1501 the confidential and exempt status of the document, material, or
1502 other information and has verified in writing its legal
1503 authority to maintain such confidentiality.

1504 Section 4. Paragraphs (f), (g), and (h) are added to
1505 subsection (5) of section 627.7011, Florida Statutes, to read:

1506 627.7011 Homeowners' policies; offer of replacement cost
1507 coverage and law and ordinance coverage.—

1508 (5) This section does not:

21-01768A-22

20221728__

1509 (f)1. Prohibit an insurer, notwithstanding paragraph
1510 (1) (a), from providing limited coverage on a personal lines
1511 residential property insurance policy by including a roof
1512 surface type reimbursement schedule. If included in the policy,
1513 a roof surface type reimbursement schedule must do all of the
1514 following:

1515 a. Provide reimbursement for repair, replacement, and
1516 installation based on the annual age of a roof surface type.

1517 b. Provide full replacement coverage for:

1518 (I) Any roof surface type less than 10 years old;

1519 (II) A total loss to a primary structure in accordance with
1520 the valued policy law under s. 627.702 which is caused by a
1521 covered peril; and

1522 (III) A loss to the roof caused by a storm declared to be a
1523 hurricane by the National Hurricane Center.

1524 c. Use annual depreciation amounts that:

1525 (I) Are actuarially justified and meet the requirements of
1526 s. 627.062; and

1527 (II) Do not exceed 4 percent unless actuarially justified.

1528 d. Be approved by the office.

1529 e. Include at the top of the roof surface type schedule, in
1530 bold type no smaller than 12 points, the following statement:

1531 "PLEASE DISCUSS WITH YOUR INSURANCE AGENT. YOU ARE
1532 ELECTING TO PURCHASE COVERAGE ON YOUR ROOF ACCORDING
1533 TO A ROOF SURFACE TYPE REIMBURSEMENT SCHEDULE. IF YOUR
1534 ROOF IS DAMAGED BY A COVERED PERIL, YOU WILL RECEIVE A
1535 PAYMENT AMOUNT FOR YOUR ROOF ACCORDING TO THE SCHEDULE
1536 BELOW. BE ADVISED THAT THIS MAY RESULT IN YOU HAVING
1537 BELOW. BE ADVISED THAT THIS MAY RESULT IN YOU HAVING

21-01768A-22

20221728__

1538 TO PAY SIGNIFICANT COSTS TO REPAIR OR REPLACE YOUR
1539 ROOF. PLEASE DISCUSS WITH YOUR INSURANCE AGENT."

1540
1541 f. Be provided to the insured with the policy documents at
1542 issuance and renewal.

1543 2. A residential property insurance policy may convert to a
1544 roof surface type reimbursement schedule at renewal if the roof
1545 is at least 10 years old and the policyholder:

1546 a. Receives a Notice of Change in Policy Terms pursuant to
1547 s. 627.43141; and

1548 b. Accepts the written notice of renewal premium required
1549 under s. 627.4133, by paying the premium.

1550 (g) Prohibit an insurer, notwithstanding paragraph (1)(a),
1551 from providing coverage on a personal lines residential property
1552 insurance policy that limits coverage for a roof to a stated
1553 value sublimit of coverage. If included in a policy, a stated
1554 value sublimit of coverage must do all of the following:

1555 1. Provide full replacement coverage for:

1556 a. Any roof surface type less than 10 years old;

1557 b. A total loss to a primary structure in accordance with
1558 the valued policy law under s. 627.702 which is caused by a
1559 covered peril; and

1560 c. A loss to the roof caused by a storm declared to be a
1561 hurricane by the National Hurricane Center.

1562 2. Include in the policy documents at issuance and at
1563 renewal, in bold type no smaller than 12 points, the following
1564 statement:

1565
1566 "PLEASE DISCUSS WITH YOUR INSURANCE AGENT. YOU ARE

21-01768A-22

20221728__

1567 ELECTING TO PURCHASE A STATED VALUE SUBLIMIT OF
1568 COVERAGE ON YOUR ROOF. BE ADVISED THAT THIS MAY RESULT
1569 IN YOU HAVING TO PAY SIGNIFICANT COSTS TO REPAIR OR
1570 REPLACE YOUR ROOF. PLEASE DISCUSS WITH YOUR INSURANCE
1571 AGENT."

1572
1573 (h) Prohibit an insurer that provides roof reimbursement on
1574 the basis of a roof surface type reimbursement schedule or that
1575 limits coverage for a roof to a stated value sublimit of
1576 coverage from also offering roof reimbursement on the basis of
1577 replacement costs.

1578 Section 5. For the purpose of incorporating the amendments
1579 made by this act to section 627.351, Florida Statutes, in a
1580 reference thereto, subsection (10) of section 624.424, Florida
1581 Statutes, is reenacted to read:

1582 624.424 Annual statement and other information.-

1583 (10) Each insurer or insurer group doing business in this
1584 state shall file on a quarterly basis in conjunction with
1585 financial reports required by paragraph (1)(a) a supplemental
1586 report on an individual and group basis on a form prescribed by
1587 the commission with information on personal lines and commercial
1588 lines residential property insurance policies in this state. The
1589 supplemental report shall include separate information for
1590 personal lines property policies and for commercial lines
1591 property policies and totals for each item specified, including
1592 premiums written for each of the property lines of business as
1593 described in ss. 215.555(2)(c) and 627.351(6)(a). The report
1594 shall include the following information for each county on a
1595 monthly basis:

21-01768A-22

20221728__

- 1596 (a) Total number of policies in force at the end of each
1597 month.
- 1598 (b) Total number of policies canceled.
- 1599 (c) Total number of policies nonrenewed.
- 1600 (d) Number of policies canceled due to hurricane risk.
- 1601 (e) Number of policies nonrenewed due to hurricane risk.
- 1602 (f) Number of new policies written.
- 1603 (g) Total dollar value of structure exposure under policies
1604 that include wind coverage.
- 1605 (h) Number of policies that exclude wind coverage.

1606 Section 6. For the purpose of incorporating the amendments
1607 made by this act to section 627.351, Florida Statutes, in a
1608 reference thereto, section 627.3517, Florida Statutes, is
1609 reenacted to read:

1610 627.3517 Consumer choice.—No provision of s. 627.351, s.
1611 627.3511, or s. 627.3515 shall be construed to impair the right
1612 of any insurance risk apportionment plan policyholder, upon
1613 receipt of any keepout or take-out offer, to retain his or her
1614 current agent, so long as that agent is duly licensed and
1615 appointed by the insurance risk apportionment plan or otherwise
1616 authorized to place business with the insurance risk
1617 apportionment plan. This right shall not be canceled, suspended,
1618 impeded, abridged, or otherwise compromised by any rule, plan of
1619 operation, or depopulation plan, whether through keepout, take-
1620 out, midterm assumption, or any other means, of any insurance
1621 risk apportionment plan or depopulation plan, including, but not
1622 limited to, those described in s. 627.351, s. 627.3511, or s.
1623 627.3515. The commission shall adopt any rules necessary to
1624 cause any insurance risk apportionment plan or market assistance

21-01768A-22

20221728__

1625 plan under such sections to demonstrate that the operations of
1626 the plan do not interfere with, promote, or allow interference
1627 with the rights created under this section. If the
1628 policyholder's current agent is unable or unwilling to be
1629 appointed with the insurer making the take-out or keepout offer,
1630 the policyholder shall not be disqualified from participation in
1631 the appropriate insurance risk apportionment plan because of an
1632 offer of coverage in the voluntary market. An offer of full
1633 property insurance coverage by the insurer currently insuring
1634 either the ex-wind or wind-only coverage on the policy to which
1635 the offer applies shall not be considered a take-out or keepout
1636 offer. Any rule, plan of operation, or plan of depopulation,
1637 through keepout, take-out, midterm assumption, or any other
1638 means, of any property insurance risk apportionment plan under
1639 s. 627.351(2) or (6) is subject to ss. 627.351(2)(b) and (6)(c)
1640 and 627.351(4).

1641 Section 7. For the purpose of incorporating the amendments
1642 made by this act to section 627.351, Florida Statutes, in a
1643 reference thereto, subsection (1) of section 627.712, Florida
1644 Statutes, is reenacted to read:

1645 627.712 Residential windstorm coverage required;
1646 availability of exclusions for windstorm or contents.—

1647 (1) An insurer issuing a residential property insurance
1648 policy must provide windstorm coverage. Except as provided in
1649 paragraph (2)(c), this section does not apply to risks that are
1650 eligible for wind-only coverage from Citizens Property Insurance
1651 Corporation under s. 627.351(6), and risks that are not eligible
1652 for coverage from Citizens Property Insurance Corporation under
1653 s. 627.351(6)(a)3. or 5. A risk ineligible for coverage by the

21-01768A-22

20221728__

1654 corporation under s. 627.351(6)(a)3. or 5. is exempt from this
1655 section only if the risk is located within the boundaries of the
1656 coastal account of the corporation.

1657 Section 8. This act shall take effect July 1, 2022.