

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.