

By the Committees on Appropriations; and Banking and Insurance;
and Senator Boyd

576-03532-22

20221728c2

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. 627.021, F.S.;
5 revising applicability; amending s. 627.351, F.S.;
6 deleting obsolete provisions related to eligibility
7 thresholds for personal lines residential coverage
8 with the Citizens Property Insurance Corporation;
9 requiring the corporation to use a method for valuing
10 dwelling replacement costs which is approved by the
11 Office of Insurance Regulation; requiring, rather than
12 authorizing, the corporation to use a single account
13 under certain circumstances; specifying qualifications
14 requirements for certain members of the board of
15 governors for the corporation; defining the term
16 "demonstrated expertise in insurance"; revising
17 conditions for eligibility for coverage with the
18 corporation; providing for a required limited annual
19 rate increase for specified policies; requiring that
20 certain new policies written by the corporation be
21 charged a specified premium until certain conditions
22 are met; defining the terms "primary residence" and
23 "unsound insurer"; providing that eligible surplus
24 lines insurers may participate, in the same manner and
25 on the same terms as an authorized insurer, in
26 depopulation, take-out, or keep-out programs relating
27 to policies removed from Citizens Property Insurance
28 Corporation; providing certain exceptions, conditions,
29 and requirements relating to such participation by a

576-03532-22

20221728c2

30 surplus lines insurer in the corporation's
31 depopulation, take-out, or keep-out programs;
32 providing thresholds for eligibility for coverage by
33 the corporation for risks that are offered coverage
34 from qualified surplus lines insurers; authorizing
35 information from underwriting files and confidential
36 claims files to be released under certain
37 circumstances by the corporation to specified entities
38 that consider writing or underwriting risks insured by
39 the corporation; specifying that only the
40 corporation's transfer of a policy file to an insurer,
41 as opposed to the transfer of any file, changes the
42 file's public record status; revising the contents of
43 a specified notice provided by the corporation; making
44 technical changes; amending s. 627.3518, F.S.;

45 deleting an obsolete provision related to implementing
46 the clearinghouse program by a specified date;
47 deleting an obsolete reporting requirement; conforming
48 provisions to changes made by the act; amending s.
49 627.701, F.S.; revising a prohibition against the
50 issuance of insurance policies containing certain
51 deductible provisions; requiring personal lines
52 residential property insurance policies containing
53 separate roof deductibles to include specified
54 information; authorizing property insurers to require
55 separate roof deductibles if certain conditions are
56 met; amending s. 627.7011, F.S.; authorizing insurers
57 to limit roof claim payments to the actual cash value
58 under certain circumstances; amending s. 627.70152,

576-03532-22

20221728c2

59 F.S.; authorizing the award of reasonable attorney
60 fees to defendants under certain circumstances;
61 reenacting ss. 624.424(10), 627.3517, and 627.712(1),
62 F.S., relating to annual insurer statements, consumer
63 choice, and required residential windstorm coverage,
64 respectively, to incorporate the amendments made to s.
65 627.351, F.S., in references thereto; providing an
66 effective date.

67

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

69

70 Section 1. Paragraph (a) of subsection (1) of section
71 489.147, Florida Statutes, is amended to read:

72 489.147 Prohibited property insurance practices.-

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

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

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

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

576-03532-22

20221728c2

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

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

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

96 627.021 Scope of this part.—

97 (2) This part does not apply to:

98 (a) Reinsurance, except joint reinsurance as provided in s.
99 627.311.

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

104 (c) Insurance of vessels or craft, their cargoes, marine
105 builders' risks, marine protection and indemnity, or other risks
106 commonly insured under marine insurance policies.

107 (d) Commercial inland marine insurance.

108 (e) Except as may be specifically stated to apply, surplus
109 lines insurance placed under ~~the provisions of~~ ss. 626.913-
110 626.937.

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

114 627.351 Insurance risk apportionment plans.—

115 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

116 (a) The public purpose of this subsection is to ensure that

576-03532-22

20221728c2

117 there is an orderly market for property insurance for residents
118 and businesses of this state.

119 1. The Legislature finds that private insurers are
120 unwilling or unable to provide affordable property insurance
121 coverage in this state to the extent sought and needed. The
122 absence of affordable property insurance threatens the public
123 health, safety, and welfare and likewise threatens the economic
124 health of the state. The state therefore has a compelling public
125 interest and a public purpose to assist in assuring that
126 property in this ~~the~~ state is insured and that it is insured at
127 affordable rates so as to facilitate the remediation,
128 reconstruction, and replacement of damaged or destroyed property
129 in order to reduce or avoid the negative effects otherwise
130 resulting to the public health, safety, and welfare, to the
131 economy of the state, and to the revenues of the state and local
132 governments which are needed to provide for the public welfare.
133 It is necessary, therefore, to provide affordable property
134 insurance to applicants who are in good faith entitled to
135 procure insurance through the voluntary market but are unable to
136 do so. The Legislature intends, therefore, that affordable
137 property insurance be provided and that it continue to be
138 provided, as long as necessary, through Citizens Property
139 Insurance Corporation, a government entity that is an integral
140 part of the state, and that is not a private insurance company.
141 To that end, the corporation shall strive to increase the
142 availability of affordable property insurance in this state,
143 while achieving efficiencies and economies, and while providing
144 service to policyholders, applicants, and agents which is no
145 less than the quality generally provided in the voluntary

576-03532-22

20221728c2

146 market, for the achievement of the foregoing public purposes.
147 Because it is essential for this government entity to have the
148 maximum financial resources to pay claims following a
149 catastrophic hurricane, it is the intent of the Legislature that
150 the corporation continue to be an integral part of the state and
151 that the income of the corporation be exempt from federal income
152 taxation and that interest on the debt obligations issued by the
153 corporation be exempt from federal income taxation.

154 2. The Residential Property and Casualty Joint Underwriting
155 Association originally created by this statute shall be known as
156 the Citizens Property Insurance Corporation. The corporation
157 shall provide insurance for residential and commercial property,
158 for applicants who are entitled, but, in good faith, are unable
159 to procure insurance through the voluntary market. The
160 corporation shall operate pursuant to a plan of operation
161 approved by order of the Financial Services Commission. The plan
162 is subject to continuous review by the commission. The
163 commission may, by order, withdraw approval of all or part of a
164 plan if the commission determines that conditions have changed
165 since approval was granted and that the purposes of the plan
166 require changes in the plan. For the purposes of this
167 subsection, residential coverage includes both personal lines
168 residential coverage, which consists of the type of coverage
169 provided by homeowner, mobile home owner, dwelling, tenant,
170 condominium unit owner, and similar policies; and commercial
171 lines residential coverage, which consists of the type of
172 coverage provided by condominium association, apartment
173 building, and similar policies.

174 3. With respect to coverage for personal lines residential

576-03532-22

20221728c2

175 structures, and:

176 ~~a. Effective January 1, 2014, a structure that has a~~
177 ~~dwelling replacement cost of \$1 million or more, or a single~~
178 ~~condominium unit that has a combined dwelling and contents~~
179 ~~replacement cost of \$1 million or more, is not eligible for~~
180 ~~coverage by the corporation. Such dwellings insured by the~~
181 ~~corporation on December 31, 2013, may continue to be covered by~~
182 ~~the corporation until the end of the policy term. The office~~
183 ~~shall approve the method used by the corporation for valuing the~~
184 ~~dwelling replacement cost for the purposes of this subparagraph.~~
185 ~~If a policyholder is insured by the corporation before being~~
186 ~~determined to be ineligible pursuant to this subparagraph and~~
187 ~~such policyholder files a lawsuit challenging the determination,~~
188 ~~the policyholder may remain insured by the corporation until the~~
189 ~~conclusion of the litigation.~~

190 ~~b. Effective January 1, 2015, a structure that has a~~
191 ~~dwelling replacement cost of \$900,000 or more, or a single~~
192 ~~condominium unit that has a combined dwelling and contents~~
193 ~~replacement cost of \$900,000 or more, is not eligible for~~
194 ~~coverage by the corporation. Such dwellings insured by the~~
195 ~~corporation on December 31, 2014, may continue to be covered by~~
196 ~~the corporation only until the end of the policy term.~~

197 ~~e. Effective January 1, 2016, a structure that has a~~
198 ~~dwelling replacement cost of \$800,000 or more, or a single~~
199 ~~condominium unit that has a combined dwelling and contents~~
200 ~~replacement cost of \$800,000 or more, is not eligible for~~
201 ~~coverage by the corporation. Such dwellings insured by the~~
202 ~~corporation on December 31, 2015, may continue to be covered by~~
203 ~~the corporation until the end of the policy term.~~

576-03532-22

20221728c2

204 ~~d.~~ effective January 1, 2017, a structure that has a
205 dwelling replacement cost of \$700,000 or more, or a single
206 condominium unit that has a combined dwelling and contents
207 replacement cost of \$700,000 or more, is not eligible for
208 coverage by the corporation. The corporation must use a method
209 for valuing the dwelling replacement cost which is approved by
210 the office ~~Such dwellings insured by the corporation on December~~
211 ~~31, 2016, may continue to be covered by the corporation until~~
212 ~~the end of the policy term. The requirements of sub-~~
213 ~~subparagraphs b. d. do not apply~~ However, in counties where the
214 office determines there is not a reasonable degree of
215 competition, ~~in such counties a personal lines residential~~
216 structure that has a dwelling replacement cost of less than \$1
217 million, or a single condominium unit that has a combined
218 dwelling and contents replacement cost of less than \$1 million,
219 is eligible for coverage by the corporation.

220 4. It is the intent of the Legislature that policyholders,
221 applicants, and agents of the corporation receive service and
222 treatment of the highest possible level but never less than that
223 generally provided in the voluntary market. It is also intended
224 that the corporation be held to service standards no less than
225 those applied to insurers in the voluntary market by the office
226 with respect to responsiveness, timeliness, customer courtesy,
227 and overall dealings with policyholders, applicants, or agents
228 of the corporation.

229 5.a. Effective January 1, 2009, a personal lines
230 residential structure that is located in the "wind-borne debris
231 region," as defined in s. 1609.2, International Building Code
232 (2006), and that has an insured value on the structure of

576-03532-22

20221728c2

233 \$750,000 or more is not eligible for coverage by the corporation
234 unless the structure has opening protections as required under
235 the Florida Building Code for a newly constructed residential
236 structure in that area. A residential structure is deemed to
237 comply with this sub-subparagraph if it has shutters or opening
238 protections on all openings and if such opening protections
239 complied with the Florida Building Code at the time they were
240 installed.

241 b. Any major structure, as defined in s. 161.54(6)(a), that
242 is newly constructed, or rebuilt, repaired, restored, or
243 remodeled to increase the total square footage of finished area
244 by more than 25 percent, pursuant to a permit applied for after
245 July 1, 2015, is not eligible for coverage by the corporation if
246 the structure is seaward of the coastal construction control
247 line established pursuant to s. 161.053 or is within the Coastal
248 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
249 3510.

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

255 (b)1. All insurers authorized to write one or more subject
256 lines of business in this state are subject to assessment by the
257 corporation and, for the purposes of this subsection, are
258 referred to collectively as "assessable insurers." Insurers
259 writing one or more subject lines of business in this state
260 pursuant to part VIII of chapter 626 are not assessable
261 insurers; however, insureds who procure one or more subject

576-03532-22

20221728c2

262 lines of business in this state pursuant to part VIII of chapter
263 626 are subject to assessment by the corporation and are
264 referred to collectively as "assessable insureds." An insurer's
265 assessment liability begins on the first day of the calendar
266 year following the year in which the insurer was issued a
267 certificate of authority to transact insurance for subject lines
268 of business in this state and terminates 1 year after the end of
269 the first calendar year during which the insurer no longer holds
270 a certificate of authority to transact insurance for subject
271 lines of business in this state.

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

275 (I) A personal lines account for personal residential
276 policies issued by the corporation which provides comprehensive,
277 multiperil coverage on risks that are not located in areas
278 eligible for coverage by the Florida Windstorm Underwriting
279 Association as those areas were defined on January 1, 2002, and
280 for policies that do not provide coverage for the peril of wind
281 on risks that are located in such areas;

282 (II) A commercial lines account for commercial residential
283 and commercial nonresidential policies issued by the corporation
284 which provides coverage for basic property perils on risks that
285 are not located in areas eligible for coverage by the Florida
286 Windstorm Underwriting Association as those areas were defined
287 on January 1, 2002, and for policies that do not provide
288 coverage for the peril of wind on risks that are located in such
289 areas; and

290 (III) A coastal account for personal residential policies

576-03532-22

20221728c2

291 and commercial residential and commercial nonresidential
292 property policies issued by the corporation which provides
293 coverage for the peril of wind on risks that are located in
294 areas eligible for coverage by the Florida Windstorm
295 Underwriting Association as those areas were defined on January
296 1, 2002. The corporation may offer policies that provide
297 multiperil coverage and shall offer policies that provide
298 coverage only for the peril of wind for risks located in areas
299 eligible for coverage in the coastal account. Effective July 1,
300 2014, the corporation shall cease offering new commercial
301 residential policies providing multiperil coverage and shall
302 instead continue to offer commercial residential wind-only
303 policies, and may offer commercial residential policies
304 excluding wind. The corporation may, however, continue to renew
305 a commercial residential multiperil policy on a building that is
306 insured by the corporation on June 30, 2014, under a multiperil
307 policy. In issuing multiperil coverage, the corporation may use
308 its approved policy forms and rates for the personal lines
309 account. An applicant or insured who is eligible to purchase a
310 multiperil policy from the corporation may purchase a multiperil
311 policy from an authorized insurer without prejudice to the
312 applicant's or insured's eligibility to prospectively purchase a
313 policy that provides coverage only for the peril of wind from
314 the corporation. An applicant or insured who is eligible for a
315 corporation policy that provides coverage only for the peril of
316 wind may elect to purchase or retain such policy and also
317 purchase or retain coverage excluding wind from an authorized
318 insurer without prejudice to the applicant's or insured's
319 eligibility to prospectively purchase a policy that provides

576-03532-22

20221728c2

320 multiperil coverage from the corporation. It is the goal of the
321 Legislature that there be an overall average savings of 10
322 percent or more for a policyholder who currently has a wind-only
323 policy with the corporation, and an ex-wind policy with a
324 voluntary insurer or the corporation, and who obtains a
325 multiperil policy from the corporation. It is the intent of the
326 Legislature that the offer of multiperil coverage in the coastal
327 account be made and implemented in a manner that does not
328 adversely affect the tax-exempt status of the corporation or
329 creditworthiness of or security for currently outstanding
330 financing obligations or credit facilities of the coastal
331 account, the personal lines account, or the commercial lines
332 account. The coastal account must also include quota share
333 primary insurance under subparagraph (c)2. The area eligible for
334 coverage under the coastal account also includes the area within
335 Port Canaveral, which is bordered on the south by the City of
336 Cape Canaveral, bordered on the west by the Banana River, and
337 bordered on the north by Federal Government property.

338 b. The three separate accounts must be maintained as long
339 as financing obligations entered into by the Florida Windstorm
340 Underwriting Association or Residential Property and Casualty
341 Joint Underwriting Association are outstanding, in accordance
342 with the terms of the corresponding financing documents. If the
343 financing obligations are no longer outstanding, the corporation
344 shall ~~may~~ use a single account for all revenues, assets,
345 liabilities, losses, and expenses of the corporation. Consistent
346 with this subparagraph and prudent investment policies that
347 minimize the cost of carrying debt, the board shall exercise its
348 best efforts to retire existing debt or obtain the approval of

576-03532-22

20221728c2

349 necessary parties to amend the terms of existing debt, so as to
350 structure the most efficient plan for consolidating the three
351 separate accounts into a single account.

352 c. Creditors of the Residential Property and Casualty Joint
353 Underwriting Association and the accounts specified in sub-sub-
354 subparagraphs a.(I) and (II) may have a claim against, and
355 recourse to, those accounts and no claim against, or recourse
356 to, the account referred to in sub-sub-subparagraph a.(III).
357 Creditors of the Florida Windstorm Underwriting Association have
358 a claim against, and recourse to, the account referred to in
359 sub-sub-subparagraph a.(III) and no claim against, or recourse
360 to, the accounts referred to in sub-sub-subparagraphs a.(I) and
361 (II).

362 d. Revenues, assets, liabilities, losses, and expenses not
363 attributable to particular accounts shall be prorated among the
364 accounts.

365 e. The Legislature finds that the revenues of the
366 corporation are revenues that are necessary to meet the
367 requirements set forth in documents authorizing the issuance of
368 bonds under this subsection.

369 f. The income of the corporation may not inure to the
370 benefit of any private person.

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

372 a. After accounting for the Citizens policyholder surcharge
373 imposed under subparagraph i., if the remaining projected
374 deficit incurred in the coastal account in a particular calendar
375 year:

376 (I) Is not greater than 2 percent of the aggregate
377 statewide direct written premium for the subject lines of

576-03532-22

20221728c2

378 business for the prior calendar year, the entire deficit shall
379 be recovered through regular assessments of assessable insurers
380 under paragraph (q) and assessable insureds.

381 (II) Exceeds 2 percent of the aggregate statewide direct
382 written premium for the subject lines of business for the prior
383 calendar year, the corporation shall levy regular assessments on
384 assessable insurers under paragraph (q) and on assessable
385 insureds in an amount equal to the greater of 2 percent of the
386 projected deficit or 2 percent of the aggregate statewide direct
387 written premium for the subject lines of business for the prior
388 calendar year. Any remaining projected deficit shall be
389 recovered through emergency assessments under sub-subparagraph
390 d.

391 b. Each assessable insurer's share of the amount being
392 assessed under sub-subparagraph a. must be in the proportion
393 that the assessable insurer's direct written premium for the
394 subject lines of business for the year preceding the assessment
395 bears to the aggregate statewide direct written premium for the
396 subject lines of business for that year. The assessment
397 percentage applicable to each assessable insured is the ratio of
398 the amount being assessed under sub-subparagraph a. to the
399 aggregate statewide direct written premium for the subject lines
400 of business for the prior year. Assessments levied by the
401 corporation on assessable insurers under sub-subparagraph a.
402 must be paid as required by the corporation's plan of operation
403 and paragraph (q). Assessments levied by the corporation on
404 assessable insureds under sub-subparagraph a. shall be collected
405 by the surplus lines agent at the time the surplus lines agent
406 collects the surplus lines tax required by s. 626.932, and paid

576-03532-22

20221728c2

407 to the Florida Surplus Lines Service Office at the time the
408 surplus lines agent pays the surplus lines tax to that office.
409 Upon receipt of regular assessments from surplus lines agents,
410 the Florida Surplus Lines Service Office shall transfer the
411 assessments directly to the corporation as determined by the
412 corporation.

413 c. After accounting for the Citizens policyholder surcharge
414 imposed under sub-subparagraph i., the remaining projected
415 deficits in the personal lines account and in the commercial
416 lines account in a particular calendar year shall be recovered
417 through emergency assessments under sub-subparagraph d.

418 d. Upon a determination by the board of governors that a
419 projected deficit in an account exceeds the amount that is
420 expected to be recovered through regular assessments under sub-
421 subparagraph a., plus the amount that is expected to be
422 recovered through surcharges under sub-subparagraph i., the
423 board, after verification by the office, shall levy emergency
424 assessments for as many years as necessary to cover the
425 deficits, to be collected by assessable insurers and the
426 corporation and collected from assessable insureds upon issuance
427 or renewal of policies for subject lines of business, excluding
428 National Flood Insurance policies. The amount collected in a
429 particular year must be a uniform percentage of that year's
430 direct written premium for subject lines of business and all
431 accounts of the corporation, excluding National Flood Insurance
432 Program policy premiums, as annually determined by the board and
433 verified by the office. The office shall verify the arithmetic
434 calculations involved in the board's determination within 30
435 days after receipt of the information on which the determination

576-03532-22

20221728c2

436 was based. The office shall notify assessable insurers and the
437 Florida Surplus Lines Service Office of the date on which
438 assessable insurers shall begin to collect and assessable
439 insureds shall begin to pay such assessment. The date must be at
440 least 90 days after the date the corporation levies emergency
441 assessments pursuant to this sub-subparagraph. Notwithstanding
442 any other provision of law, the corporation and each assessable
443 insurer that writes subject lines of business shall collect
444 emergency assessments from its policyholders without such
445 obligation being affected by any credit, limitation, exemption,
446 or deferment. Emergency assessments levied by the corporation on
447 assessable insureds shall be collected by the surplus lines
448 agent at the time the surplus lines agent collects the surplus
449 lines tax required by s. 626.932 and paid to the Florida Surplus
450 Lines Service Office at the time the surplus lines agent pays
451 the surplus lines tax to that office. The emergency assessments
452 collected shall be transferred directly to the corporation on a
453 periodic basis as determined by the corporation and held by the
454 corporation solely in the applicable account. The aggregate
455 amount of emergency assessments levied for an account in any
456 calendar year may be less than but may not exceed the greater of
457 10 percent of the amount needed to cover the deficit, plus
458 interest, fees, commissions, required reserves, and other costs
459 associated with financing the original deficit, or 10 percent of
460 the aggregate statewide direct written premium for subject lines
461 of business and all accounts of the corporation for the prior
462 year, plus interest, fees, commissions, required reserves, and
463 other costs associated with financing the deficit.

464 e. The corporation may pledge the proceeds of assessments,

576-03532-22

20221728c2

465 projected recoveries from the Florida Hurricane Catastrophe
466 Fund, other insurance and reinsurance recoverables, policyholder
467 surcharges and other surcharges, and other funds available to
468 the corporation as the source of revenue for and to secure bonds
469 issued under paragraph (q), bonds or other indebtedness issued
470 under subparagraph (c)3., or lines of credit or other financing
471 mechanisms issued or created under this subsection, or to retire
472 any other debt incurred as a result of deficits or events giving
473 rise to deficits, or in any other way that the board determines
474 will efficiently recover such deficits. The purpose of the lines
475 of credit or other financing mechanisms is to provide additional
476 resources to assist the corporation in covering claims and
477 expenses attributable to a catastrophe. As used in this
478 subsection, the term "assessments" includes regular assessments
479 under sub-subparagraph a. or subparagraph (q)1. and emergency
480 assessments under sub-subparagraph d. Emergency assessments
481 collected under sub-subparagraph d. are not part of an insurer's
482 rates, are not premium, and are not subject to premium tax,
483 fees, or commissions; however, failure to pay the emergency
484 assessment shall be treated as failure to pay premium. The
485 emergency assessments shall continue as long as any bonds issued
486 or other indebtedness incurred with respect to a deficit for
487 which the assessment was imposed remain outstanding, unless
488 adequate provision has been made for the payment of such bonds
489 or other indebtedness pursuant to the documents governing such
490 bonds or indebtedness.

491 f. As used in this subsection for purposes of any deficit
492 incurred on or after January 25, 2007, the term "subject lines
493 of business" means insurance written by assessable insurers or

576-03532-22

20221728c2

494 procured by assessable insureds for all property and casualty
495 lines of business in this state, but not including workers'
496 compensation or medical malpractice. As used in this sub-
497 subparagraph, the term "property and casualty lines of business"
498 includes all lines of business identified on Form 2, Exhibit of
499 Premiums and Losses, in the annual statement required of
500 authorized insurers under s. 624.424 and any rule adopted under
501 this section, except for those lines identified as accident and
502 health insurance and except for policies written under the
503 National Flood Insurance Program or the Federal Crop Insurance
504 Program. For purposes of this sub-subparagraph, the term
505 "workers' compensation" includes both workers' compensation
506 insurance and excess workers' compensation insurance.

507 g. The Florida Surplus Lines Service Office shall determine
508 annually the aggregate statewide written premium in subject
509 lines of business procured by assessable insureds and report
510 that information to the corporation in a form and at a time the
511 corporation specifies to ensure that the corporation can meet
512 the requirements of this subsection and the corporation's
513 financing obligations.

514 h. The Florida Surplus Lines Service Office shall verify
515 the proper application by surplus lines agents of assessment
516 percentages for regular assessments and emergency assessments
517 levied under this subparagraph on assessable insureds and assist
518 the corporation in ensuring the accurate, timely collection and
519 payment of assessments by surplus lines agents as required by
520 the corporation.

521 i. Upon determination by the board of governors that an
522 account has a projected deficit, the board shall levy a Citizens

576-03532-22

20221728c2

523 policyholder surcharge against all policyholders of the
524 corporation.

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

528 (II) The surcharge is payable upon cancellation or
529 termination of the policy, upon renewal of the policy, or upon
530 issuance of a new policy by the corporation within the first 12
531 months after the date of the levy or the period of time
532 necessary to fully collect the surcharge amount.

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

538 (IV) The surcharge is not considered premium and is not
539 subject to commissions, fees, or premium taxes. However, failure
540 to pay the surcharge shall be treated as failure to pay premium.

541 j. If the amount of any assessments or surcharges collected
542 from corporation policyholders, assessable insurers or their
543 policyholders, or assessable insureds exceeds the amount of the
544 deficits, such excess amounts shall be remitted to and retained
545 by the corporation in a reserve to be used by the corporation,
546 as determined by the board of governors and approved by the
547 office, to pay claims or reduce any past, present, or future
548 plan-year deficits or to reduce outstanding debt.

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

550 1. Must provide for adoption of residential property and
551 casualty insurance policy forms and commercial residential and

576-03532-22

20221728c2

552 nonresidential property insurance forms, which must be approved
553 by the office before use. The corporation shall adopt the
554 following policy forms:

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

559 b. Basic personal lines policy forms that are policies
560 similar to an HO-8 policy or a dwelling fire policy that provide
561 coverage meeting the requirements of the secondary mortgage
562 market, but which is more limited than the coverage under a
563 standard policy.

564 c. Commercial lines residential and nonresidential policy
565 forms that are generally similar to the basic perils of full
566 coverage obtainable for commercial residential structures and
567 commercial nonresidential structures in the admitted voluntary
568 market.

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

574 e. Commercial lines nonresidential property insurance forms
575 that cover the peril of wind only. The forms are applicable only
576 to nonresidential properties located in areas eligible for
577 coverage under the coastal account referred to in sub-
578 subparagraph (b)2.a.

579 f. The corporation may adopt variations of the policy forms
580 listed in sub-subparagraphs a.-e. which contain more restrictive

576-03532-22

20221728c2

581 coverage.

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

586 2. Must provide that the corporation adopt a program in
587 which the corporation and authorized insurers enter into quota
588 share primary insurance agreements for hurricane coverage, as
589 defined in s. 627.4025(2)(a), for eligible risks, and adopt
590 property insurance forms for eligible risks which cover the
591 peril of wind only.

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

593 (I) "Quota share primary insurance" means an arrangement in
594 which the primary hurricane coverage of an eligible risk is
595 provided in specified percentages by the corporation and an
596 authorized insurer. The corporation and authorized insurer are
597 each solely responsible for a specified percentage of hurricane
598 coverage of an eligible risk as set forth in a quota share
599 primary insurance agreement between the corporation and an
600 authorized insurer and the insurance contract. The
601 responsibility of the corporation or authorized insurer to pay
602 its specified percentage of hurricane losses of an eligible
603 risk, as set forth in the agreement, may not be altered by the
604 inability of the other party to pay its specified percentage of
605 losses. Eligible risks that are provided hurricane coverage
606 through a quota share primary insurance arrangement must be
607 provided policy forms that set forth the obligations of the
608 corporation and authorized insurer under the arrangement,
609 clearly specify the percentages of quota share primary insurance

576-03532-22

20221728c2

610 provided by the corporation and authorized insurer, and
611 conspicuously and clearly state that the authorized insurer and
612 the corporation may not be held responsible beyond their
613 specified percentage of coverage of hurricane losses.

614 (II) "Eligible risks" means personal lines residential and
615 commercial lines residential risks that meet the underwriting
616 criteria of the corporation and are located in areas that were
617 eligible for coverage by the Florida Windstorm Underwriting
618 Association on January 1, 2002.

619 b. The corporation may enter into quota share primary
620 insurance agreements with authorized insurers at corporation
621 coverage levels of 90 percent and 50 percent.

622 c. If the corporation determines that additional coverage
623 levels are necessary to maximize participation in quota share
624 primary insurance agreements by authorized insurers, the
625 corporation may establish additional coverage levels. However,
626 the corporation's quota share primary insurance coverage level
627 may not exceed 90 percent.

628 d. Any quota share primary insurance agreement entered into
629 between an authorized insurer and the corporation must provide
630 for a uniform specified percentage of coverage of hurricane
631 losses, by county or territory as set forth by the corporation
632 board, for all eligible risks of the authorized insurer covered
633 under the agreement.

634 e. Any quota share primary insurance agreement entered into
635 between an authorized insurer and the corporation is subject to
636 review and approval by the office. However, such agreement shall
637 be authorized only as to insurance contracts entered into
638 between an authorized insurer and an insured who is already

576-03532-22

20221728c2

639 insured by the corporation for wind coverage.

640 f. For all eligible risks covered under quota share primary
641 insurance agreements, the exposure and coverage levels for both
642 the corporation and authorized insurers shall be reported by the
643 corporation to the Florida Hurricane Catastrophe Fund. For all
644 policies of eligible risks covered under such agreements, the
645 corporation and the authorized insurer must maintain complete
646 and accurate records for the purpose of exposure and loss
647 reimbursement audits as required by fund rules. The corporation
648 and the authorized insurer shall each maintain duplicate copies
649 of policy declaration pages and supporting claims documents.

650 g. The corporation board shall establish in its plan of
651 operation standards for quota share agreements which ensure that
652 there is no discriminatory application among insurers as to the
653 terms of the agreements, pricing of the agreements, incentive
654 provisions if any, and consideration paid for servicing policies
655 or adjusting claims.

656 h. The quota share primary insurance agreement between the
657 corporation and an authorized insurer must set forth the
658 specific terms under which coverage is provided, including, but
659 not limited to, the sale and servicing of policies issued under
660 the agreement by the insurance agent of the authorized insurer
661 producing the business, the reporting of information concerning
662 eligible risks, the payment of premium to the corporation, and
663 arrangements for the adjustment and payment of hurricane claims
664 incurred on eligible risks by the claims adjuster and personnel
665 of the authorized insurer. Entering into a quota sharing
666 insurance agreement between the corporation and an authorized
667 insurer is voluntary and at the discretion of the authorized

576-03532-22

20221728c2

668 insurer.

669 3. May provide that the corporation may employ or otherwise
670 contract with individuals or other entities to provide
671 administrative or professional services that may be appropriate
672 to effectuate the plan. The corporation may borrow funds by
673 issuing bonds or by incurring other indebtedness, and shall have
674 other powers reasonably necessary to effectuate the requirements
675 of this subsection, including, without limitation, the power to
676 issue bonds and incur other indebtedness in order to refinance
677 outstanding bonds or other indebtedness. The corporation may
678 seek judicial validation of its bonds or other indebtedness
679 under chapter 75. The corporation may issue bonds or incur other
680 indebtedness, or have bonds issued on its behalf by a unit of
681 local government pursuant to subparagraph (q)2. in the absence
682 of a hurricane or other weather-related event, upon a
683 determination by the corporation, subject to approval by the
684 office, that such action would enable it to efficiently meet the
685 financial obligations of the corporation and that such
686 financings are reasonably necessary to effectuate the
687 requirements of this subsection. The corporation may take all
688 actions needed to facilitate tax-free status for such bonds or
689 indebtedness, including formation of trusts or other affiliated
690 entities. The corporation may pledge assessments, projected
691 recoveries from the Florida Hurricane Catastrophe Fund, other
692 reinsurance recoverables, policyholder surcharges and other
693 surcharges, and other funds available to the corporation as
694 security for bonds or other indebtedness. In recognition of s.
695 10, Art. I of the State Constitution, prohibiting the impairment
696 of obligations of contracts, it is the intent of the Legislature

576-03532-22

20221728c2

697 that no action be taken whose purpose is to impair any bond
698 indenture or financing agreement or any revenue source committed
699 by contract to such bond or other indebtedness.

700 4. Must require that the corporation operate subject to the
701 supervision and approval of a board of governors consisting of
702 nine individuals who are residents of this state and who are
703 from different geographical areas of the state, one of whom is
704 appointed by the Governor and serves solely to advocate on
705 behalf of the consumer. The appointment of a consumer
706 representative by the Governor is deemed to be within the scope
707 of the exemption provided in s. 112.313(7)(b) and is in addition
708 to the appointments authorized under sub-subparagraph a.

709 a. The Governor, the Chief Financial Officer, the President
710 of the Senate, and the Speaker of the House of Representatives
711 shall each appoint two members of the board. At least one of the
712 two members appointed by each appointing officer must have
713 demonstrated expertise in insurance and be deemed to be within
714 the scope of the exemption provided in s. 112.313(7)(b) at the
715 time of appointment or reappointment. The Chief Financial
716 Officer shall designate one of the appointees as chair. On or
717 after July 1, 2022, an appointee designated as chair must have
718 demonstrated expertise in insurance or must have at least 1 year
719 of experience serving on the board of governors. All board
720 members serve at the pleasure of the appointing officer. All
721 members of the board are subject to removal at will by the
722 officers who appointed them. All board members, including the
723 chair, must be appointed to serve for 3-year terms beginning
724 annually on a date designated by the plan. However, for the
725 first term beginning on or after July 1, 2009, each appointing

576-03532-22

20221728c2

726 officer shall appoint one member of the board for a 2-year term
727 and one member for a 3-year term. A board vacancy shall be
728 filled for the unexpired term by the appointing officer. The
729 Chief Financial Officer shall appoint a technical advisory group
730 to provide information and advice to the board in connection
731 with the board's duties under this subsection. The executive
732 director and senior managers of the corporation shall be engaged
733 by the board and serve at the pleasure of the board. The
734 executive director must, at the time of the appointment, have
735 the experience, character, and qualifications required under s.
736 624.404(3) to serve as the chief executive officer of an
737 insurer. Any executive director appointed on or after July 1,
738 2006, is subject to confirmation by the Senate. The executive
739 director is responsible for employing other staff as the
740 corporation may require, subject to review and concurrence by
741 the board. As used in this sub-subparagraph, the term
742 "demonstrated expertise in insurance" means at least 10 years'
743 experience:

744 (I) In property and casualty insurance as a full-time
745 employee, officer, or owner of a licensed insurance agency or an
746 insurer authorized to transact property insurance in this state;
747 or

748 (II) As an insurance regulator or as an executive or
749 officer of an insurance trade association.

750 b. The board shall create a Market Accountability Advisory
751 Committee to assist the corporation in developing awareness of
752 its rates and its customer and agent service levels in
753 relationship to the voluntary market insurers writing similar
754 coverage.

576-03532-22

20221728c2

755 (I) The members of the advisory committee consist of the
756 following 11 persons, one of whom must be elected chair by the
757 members of the committee: four representatives, one appointed by
758 the Florida Association of Insurance Agents, one by the Florida
759 Association of Insurance and Financial Advisors, one by the
760 Professional Insurance Agents of Florida, and one by the Latin
761 American Association of Insurance Agencies; three
762 representatives appointed by the insurers with the three highest
763 voluntary market share of residential property insurance
764 business in the state; one representative from the Office of
765 Insurance Regulation; one consumer appointed by the board who is
766 insured by the corporation at the time of appointment to the
767 committee; one representative appointed by the Florida
768 Association of Realtors; and one representative appointed by the
769 Florida Bankers Association. All members shall be appointed to
770 3-year terms and may serve for consecutive terms.

771 (II) The committee shall report to the corporation at each
772 board meeting on insurance market issues which may include rates
773 and rate competition with the voluntary market; service,
774 including policy issuance, claims processing, and general
775 responsiveness to policyholders, applicants, and agents; and
776 matters relating to depopulation.

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

779 a. Subject to s. 627.3517, with respect to personal lines
780 residential risks, if the risk is offered coverage from an
781 authorized insurer at the insurer's approved rate under a
782 standard policy including wind coverage or, if consistent with
783 the insurer's underwriting rules as filed with the office, a

576-03532-22

20221728c2

784 basic policy including wind coverage, for a new application to
785 the corporation for coverage, the risk is not eligible for any
786 policy issued by the corporation unless the premium for coverage
787 from the authorized insurer is more than 20 percent greater than
788 the premium for comparable coverage from the corporation.
789 Whenever an offer of coverage for a personal lines residential
790 risk is received for a policyholder of the corporation at
791 renewal from an authorized insurer, ~~if the offer is equal to or~~
792 ~~less than the corporation's renewal premium for comparable~~
793 ~~coverage,~~ the risk is not eligible for coverage with the
794 corporation unless the premium for coverage from the authorized
795 insurer is more than 20 percent greater than the renewal premium
796 for comparable coverage from the corporation. If the risk is not
797 able to obtain such offer, the risk is eligible for a standard
798 policy including wind coverage or a basic policy including wind
799 coverage issued by the corporation; however, if the risk could
800 not be insured under a standard policy including wind coverage
801 regardless of market conditions, the risk is eligible for a
802 basic policy including wind coverage unless rejected under
803 subparagraph 8. However, a policyholder removed from the
804 corporation through an assumption agreement remains eligible for
805 coverage from the corporation until the end of the assumption
806 period. The corporation shall determine the type of policy to be
807 provided on the basis of objective standards specified in the
808 underwriting manual and based on generally accepted underwriting
809 practices.

810 (I) If the risk accepts an offer of coverage through the
811 market assistance plan or through a mechanism established by the
812 corporation other than a plan established by s. 627.3518, before

576-03532-22

20221728c2

813 a policy is issued to the risk by the corporation or during the
814 first 30 days of coverage by the corporation, and the producing
815 agent who submitted the application to the plan or to the
816 corporation is not currently appointed by the insurer, the
817 insurer shall:

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

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

828

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

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

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

841 (B) Offer to allow the producing agent of record to

576-03532-22

20221728c2

842 continue servicing the policy for at least 1 year and offer to
843 pay the agent the greater of the insurer's or the corporation's
844 usual and customary commission for the type of policy written.
845

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

849 b. With respect to commercial lines residential risks, for
850 a new application to the corporation for coverage, if the risk
851 is offered coverage under a policy including wind coverage from
852 an authorized insurer at its approved rate, the risk is not
853 eligible for a policy issued by the corporation unless the
854 premium for coverage from the authorized insurer is more than 20
855 ~~15~~ percent greater than the premium for comparable coverage from
856 the corporation. Whenever an offer of coverage for a commercial
857 lines residential risk is received for a policyholder of the
858 corporation at renewal from an authorized insurer, ~~if the offer~~
859 ~~is equal to or less than the corporation's renewal premium for~~
860 ~~comparable coverage,~~ the risk is not eligible for coverage with
861 the corporation unless the premium for coverage from the
862 authorized insurer is more than 20 percent greater than the
863 renewal premium for comparable coverage from the corporation. If
864 the risk is not able to obtain any such offer, the risk is
865 eligible for a policy including wind coverage issued by the
866 corporation. However, a policyholder removed from the
867 corporation through an assumption agreement remains eligible for
868 coverage from the corporation until the end of the assumption
869 period.

870 (I) If the risk accepts an offer of coverage through the

576-03532-22

20221728c2

871 market assistance plan or through a mechanism established by the
872 corporation other than a plan established by s. 627.3518, before
873 a policy is issued to the risk by the corporation or during the
874 first 30 days of coverage by the corporation, and the producing
875 agent who submitted the application to the plan or the
876 corporation is not currently appointed by the insurer, the
877 insurer shall:

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

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

888

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

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

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

576-03532-22

20221728c2

900 or

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

905

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

909 c. For purposes of determining comparable coverage under
910 sub-subparagraphs a. and b., the comparison must be based on
911 those forms and coverages that are reasonably comparable. The
912 corporation may rely on a determination of comparable coverage
913 and premium made by the producing agent who submits the
914 application to the corporation, made in the agent's capacity as
915 the corporation's agent. A comparison may be made solely of the
916 premium with respect to the main building or structure only on
917 the following basis: the same coverage A or other building
918 limits; the same percentage hurricane deductible that applies on
919 an annual basis or that applies to each hurricane for commercial
920 residential property; the same percentage of ordinance and law
921 coverage, if the same limit is offered by both the corporation
922 and the authorized insurer; the same mitigation credits, to the
923 extent the same types of credits are offered both by the
924 corporation and the authorized insurer; the same method for loss
925 payment, such as replacement cost or actual cash value, if the
926 same method is offered both by the corporation and the
927 authorized insurer in accordance with underwriting rules; and
928 any other form or coverage that is reasonably comparable as

576-03532-22

20221728c2

929 determined by the board. If an application is submitted to the
930 corporation for wind-only coverage in the coastal account, the
931 premium for the corporation's wind-only policy plus the premium
932 for the ex-wind policy ~~that is~~ offered by an authorized insurer
933 to the applicant must be compared to the premium for multiperil
934 coverage offered by an authorized insurer, subject to the
935 standards for comparison specified in this subparagraph. If the
936 corporation or the applicant requests from the authorized
937 insurer a breakdown of the premium of the offer by types of
938 coverage so that a comparison may be made by the corporation or
939 its agent and the authorized insurer refuses or is unable to
940 provide such information, the corporation may treat the offer as
941 not being an offer of coverage from an authorized insurer at the
942 insurer's approved rate.

943 6. Must include rules for classifications of risks and
944 rates.

945 7. Must provide that if premium and investment income for
946 an account attributable to a particular calendar year are in
947 excess of projected losses and expenses for the account
948 attributable to that year, such excess shall be held in surplus
949 in the account. Such surplus must be available to defray
950 deficits in that account as to future years and used for that
951 purpose before assessing assessable insurers and assessable
952 insureds as to any calendar year.

953 8. Must provide objective criteria and procedures to be
954 uniformly applied to all applicants in determining whether an
955 individual risk is so hazardous as to be uninsurable. In making
956 this determination and in establishing the criteria and
957 procedures, the following must be considered:

576-03532-22

20221728c2

958 a. Whether the likelihood of a loss for the individual risk
959 is substantially higher than for other risks of the same class;
960 and

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

963

964 The acceptance or rejection of a risk by the corporation shall
965 be construed as the private placement of insurance, and the
966 provisions of chapter 120 do not apply.

967 9. Must provide that the corporation make its best efforts
968 to procure catastrophe reinsurance at reasonable rates, to cover
969 its projected 100-year probable maximum loss as determined by
970 the board of governors. If catastrophe reinsurance is not
971 available at reasonable rates, the corporation need not purchase
972 it, but the corporation shall include the costs of reinsurance
973 to cover its projected 100-year probable maximum loss in its
974 rate calculations even if it does not purchase catastrophe
975 reinsurance.

976 10. The policies issued by the corporation must provide
977 that if the corporation or the market assistance plan obtains an
978 offer from an authorized insurer to cover the risk at its
979 approved rates, the risk is no longer eligible for renewal
980 through the corporation, except as otherwise provided in this
981 subsection.

982 11. Corporation policies and applications must include a
983 notice that the corporation policy could, under this section, be
984 replaced with a policy issued by an authorized insurer which
985 does not provide coverage identical to the coverage provided by
986 the corporation. The notice must also specify that acceptance of

576-03532-22

20221728c2

987 corporation coverage creates a conclusive presumption that the
988 applicant or policyholder is aware of this potential.

989 12. May establish, subject to approval by the office,
990 different eligibility requirements and operational procedures
991 for any line or type of coverage for any specified county or
992 area if the board determines that such changes are justified due
993 to the voluntary market being sufficiently stable and
994 competitive in such area or for such line or type of coverage
995 and that consumers who, in good faith, are unable to obtain
996 insurance through the voluntary market through ordinary methods
997 continue to have access to coverage from the corporation. If
998 coverage is sought in connection with a real property transfer,
999 the requirements and procedures may not provide an effective
1000 date of coverage later than the date of the closing of the
1001 transfer as established by the transferor, the transferee, and,
1002 if applicable, the lender.

1003 13. Must provide that, with respect to the coastal account,
1004 any assessable insurer with a surplus as to policyholders of \$25
1005 million or less writing 25 percent or more of its total
1006 countrywide property insurance premiums in this state may
1007 petition the office, within the first 90 days of each calendar
1008 year, to qualify as a limited apportionment company. A regular
1009 assessment levied by the corporation on a limited apportionment
1010 company for a deficit incurred by the corporation for the
1011 coastal account may be paid to the corporation on a monthly
1012 basis as the assessments are collected by the limited
1013 apportionment company from its insureds, but a limited
1014 apportionment company must begin collecting the regular
1015 assessments not later than 90 days after the regular assessments

576-03532-22

20221728c2

1016 are levied by the corporation, and the regular assessments must
1017 be paid in full within 15 months after being levied by the
1018 corporation. A limited apportionment company shall collect from
1019 its policyholders any emergency assessment imposed under sub-
1020 subparagraph (b)3.d. The plan must provide that, if the office
1021 determines that any regular assessment will result in an
1022 impairment of the surplus of a limited apportionment company,
1023 the office may direct that all or part of such assessment be
1024 deferred as provided in subparagraph (q)4. However, an emergency
1025 assessment to be collected from policyholders under sub-
1026 subparagraph (b)3.d. may not be limited or deferred.

1027 14. Must provide that the corporation appoint as its
1028 licensed agents only those agents who throughout such
1029 appointments also hold an appointment as defined in s. 626.015
1030 by an insurer who is authorized to write and is actually writing
1031 or renewing personal lines residential property coverage,
1032 commercial residential property coverage, or commercial
1033 nonresidential property coverage within the state.

1034 15. Must provide a premium payment plan option to its
1035 policyholders which, at a minimum, allows for quarterly and
1036 semiannual payment of premiums. A monthly payment plan may, but
1037 is not required to, be offered.

1038 16. Must limit coverage on mobile homes or manufactured
1039 homes built before 1994 to actual cash value of the dwelling
1040 rather than replacement costs of the dwelling.

1041 17. Must provide coverage for manufactured or mobile home
1042 dwellings. Such coverage must also include the following
1043 attached structures:

1044 a. Screened enclosures that are aluminum framed or screened

576-03532-22

20221728c2

1045 enclosures that are not covered by the same or substantially the
1046 same materials as those of the primary dwelling;

1047 b. Carports that are aluminum or carports that are not
1048 covered by the same or substantially the same materials as those
1049 of the primary dwelling; and

1050 c. Patios that have a roof covering ~~that is~~ constructed of
1051 materials that are not the same or substantially the same
1052 materials as those of the primary dwelling.

1053

1054 The corporation shall make available a policy for mobile homes
1055 or manufactured homes for a minimum insured value of at least
1056 \$3,000.

1057 18. May provide such limits of coverage as the board
1058 determines, consistent with the requirements of this subsection.

1059 19. May require commercial property to meet specified
1060 hurricane mitigation construction features as a condition of
1061 eligibility for coverage.

1062 20. Must provide that new or renewal policies issued by the
1063 corporation on or after January 1, 2012, which cover sinkhole
1064 loss do not include coverage for any loss to appurtenant
1065 structures, driveways, sidewalks, decks, or patios that are
1066 directly or indirectly caused by sinkhole activity. The
1067 corporation shall exclude such coverage using a notice of
1068 coverage change, which may be included with the policy renewal,
1069 and not by issuance of a notice of nonrenewal of the excluded
1070 coverage upon renewal of the current policy.

1071 21. As of January 1, 2012, must require that the agent
1072 obtain from an applicant for coverage from the corporation an
1073 acknowledgment signed by the applicant, which includes, at a

576-03532-22

20221728c2

1074 minimum, the following statement:

1075
1076 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
1077 AND ASSESSMENT LIABILITY:
1078

1079 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
1080 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
1081 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
1082 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
1083 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
1084 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
1085 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
1086 LEGISLATURE.

1087 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
1088 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
1089 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
1090 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
1091 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
1092 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
1093 ARE REGULATED AND APPROVED BY THE STATE.

1094 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
1095 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
1096 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
1097 FLORIDA LEGISLATURE.

1098 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
1099 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
1100 STATE OF FLORIDA.

1101
1102 a. The corporation shall maintain, in electronic format or

576-03532-22

20221728c2

1103 otherwise, a copy of the applicant's signed acknowledgment and
1104 provide a copy of the statement to the policyholder as part of
1105 the first renewal after the effective date of this subparagraph.

1106 b. The signed acknowledgment form creates a conclusive
1107 presumption that the policyholder understood and accepted his or
1108 her potential surcharge and assessment liability as a
1109 policyholder of the corporation.

1110 (n)1. Rates for coverage provided by the corporation must
1111 be actuarially sound and subject to s. 627.062, except as
1112 otherwise provided in this paragraph. The corporation shall file
1113 its recommended rates with the office at least annually. The
1114 corporation shall provide any additional information regarding
1115 the rates which the office requires. The office shall consider
1116 the recommendations of the board and issue a final order
1117 establishing the rates for the corporation within 45 days after
1118 the recommended rates are filed. The corporation may not pursue
1119 an administrative challenge or judicial review of the final
1120 order of the office.

1121 2. In addition to the rates otherwise determined pursuant
1122 to this paragraph, the corporation shall impose and collect an
1123 amount equal to the premium tax provided in s. 624.509 to
1124 augment the financial resources of the corporation.

1125 3. After the public hurricane loss-projection model under
1126 s. 627.06281 has been found to be accurate and reliable by the
1127 Florida Commission on Hurricane Loss Projection Methodology, the
1128 model shall be considered when establishing the windstorm
1129 portion of the corporation's rates. The corporation may use the
1130 public model results in combination with the results of private
1131 models to calculate rates for the windstorm portion of the

576-03532-22

20221728c2

1132 corporation's rates. This subparagraph does not require or allow
1133 the corporation to adopt rates lower than the rates otherwise
1134 required or allowed by this paragraph.

1135 4. The corporation must make a recommended actuarially
1136 sound rate filing for each personal and commercial line of
1137 business it writes.

1138 5. Notwithstanding the board's recommended rates and the
1139 office's final order regarding the corporation's filed rates
1140 under subparagraph 1., the corporation shall annually implement
1141 a rate increase which, except for sinkhole coverage, does not
1142 exceed the following for any single personal lines residential
1143 policy issued by the corporation that covers an insured's
1144 primary residence, and any single commercial lines residential
1145 policy issued by the corporation, excluding coverage changes and
1146 surcharges:

1147 a. Eleven percent for 2022.

1148 b. Twelve percent for 2023.

1149 c. Thirteen percent for 2024.

1150 d. Fourteen percent for 2025.

1151 e. Fifteen percent for 2026 and all subsequent years.

1152 6. The corporation may also implement an increase to
1153 reflect the effect on the corporation of the cash buildup factor
1154 pursuant to s. 215.555(5)(b).

1155 7. The corporation's implementation of rates as prescribed
1156 in subparagraph 5. shall cease for any line of business written
1157 by the corporation upon the corporation's implementation of
1158 actuarially sound rates. Thereafter, the corporation shall
1159 annually make a recommended actuarially sound rate filing for
1160 each commercial and personal line of business the corporation

576-03532-22

20221728c2

1161 writes.

1162 8. Any new personal lines residential policy written by the
1163 corporation with an effective date on or after January 1, 2023,
1164 which covers a risk for which the immediately preceding policy
1165 covering such risk was written by an unsound insurer shall be
1166 charged a premium for coverage that is the higher of the last
1167 premium amount charged by the unsound insurer or the premium
1168 charged by the corporation applicable to the policy. Premiums
1169 established by the unsound insurer shall remain unchanged,
1170 except for adjustments for coverage changes at renewal, until
1171 such time as the corporation's premium for that policy exceeds
1172 this amount and thus the policy becomes subject to the
1173 corporation's annually approved rate.

1174 9. As used in this paragraph, the term:

1175 a. "Primary residence" means the dwelling that the insured
1176 has represented as their permanent home on the insurance
1177 application or otherwise to the corporation.

1178 b. "Unsound insurer" means an insurer determined by the
1179 Office of Insurance Regulation to be in unsound condition as
1180 defined in s. 624.80(2) or an insurer placed in receivership
1181 under chapter 631.

1182 (q)1. The corporation shall certify to the office its needs
1183 for annual assessments as to a particular calendar year, and for
1184 any interim assessments that it deems to be necessary to sustain
1185 operations as to a particular year pending the receipt of annual
1186 assessments. Upon verification, the office shall approve such
1187 certification, and the corporation shall levy such annual or
1188 interim assessments. Such assessments shall be prorated as
1189 provided in paragraph (b). The corporation shall take all

576-03532-22

20221728c2

1190 reasonable and prudent steps necessary to collect the amount of
1191 assessments due from each assessable insurer, including, if
1192 prudent, filing suit to collect the assessments, and the office
1193 may provide such assistance to the corporation it deems
1194 appropriate. If the corporation is unable to collect an
1195 assessment from any assessable insurer, the uncollected
1196 assessments shall be levied as an additional assessment against
1197 the assessable insurers and any assessable insurer required to
1198 pay an additional assessment as a result of such failure to pay
1199 shall have a cause of action against such nonpaying assessable
1200 insurer. Assessments shall be included as an appropriate factor
1201 in the making of rates. The failure of a surplus lines agent to
1202 collect and remit any regular or emergency assessment levied by
1203 the corporation is considered to be a violation of s. 626.936
1204 and subjects the surplus lines agent to the penalties provided
1205 in that section.

1206 2. The governing body of any unit of local government, any
1207 residents of which are insured by the corporation, may issue
1208 bonds as defined in s. 125.013 or s. 166.101 from time to time
1209 to fund an assistance program, in conjunction with the
1210 corporation, for the purpose of defraying deficits of the
1211 corporation. In order to avoid needless and indiscriminate
1212 proliferation, duplication, and fragmentation of such assistance
1213 programs, any unit of local government, any residents of which
1214 are insured by the corporation, may provide for the payment of
1215 losses, regardless of whether or not the losses occurred within
1216 or outside of the territorial jurisdiction of the local
1217 government. Revenue bonds under this subparagraph may not be
1218 issued until validated pursuant to chapter 75, unless a state of

576-03532-22

20221728c2

1219 emergency is declared by executive order or proclamation of the
1220 Governor pursuant to s. 252.36 making such findings as are
1221 necessary to determine that it is in the best interests of, and
1222 necessary for, the protection of the public health, safety, and
1223 general welfare of residents of this state and declaring it an
1224 essential public purpose to permit certain municipalities or
1225 counties to issue such bonds as will permit relief to claimants
1226 and policyholders of the corporation. Any such unit of local
1227 government may enter into such contracts with the corporation
1228 and with any other entity created pursuant to this subsection as
1229 are necessary to carry out this paragraph. Any bonds issued
1230 under this subparagraph shall be payable from and secured by
1231 moneys received by the corporation from emergency assessments
1232 under sub-subparagraph (b)3.d., and assigned and pledged to or
1233 on behalf of the unit of local government for the benefit of the
1234 holders of such bonds. The funds, credit, property, and taxing
1235 power of the state or of the unit of local government may ~~shall~~
1236 not be pledged for the payment of such bonds.

1237 3.a. The corporation shall adopt one or more programs
1238 subject to approval by the office for the reduction of both new
1239 and renewal writings in the corporation. Beginning January 1,
1240 2008, any program the corporation adopts for the payment of
1241 bonuses to an insurer for each risk the insurer removes from the
1242 corporation shall comply with s. 627.3511(2) and may not exceed
1243 the amount referenced in s. 627.3511(2) for each risk removed.
1244 The corporation may consider any prudent and not unfairly
1245 discriminatory approach to reducing corporation writings, and
1246 may adopt a credit against assessment liability or other
1247 liability that provides an incentive for insurers to take risks

576-03532-22

20221728c2

1248 out of the corporation and to keep risks out of the corporation
1249 by maintaining or increasing voluntary writings in counties or
1250 areas in which corporation risks are highly concentrated and a
1251 program to provide a formula under which an insurer voluntarily
1252 taking risks out of the corporation by maintaining or increasing
1253 voluntary writings will be relieved wholly or partially from
1254 assessments under sub-subparagraph (b)3.a. However, any "take-
1255 out bonus" or payment to an insurer must be conditioned on the
1256 property being insured for at least 5 years by the insurer,
1257 unless canceled or nonrenewed by the policyholder. If the policy
1258 is canceled or nonrenewed by the policyholder before the end of
1259 the 5-year period, the amount of the take-out bonus must be
1260 prorated for the time period the policy was insured. When the
1261 corporation enters into a contractual agreement for a take-out
1262 plan, the producing agent of record of the corporation policy is
1263 entitled to retain any unearned commission on such policy, and
1264 the insurer shall either:

1265 (I) Pay to the producing agent of record of the policy, for
1266 the first year, an amount which is the greater of the insurer's
1267 usual and customary commission for the type of policy written or
1268 a policy fee equal to the usual and customary commission of the
1269 corporation; or

1270 (II) Offer to allow the producing agent of record of the
1271 policy to continue servicing the policy for a period of not less
1272 than 1 year and offer to pay the agent the insurer's usual and
1273 customary commission for the type of policy written. If the
1274 producing agent is unwilling or unable to accept appointment by
1275 the new insurer, the new insurer shall pay the agent in
1276 accordance with sub-sub-subparagraph (I).

576-03532-22

20221728c2

1277 b. Any credit or exemption from regular assessments adopted
1278 under this subparagraph shall last no longer than the 3 years
1279 following the cancellation or expiration of the policy by the
1280 corporation. With the approval of the office, the board may
1281 extend such credits for an additional year if the insurer
1282 guarantees an additional year of renewability for all policies
1283 removed from the corporation, or for 2 additional years if the
1284 insurer guarantees 2 additional years of renewability for all
1285 policies so removed.

1286 c. There shall be no credit, limitation, exemption, or
1287 deferment from emergency assessments to be collected from
1288 policyholders pursuant to sub-subparagraph (b)3.d.

1289 d. Notwithstanding any other law, for purposes of a
1290 depopulation, take-out, or keep-out program adopted by the
1291 corporation, including an initial or renewal offer of coverage
1292 made to a policyholder removed from the corporation pursuant to
1293 such program, an eligible surplus lines insurer may participate
1294 in the program in the same manner and on the same terms as an
1295 authorized insurer, except as provided under this sub-
1296 subparagraph.

1297 (I) The policy count of the corporation must be more than
1298 700,000 within the 30 days before the time a take-out offer is
1299 made by a surplus lines insurer.

1300 (II) To qualify for participation, the surplus lines
1301 insurer must first obtain approval from the office for its
1302 depopulation, take-out, or keep-out plan and then comply with
1303 all of the corporation's requirements for the plan applicable to
1304 admitted insurers and with all statutory provisions applicable
1305 to the removal of policies from the corporation.

576-03532-22

20221728c2

1306 (III) In considering a surplus lines insurer's request for
1307 approval for its plan, the office shall determine whether the
1308 surplus lines insurer meets the following requirements:

1309 (A) Maintains a surplus of \$50 million on a company or
1310 pooled basis;

1311 (B) Has a superior, excellent, exceptional, or equally
1312 comparable financial strength rating by a rating agency
1313 acceptable to the office;

1314 (C) Maintains reserves, surplus, reinsurance, and
1315 reinsurance equivalents sufficient to cover the insurer's 100-
1316 year probable maximum hurricane loss at least twice in a single
1317 hurricane season and submits such reinsurance to the office to
1318 review for purposes of the take-out;

1319 (D) Provides prominent notice to the policyholder before
1320 the assumption of the policy that surplus lines policies are not
1321 provided coverage by the Florida Insurance Guaranty Association
1322 and provides an outline of any substantial differences in
1323 coverage between the existing policy and the policy being
1324 offered to the insured; and

1325 (E) Provides policy coverage similar to that provided by
1326 the corporation.

1327 (IV) To obtain approval for a plan, the surplus lines
1328 insurer must file the following with the office:

1329 (A) Information requested by the office to demonstrate
1330 compliance with s. 624.404(3), including biographical
1331 affidavits, fingerprints processed pursuant to s. 624.34, and
1332 the results of criminal history records checks for officers and
1333 directors of the insurer and its parent or holding company;

1334 (B) A service-of-process consent and agreement form

576-03532-22

20221728c2

1335 executed by the insurer;

1336 (C) Proof that the insurer has been an eligible or
1337 authorized insurer for at least 3 years;

1338 (D) A duly authenticated copy of the insurer's current
1339 audited financial statement, in English, which, in the case of
1340 statements originally made in the currencies of other countries,
1341 expresses all monetary values in United States dollars, at an
1342 exchange rate then current and shown in the statement, and
1343 including any additional information relative to the insurer as
1344 the office may request;

1345 (E) A complete certified copy of the latest official
1346 financial statement required by the insurer's domiciliary state,
1347 if different from the statement required by sub-sub-sub-
1348 subparagraph (D); and

1349 (F) If applicable, a copy of the United States trust
1350 account agreement.

1351
1352 This sub-sub-subparagraph does not subject any surplus lines
1353 insurer to requirements in addition to part VIII of chapter 626.
1354 Surplus lines brokers making an offer of coverage under this
1355 sub-subparagraph are not required to comply with s.
1356 626.916(1)(a), (b), (c), or (e).

1357 (V) Within 10 days after the date of assumption, the
1358 surplus lines insurer assuming policies from the corporation
1359 shall remit to the Bureau of Collateral Management within the
1360 Department of Financial Services a special deposit equal to the
1361 unearned premium net of unearned commissions on the assumed
1362 block of business. The surplus lines insurer shall submit to the
1363 office, along with the special deposit, an accounting of the

576-03532-22

20221728c2

1364 policies assumed and the amount of unearned premium for such
1365 policies and a sworn affidavit attesting to the accuracy of the
1366 accounting by an officer of the surplus lines insurer.
1367 Thereafter, the surplus lines insurer shall make a filing within
1368 10 days after the end of each calendar quarter attesting to the
1369 unearned premium in force for the previous quarter on policies
1370 assumed from the corporation and shall submit additional funds
1371 with that filing if the special deposit is insufficient to cover
1372 the unearned premium on assumed policies, or shall receive a
1373 return of funds within 60 days if the special deposit exceeds
1374 the amount of unearned premium required for assumed policies.
1375 The special deposit is an asset of the surplus lines insurer
1376 which is held by the department for the benefit of state
1377 policyholders of the surplus lines insurer in the event of the
1378 insolvency of the surplus lines insurer. If an order of
1379 liquidation is entered in any state against the surplus lines
1380 insurer, the department may use the special deposit for payment
1381 of unearned premium or policy claims, return all or part of the
1382 deposit to the domiciliary receiver, or use the funds in
1383 accordance with any action authorized under part I of chapter
1384 631 or in compliance with any order of a court having
1385 jurisdiction over the insolvency.

1386 (VI) In advance of a surplus lines insurer assuming a
1387 policy, surplus lines brokers representing a surplus lines
1388 insurer on a take-out program shall obtain confirmation, in
1389 written or e-mail form, from each producing agent stating that
1390 the agent is willing to participate in the take-out program with
1391 the surplus lines insurer engaging in the take-out program. The
1392 take-out program is also subject to s. 627.3517. If a

576-03532-22

20221728c2

1393 policyholder is selected for removal from the corporation by a
1394 surplus lines insurer and an authorized insurer, the corporation
1395 must give priority to the offer of coverage from the authorized
1396 insurer.

1397 (VII) (A) A risk that has a dwelling replacement cost of
1398 \$700,000 or more or a single condominium unit that has a
1399 combined dwelling and contents replacement cost of \$700,000 or
1400 more is not eligible for coverage by the corporation if it is
1401 offered comparable coverage from a qualified surplus lines
1402 insurer at a premium no greater than the premium charged by the
1403 corporation.

1404 (B) A risk that has a dwelling replacement cost below
1405 \$700,000 or a single condominium unit that has a combined
1406 dwelling and contents replacement cost below \$700,000 remains
1407 eligible for coverage by the corporation if it is offered
1408 coverage from a qualified surplus lines insurer.

1409 4. The plan shall provide for the deferment, in whole or in
1410 part, of the assessment of an assessable insurer, other than an
1411 emergency assessment collected from policyholders pursuant to
1412 sub-subparagraph (b)3.d., if the office finds that payment of
1413 the assessment would endanger or impair the solvency of the
1414 insurer. In the event an assessment against an assessable
1415 insurer is deferred in whole or in part, the amount by which
1416 such assessment is deferred may be assessed against the other
1417 assessable insurers in a manner consistent with the basis for
1418 assessments set forth in paragraph (b).

1419 5. Effective July 1, 2007, in order to evaluate the costs
1420 and benefits of approved take-out plans, if the corporation pays
1421 a bonus or other payment to an insurer for an approved take-out

576-03532-22

20221728c2

1422 plan, it shall maintain a record of the address or such other
1423 identifying information on the property or risk removed in order
1424 to track if and when the property or risk is later insured by
1425 the corporation.

1426 6. Any policy taken out, assumed, or removed from the
1427 corporation is, as of the effective date of the take-out,
1428 assumption, or removal, direct insurance issued by the insurer
1429 and not by the corporation, even if the corporation continues to
1430 service the policies. This subparagraph applies to policies of
1431 the corporation and not policies taken out, assumed, or removed
1432 from any other entity.

1433 7. For a policy taken out, assumed, or removed from the
1434 corporation, the insurer may, for a period of no more than 3
1435 years, continue to use any of the corporation's policy forms or
1436 endorsements that apply to the policy taken out, removed, or
1437 assumed without obtaining approval from the office for use of
1438 such policy form or endorsement.

1439 (x)1. The following records of the corporation are
1440 confidential and exempt from ~~the provisions of~~ s. 119.07(1) and
1441 s. 24(a), Art. I of the State Constitution:

1442 a. Underwriting files, except that a policyholder or an
1443 applicant shall have access to his or her own underwriting
1444 files. Confidential and exempt underwriting file records may
1445 also be released to other governmental agencies upon written
1446 request and demonstration of need; such records held by the
1447 receiving agency remain confidential and exempt as provided
1448 herein.

1449 b. Claims files, until termination of all litigation and
1450 settlement of all claims arising out of the same incident,

576-03532-22

20221728c2

1451 although portions of the claims files may remain exempt, as
1452 otherwise provided by law. Confidential and exempt claims file
1453 records may be released to other governmental agencies upon
1454 written request and demonstration of need; such records held by
1455 the receiving agency remain confidential and exempt as provided
1456 herein.

1457 c. Records obtained or generated by an internal auditor
1458 pursuant to a routine audit, until the audit is completed, or if
1459 the audit is conducted as part of an investigation, until the
1460 investigation is closed or ceases to be active. An investigation
1461 is considered "active" while the investigation is being
1462 conducted with a reasonable, good faith belief that it could
1463 lead to the filing of administrative, civil, or criminal
1464 proceedings.

1465 d. Matters reasonably encompassed in privileged attorney-
1466 client communications.

1467 e. Proprietary information licensed to the corporation
1468 under contract and the contract provides for the confidentiality
1469 of such proprietary information.

1470 f. All information relating to the medical condition or
1471 medical status of a corporation employee which is not relevant
1472 to the employee's capacity to perform his or her duties, except
1473 as otherwise provided in this paragraph. Information that is
1474 exempt includes ~~shall include~~, but is not limited to,
1475 information relating to workers' compensation, insurance
1476 benefits, and retirement or disability benefits.

1477 g. Upon an employee's entrance into the employee assistance
1478 program, a program to assist any employee who has a behavioral
1479 or medical disorder, substance abuse problem, or emotional

576-03532-22

20221728c2

1480 difficulty that affects the employee's job performance, all
1481 records relative to that participation are ~~shall be~~ confidential
1482 and exempt from ~~the provisions of~~ s. 119.07(1) and s. 24(a),
1483 Art. I of the State Constitution, except as otherwise provided
1484 in s. 112.0455(11).

1485 h. Information relating to negotiations for financing,
1486 reinsurance, depopulation, or contractual services, until the
1487 conclusion of the negotiations.

1488 i. Minutes of closed meetings regarding underwriting files,
1489 and minutes of closed meetings regarding an open claims file
1490 until termination of all litigation and settlement of all claims
1491 with regard to that claim, except that information otherwise
1492 confidential or exempt by law must ~~shall~~ be redacted.

1493 2. If an authorized insurer, a reinsurance intermediary, an
1494 eligible surplus lines insurer, or an entity that has filed an
1495 application with the office for licensure as a property and
1496 casualty insurer in this state is considering writing or
1497 assisting in the underwriting of a risk insured by the
1498 corporation, relevant information from both the underwriting
1499 files and confidential claims files may be released to the
1500 insurer, reinsurance intermediary, eligible surplus lines
1501 insurer, or entity that has been created to seek authority to
1502 write property insurance in this state, provided that the
1503 recipient insurer agrees in writing, notarized and under oath,
1504 to maintain the confidentiality of such files. If a policy file
1505 is transferred to an insurer, that policy file is no longer a
1506 public record because it is not held by an agency subject to ~~the~~
1507 ~~provisions of~~ the public records law. Underwriting files and
1508 confidential claims files may also be released to staff and the

576-03532-22

20221728c2

1509 board of governors of the market assistance plan established
1510 pursuant to s. 627.3515, who must retain the confidentiality of
1511 such files, except such files may be released to authorized
1512 insurers that are considering assuming the risks to which the
1513 files apply, provided the insurer agrees in writing, notarized
1514 and under oath, to maintain the confidentiality of such files.
1515 Finally, the corporation or the board or staff of the market
1516 assistance plan may make the following information obtained from
1517 underwriting files and confidential claims files available to an
1518 entity that has obtained a permit to become an authorized
1519 insurer, a reinsurer that may provide reinsurance under s.
1520 624.610, a licensed reinsurance broker, a licensed rating
1521 organization, a modeling company, or a licensed general lines
1522 insurance agent: name, address, and telephone number of the
1523 residential property owner or insured; location of the risk;
1524 rating information; loss history; and policy type. The receiving
1525 person must retain the confidentiality of the information
1526 received and may use the information only for the purposes of
1527 developing a take-out plan or a rating plan to be submitted to
1528 the office for approval or otherwise analyzing the underwriting
1529 of a risk or risks insured by the corporation on behalf of the
1530 private insurance market. A licensed general lines insurance
1531 agent may not use such information for the direct solicitation
1532 of policyholders.

1533 3. A policyholder who has filed suit against the
1534 corporation has the right to discover the contents of his or her
1535 own claims file to the same extent that discovery of such
1536 contents would be available from a private insurer in litigation
1537 as provided by the Florida Rules of Civil Procedure, the Florida

576-03532-22

20221728c2

1538 Evidence Code, and other applicable law. Pursuant to subpoena, a
1539 third party has the right to discover the contents of an
1540 insured's or applicant's underwriting or claims file to the same
1541 extent that discovery of such contents would be available from a
1542 private insurer by subpoena as provided by the Florida Rules of
1543 Civil Procedure, the Florida Evidence Code, and other applicable
1544 law, and subject to any confidentiality protections requested by
1545 the corporation and agreed to by the seeking party or ordered by
1546 the court. The corporation may release confidential underwriting
1547 and claims file contents and information as it deems necessary
1548 and appropriate to underwrite or service insurance policies and
1549 claims, subject to any confidentiality protections deemed
1550 necessary and appropriate by the corporation.

1551 4. Portions of meetings of the corporation are exempt from
1552 ~~the provisions of~~ s. 286.011 and s. 24(b), Art. I of the State
1553 Constitution wherein confidential underwriting files or
1554 confidential open claims files are discussed. All portions of
1555 corporation meetings which are closed to the public shall be
1556 recorded by a court reporter. The court reporter shall record
1557 the times of commencement and termination of the meeting, all
1558 discussion and proceedings, the names of all persons present at
1559 any time, and the names of all persons speaking. No portion of
1560 any closed meeting shall be off the record. Subject to the
1561 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's
1562 notes of any closed meeting shall be retained by the corporation
1563 for a minimum of 5 years. A copy of the transcript, less any
1564 exempt matters, of any closed meeting wherein claims are
1565 discussed shall become public as to individual claims after
1566 settlement of the claim.

576-03532-22

20221728c2

1567 (ii) The corporation shall revise the programs adopted
1568 pursuant to sub-subparagraph (q)3.a. for personal lines
1569 residential policies to maximize policyholder options and
1570 encourage increased participation by insurers and agents. After
1571 January 1, 2017, a policy may not be taken out of the
1572 corporation unless the provisions of this paragraph are met.

1573 1. The corporation must publish a periodic schedule of
1574 cycles during which an insurer may identify, and notify the
1575 corporation of, policies that the insurer is requesting to take
1576 out. A request must include a description of the coverage
1577 offered and an estimated premium and must be submitted to the
1578 corporation in a form and manner prescribed by the corporation.

1579 2. The corporation must maintain and make available to the
1580 agent of record a consolidated list of all insurers requesting
1581 to take out a policy. The list must include a description of the
1582 coverage offered and the estimated premium for each take-out
1583 request.

1584 3. The corporation must provide written notice to the
1585 policyholder and the agent of record regarding all insurers
1586 requesting to take out the policy, which notice must inform that
1587 a take-out offer that is not more than 20 percent greater than
1588 the corporation's premium renders the risk ineligible for
1589 coverage from and regarding the policyholder's option to accept
1590 a take-out offer or to reject all take-out offers and to remain
1591 with the corporation. The notice must be in a format prescribed
1592 by the corporation and include, for each take-out offer:

- 1593 a. The amount of the estimated premium;
1594 b. A description of the coverage; and
1595 c. A comparison of the estimated premium and coverage

576-03532-22

20221728c2

1596 offered by the insurer to the estimated premium and coverage
1597 provided by the corporation.

1598 Section 4. Section 627.3518, Florida Statutes, is amended
1599 to read:

1600 627.3518 Citizens Property Insurance Corporation
1601 policyholder eligibility clearinghouse program. ~~The purpose of~~
1602 ~~this section is to provide a framework for the corporation to~~
1603 ~~implement a clearinghouse program by January 1, 2014.~~

1604 (1) As used in this section, the term:

1605 (a) "Corporation" means Citizens Property Insurance
1606 Corporation.

1607 (b) "Exclusive agent" means any licensed insurance agent
1608 that has, by contract, agreed to act exclusively for one company
1609 or group of affiliated insurance companies and is disallowed by
1610 the provisions of that contract to directly write for any other
1611 unaffiliated insurer absent express consent from the company or
1612 group of affiliated insurance companies.

1613 (c) "Independent agent" means any licensed insurance agent
1614 not described in paragraph (b).

1615 (d) "Program" means the clearinghouse created under this
1616 section.

1617 (2) In order to confirm eligibility with the corporation
1618 and to enhance access of new applicants for coverage and
1619 existing policyholders of the corporation to offers of coverage
1620 from authorized insurers, the corporation shall establish a
1621 program for personal residential risks in order to facilitate
1622 the diversion of ineligible applicants and existing
1623 policyholders from the corporation into the voluntary insurance
1624 market. The corporation shall also develop appropriate

576-03532-22

20221728c2

1625 procedures for facilitating the diversion of ineligible
1626 applicants and existing policyholders for commercial residential
1627 coverage into the private insurance market ~~and shall report such~~
1628 ~~procedures to the President of the Senate and the Speaker of the~~
1629 ~~House of Representatives by January 1, 2014.~~

1630 (3) The corporation board shall establish the clearinghouse
1631 program as an organizational unit within the corporation. The
1632 program shall have all the rights and responsibilities in
1633 carrying out its duties as a licensed general lines agent, but
1634 may not be required to employ or engage a licensed general lines
1635 agent or to maintain an insurance agency license to carry out
1636 its activities in the solicitation and placement of insurance
1637 coverage. In establishing the program, the corporation may:

1638 (a) Require all new applications, and all policies due for
1639 renewal, to be submitted for coverage to the program in order to
1640 facilitate obtaining an offer of coverage from an authorized
1641 insurer before binding or renewing coverage by the corporation.

1642 (b) Employ or otherwise contract with individuals or other
1643 entities for appropriate administrative or professional services
1644 to effectuate the plan within the corporation in accordance with
1645 the applicable purchasing requirements under s. 627.351.

1646 (c) Enter into contracts with any authorized insurer to
1647 participate in the program and accept an appointment by such
1648 insurer.

1649 (d) Provide funds to operate the program. Insurers and
1650 agents participating in the program are not required to pay a
1651 fee to offset or partially offset the cost of the program or use
1652 the program for renewal of policies initially written through
1653 the clearinghouse.

576-03532-22

20221728c2

1654 (e) Develop an enhanced application that includes
1655 information to assist private insurers in determining whether to
1656 make an offer of coverage through the program.

1657 (f) For personal lines residential risks, require, before
1658 approving all new applications for coverage by the corporation,
1659 that every application be subject to a period of 2 business days
1660 when any insurer participating in the program may select the
1661 application for coverage. The insurer may issue a binder on any
1662 policy selected for coverage for a period of at least 30 days
1663 but not more than 60 days.

1664 (4) Any authorized insurer may participate in the program;
1665 however, participation is not mandatory for any insurer.
1666 Insurers making offers of coverage to new applicants or renewal
1667 policyholders through the program:

1668 (a) May not be required to individually appoint any agent
1669 whose customer is underwritten and bound through the program.
1670 Notwithstanding s. 626.112, insurers are not required to appoint
1671 any agent on a policy underwritten through the program for as
1672 long as that policy remains with the insurer. Insurers may, at
1673 their election, appoint any agent whose customer is initially
1674 underwritten and bound through the program. In the event an
1675 insurer accepts a policy from an agent who is not appointed
1676 pursuant to this paragraph, and thereafter elects to accept a
1677 policy from such agent, the provisions of s. 626.112 requiring
1678 appointment apply to the agent.

1679 (b) Must enter into a limited agency agreement with each
1680 agent that is not appointed in accordance with paragraph (a) and
1681 whose customer is underwritten and bound through the program.

1682 (c) Must enter into its standard agency agreement with each

576-03532-22

20221728c2

1683 agent whose customer is underwritten and bound through the
1684 program when that agent has been appointed by the insurer
1685 pursuant to s. 626.112.

1686 (d) Must comply with s. 627.4133(2).

1687 (e) May participate through their single-designated
1688 managing general agent or broker; however, the provisions of
1689 paragraph (6)(a) regarding ownership, control, and use of the
1690 expirations continue to apply.

1691 (f) Must pay to the producing agent a commission equal to
1692 that paid by the corporation or the usual and customary
1693 commission paid by the insurer for that line of business,
1694 whichever is greater.

1695 (5) Notwithstanding s. 627.3517, any applicant for new
1696 coverage from the corporation is not eligible for coverage from
1697 the corporation if provided an offer of coverage from an
1698 authorized insurer through the program at a premium that is at
1699 or below the eligibility threshold established in s.
1700 627.351(6)(c)5.a. Whenever an offer of coverage for a personal
1701 lines risk is received for a policyholder of the corporation at
1702 renewal from an authorized insurer through the program, if the
1703 offer is at or below the eligibility threshold established in s.
1704 627.351(6)(c)5.a. ~~equal to or less than the corporation's~~
1705 ~~renewal premium for comparable coverage~~, the risk is not
1706 eligible for coverage with the corporation. In the event an
1707 offer of coverage for a new applicant is received from an
1708 authorized insurer through the program, and the premium offered
1709 exceeds the eligibility threshold contained in s.
1710 627.351(6)(c)5.a., the applicant or insured may elect to accept
1711 such coverage, or may elect to accept or continue coverage with

576-03532-22

20221728c2

1712 the corporation. In the event an offer of coverage for a
1713 personal lines risk is received from an authorized insurer at
1714 renewal through the program, and the premium offered is at or
1715 below the eligibility threshold established in s.
1716 627.351(6)(c)5.a. ~~more than the corporation's renewal premium~~
1717 ~~for comparable coverage, the insured is not eligible to may~~
1718 ~~elect to accept such coverage, or may elect to accept or~~
1719 continue coverage with the corporation. Section
1720 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from
1721 an authorized insurer obtained through the program. An applicant
1722 for coverage from the corporation who was declared ineligible
1723 for coverage at renewal by the corporation in the previous 36
1724 months due to an offer of coverage pursuant to this subsection
1725 shall be considered a renewal under this section if the
1726 corporation determines that the authorized insurer making the
1727 offer of coverage pursuant to this subsection continues to
1728 insure the applicant and increased the rate on the policy in
1729 excess of the increase allowed for the corporation under s.
1730 627.351(6)(n)5.

1731 (6) Independent insurance agents submitting new
1732 applications for coverage or that are the agent of record on a
1733 renewal policy submitted to the program:

1734 (a) Are granted and must maintain ownership and the
1735 exclusive use of expirations, records, or other written or
1736 electronic information directly related to such applications or
1737 renewals written through the corporation or through an insurer
1738 participating in the program, notwithstanding s.

1739 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted
1740 for as long as the insured remains with the agency or until sold

576-03532-22

20221728c2

1741 or surrendered in writing by the agent. Contracts with the
1742 corporation or required by the corporation must not amend,
1743 modify, interfere with, or limit such rights of ownership. Such
1744 expirations, records, or other written or electronic information
1745 may be used to review an application, issue a policy, or for any
1746 other purpose necessary for placing such business through the
1747 program.

1748 (b) May not be required to be appointed by any insurer
1749 participating in the program for policies written solely through
1750 the program, notwithstanding the provisions of s. 626.112.

1751 (c) May accept an appointment from any insurer
1752 participating in the program.

1753 (d) May enter into either a standard or limited agency
1754 agreement with the insurer, at the insurer's option.

1755

1756 Applicants ineligible for coverage in accordance with subsection
1757 (5) remain ineligible if their independent agent is unwilling or
1758 unable to enter into a standard or limited agency agreement with
1759 an insurer participating in the program.

1760 (7) Exclusive agents submitting new applications for
1761 coverage or that are the agent of record on a renewal policy
1762 submitted to the program:

1763 (a) Must maintain ownership and the exclusive use of
1764 expirations, records, or other written or electronic information
1765 directly related to such applications or renewals written
1766 through the corporation or through an insurer participating in
1767 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and
1768 (II)(B). Contracts with the corporation or required by the
1769 corporation must not amend, modify, interfere with, or limit

576-03532-22

20221728c2

1770 such rights of ownership. Such expirations, records, or other
1771 written or electronic information may be used to review an
1772 application, issue a policy, or for any other purpose necessary
1773 for placing such business through the program.

1774 (b) May not be required to be appointed by any insurer
1775 participating in the program for policies written solely through
1776 the program, notwithstanding the provisions of s. 626.112.

1777 (c) Must only facilitate the placement of an offer of
1778 coverage from an insurer whose limited servicing agreement is
1779 approved by that exclusive agent's exclusive insurer.

1780 (d) May enter into a limited servicing agreement with the
1781 insurer making an offer of coverage, and only after the
1782 exclusive agent's insurer has approved the limited servicing
1783 agreement terms. The exclusive agent's insurer must approve a
1784 limited service agreement for the program for any insurer for
1785 which it has approved a service agreement for other purposes.

1786

1787 Applicants ineligible for coverage in accordance with subsection
1788 (5) remain ineligible if their exclusive agent is unwilling or
1789 unable to enter into a standard or limited agency agreement with
1790 an insurer making an offer of coverage to that applicant.

1791 (8) Submission of an application for coverage by the
1792 corporation to the program does not constitute the binding of
1793 coverage by the corporation, and failure of the program to
1794 obtain an offer of coverage by an insurer may not be considered
1795 acceptance of coverage of the risk by the corporation.

1796 (9) The 45-day notice of nonrenewal requirement set forth
1797 in s. 627.4133(2)(b)5. applies when a policy is nonrenewed by
1798 the corporation because the risk has received an offer of

576-03532-22

20221728c2

1799 coverage pursuant to this section which renders the risk
1800 ineligible for coverage by the corporation.

1801 (10) The program may not include commercial nonresidential
1802 policies.

1803 (11) Proprietary business information provided to the
1804 corporation's clearinghouse by insurers with respect to
1805 identifying and selecting risks for an offer of coverage is
1806 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I
1807 of the State Constitution.

1808 (a) As used in this subsection, the term "proprietary
1809 business information" means information, regardless of form or
1810 characteristics, which is owned or controlled by an insurer and:

1811 1. Is identified by the insurer as proprietary business
1812 information and is intended to be and is treated by the insurer
1813 as private in that the disclosure of the information would cause
1814 harm to the insurer, an individual, or the company's business
1815 operations and has not been disclosed unless disclosed pursuant
1816 to a statutory requirement, an order of a court or
1817 administrative body, or a private agreement that provides that
1818 the information will not be released to the public;

1819 2. Is not otherwise readily ascertainable or publicly
1820 available by proper means by other persons from another source
1821 in the same configuration as provided to the clearinghouse; and

1822 3. Includes:

1823 a. Trade secrets, as defined in s. 688.002.

1824 b. Information relating to competitive interests, the
1825 disclosure of which would impair the competitive business of the
1826 provider of the information.

1827

576-03532-22

20221728c2

1828 Proprietary business information may be found in underwriting
1829 criteria or instructions which are used to identify and select
1830 risks through the program for an offer of coverage and are
1831 shared with the clearinghouse to facilitate the shopping of
1832 risks with the insurer.

1833 (b) The clearinghouse may disclose confidential and exempt
1834 proprietary business information:

1835 1. If the insurer to which it pertains gives prior written
1836 consent;

1837 2. Pursuant to a court order; or

1838 3. To another state agency in this or another state or to a
1839 federal agency if the recipient agrees in writing to maintain
1840 the confidential and exempt status of the document, material, or
1841 other information and has verified in writing its legal
1842 authority to maintain such confidentiality.

1843 Section 5. Subsections (2) and (4) of section 627.701,
1844 Florida Statutes, are amended, and subsection (10) is added to
1845 that section, to read:

1846 627.701 Liability of insureds; coinsurance; deductibles.—

1847 (2) Unless the office determines that the deductible
1848 provision is clear and unambiguous, a property insurer may not
1849 issue an insurance policy or contract covering real property in
1850 this state which contains a deductible provision that:

1851 (a) Applies solely to hurricane losses.

1852 (b) States the deductible as a percentage rather than as a
1853 specific amount of money.

1854 (c) Applies a roof deductible as provided in subsection
1855 (10).

1856 (4) (a) Any policy that contains a separate hurricane

576-03532-22

20221728c2

1857 deductible must on its face include in boldfaced type no smaller
1858 than 18 points the following statement: "THIS POLICY CONTAINS A
1859 SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN
1860 HIGH OUT-OF-POCKET EXPENSES TO YOU." A policy containing a
1861 coinsurance provision applicable to hurricane losses must on its
1862 face include in boldfaced type no smaller than 18 points the
1863 following statement: "THIS POLICY CONTAINS A CO-PAY PROVISION
1864 THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."

1865 (b) For any personal lines residential property insurance
1866 policy containing a separate hurricane deductible, the insurer
1867 shall compute and prominently display the actual dollar value of
1868 the hurricane deductible on the declarations page of the policy
1869 at issuance and, for renewal, on the renewal declarations page
1870 of the policy or on the premium renewal notice.

1871 (c) For any personal lines residential property insurance
1872 policy containing an inflation guard rider, the insurer shall
1873 compute and prominently display the actual dollar value of the
1874 hurricane deductible on the declarations page of the policy at
1875 issuance and, for renewal, on the renewal declarations page of
1876 the policy or on the premium renewal notice. In addition, for
1877 any personal lines residential property insurance policy
1878 containing an inflation guard rider, the insurer shall notify
1879 the policyholder of the possibility that the hurricane
1880 deductible may be higher than indicated when loss occurs due to
1881 application of the inflation guard rider. Such notification
1882 shall be made on the declarations page of the policy at issuance
1883 and, for renewal, on the renewal declarations page of the policy
1884 or on the premium renewal notice.

1885 (d)1. A personal lines residential property insurance

576-03532-22

20221728c2

1886 policy covering a risk valued at less than \$500,000 may not have
1887 a hurricane deductible in excess of 10 percent of the policy
1888 dwelling limits, unless the following conditions are met:

1889 a. The policyholder must personally write and provide to
1890 the insurer the following statement in his or her own
1891 handwriting and sign his or her name, which must also be signed
1892 by every other named insured on the policy, and dated: "I do not
1893 want the insurance on my home to pay for the first (specify
1894 dollar value) of damage from hurricanes. I will pay those costs.
1895 My insurance will not."

1896 b. If the structure insured by the policy is subject to a
1897 mortgage or lien, the policyholder must provide the insurer with
1898 a written statement from the mortgageholder or lienholder
1899 indicating that the mortgageholder or lienholder approves the
1900 policyholder electing to have the specified deductible.

1901 2. A deductible subject to the requirements of this
1902 paragraph applies for the term of the policy and for each
1903 renewal thereafter. Changes to the deductible percentage may be
1904 implemented only as of the date of renewal.

1905 3. An insurer shall keep the original copy of the signed
1906 statement required by this paragraph, electronically or
1907 otherwise, and provide a copy to the policyholder providing the
1908 signed statement. A signed statement meeting the requirements of
1909 this paragraph creates a presumption that there was an informed,
1910 knowing election of coverage.

1911 4. The commission shall adopt rules providing appropriate
1912 alternative methods for providing the statements required by
1913 this section for policyholders who have a handicapping or
1914 disabling condition that prevents them from providing a

576-03532-22

20221728c2

1915 handwritten statement.

1916 (e)1. Any personal lines residential property insurance
1917 policy that contains a separate roof deductible must on its face
1918 include in boldfaced type no smaller than 18 points the
1919 following statement: "THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE
1920 FOR ROOF LOSSES WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES
1921 TO YOU."

1922 2. For any personal lines residential property insurance
1923 policy containing a separate roof deductible, the insurer shall
1924 compute and prominently display the actual dollar value of the
1925 roof deductible on the declarations page of the policy at
1926 issuance and, for renewal, on the renewal declarations page of
1927 the policy or on the premium renewal notice.

1928 (10) Notwithstanding any other provision of this section
1929 and any other provision of law, a property insurer may require a
1930 separate roof deductible as a condition of eligibility or
1931 renewal of a residential property insurance policy if all of the
1932 following conditions are met:

1933 (a) The roof deductible does not exceed 2 percent of the
1934 policy dwelling limits.

1935 (b) The premium for such coverage includes an actuarially
1936 sound premium discount or credit for the impact of the roof
1937 deductible.

1938 (c) If a roof deductible is added to the policy at renewal,
1939 the insurer provides a notice of change in policy terms pursuant
1940 to s. 627.43141.

1941 (d) The roof deductible does not apply to:

1942 1. A total loss to a primary structure in accordance with
1943 the valued policy law under s. 627.702 which is caused by a

576-03532-22

20221728c2

1944 covered peril.

1945 2. A roof loss that is caused by a hurricane as defined by
1946 s. 627.4025(2).

1947 3. A roof loss that can be repaired without replacement of
1948 the roof.

1949 (e) If a roof deductible is applied, no other policy
1950 deductible may be applied to the loss. If, however, a roof
1951 deductible is not applied, the all-other-perils deductible or
1952 the hurricane deductible may be applied.

1953 Section 6. Paragraph (a) of subsection (3) of section
1954 627.7011, Florida Statutes, is amended to read:

1955 627.7011 Homeowners' policies; offer of replacement cost
1956 coverage and law and ordinance coverage.—

1957 (3) In the event of a loss for which a dwelling or personal
1958 property is insured on the basis of replacement costs:

1959 (a) For a dwelling, the insurer must initially pay at least
1960 the actual cash value of the insured loss, less any applicable
1961 deductible. The insurer shall pay any remaining amounts
1962 necessary to perform such repairs as work is performed and
1963 expenses are incurred. However, if a roof deductible under s.
1964 627.701(10) is applied to the insured loss, the insurer may
1965 limit the claim payment as to the roof to the actual cash value
1966 of the loss to the roof until the insurer receives reasonable
1967 proof of payment by the policyholder of the roof deductible.
1968 Reasonable proof of payment includes a canceled check, money
1969 order receipt, credit card statement, or copy of an executed
1970 installment plan contract or other financing arrangement that
1971 requires full payment of the deductible over time. If a total
1972 loss of a dwelling occurs, the insurer shall pay the replacement

576-03532-22

20221728c2

1973 cost coverage without reservation or holdback of any
1974 depreciation in value, pursuant to s. 627.702.

1975 Section 7. Paragraph (b) of subsection (8) of section
1976 627.70152, Florida Statutes, is amended to read:

1977 627.70152 Suits arising under a property insurance policy.—

1978 (8) ATTORNEY FEES.—

1979 (b) In a suit arising under a residential or commercial
1980 property insurance policy not brought by an assignee, if a court
1981 dismisses a claimant's suit pursuant to subsection (5), the
1982 court may not award to the claimant any incurred attorney fees
1983 for services rendered before the dismissal of the suit. When a
1984 claimant's suit is dismissed pursuant to subsection (5), the
1985 defendant may be awarded reasonable attorney fees for the costs
1986 and expenses associated with securing the dismissal.

1987 Section 8. For the purpose of incorporating the amendments
1988 made by this act to section 627.351, Florida Statutes, in a
1989 reference thereto, subsection (10) of section 624.424, Florida
1990 Statutes, is reenacted to read:

1991 624.424 Annual statement and other information.—

1992 (10) Each insurer or insurer group doing business in this
1993 state shall file on a quarterly basis in conjunction with
1994 financial reports required by paragraph (1) (a) a supplemental
1995 report on an individual and group basis on a form prescribed by
1996 the commission with information on personal lines and commercial
1997 lines residential property insurance policies in this state. The
1998 supplemental report shall include separate information for
1999 personal lines property policies and for commercial lines
2000 property policies and totals for each item specified, including
2001 premiums written for each of the property lines of business as

576-03532-22

20221728c2

2002 described in ss. 215.555(2)(c) and 627.351(6)(a). The report
2003 shall include the following information for each county on a
2004 monthly basis:

2005 (a) Total number of policies in force at the end of each
2006 month.

2007 (b) Total number of policies canceled.

2008 (c) Total number of policies nonrenewed.

2009 (d) Number of policies canceled due to hurricane risk.

2010 (e) Number of policies nonrenewed due to hurricane risk.

2011 (f) Number of new policies written.

2012 (g) Total dollar value of structure exposure under policies
2013 that include wind coverage.

2014 (h) Number of policies that exclude wind coverage.

2015 Section 9. For the purpose of incorporating the amendments
2016 made by this act to section 627.351, Florida Statutes, in a
2017 reference thereto, section 627.3517, Florida Statutes, is
2018 reenacted to read:

2019 627.3517 Consumer choice.—No provision of s. 627.351, s.
2020 627.3511, or s. 627.3515 shall be construed to impair the right
2021 of any insurance risk apportionment plan policyholder, upon
2022 receipt of any keepout or take-out offer, to retain his or her
2023 current agent, so long as that agent is duly licensed and
2024 appointed by the insurance risk apportionment plan or otherwise
2025 authorized to place business with the insurance risk
2026 apportionment plan. This right shall not be canceled, suspended,
2027 impeded, abridged, or otherwise compromised by any rule, plan of
2028 operation, or depopulation plan, whether through keepout, take-
2029 out, midterm assumption, or any other means, of any insurance
2030 risk apportionment plan or depopulation plan, including, but not

576-03532-22

20221728c2

2031 limited to, those described in s. 627.351, s. 627.3511, or s.
2032 627.3515. The commission shall adopt any rules necessary to
2033 cause any insurance risk apportionment plan or market assistance
2034 plan under such sections to demonstrate that the operations of
2035 the plan do not interfere with, promote, or allow interference
2036 with the rights created under this section. If the
2037 policyholder's current agent is unable or unwilling to be
2038 appointed with the insurer making the take-out or keepout offer,
2039 the policyholder shall not be disqualified from participation in
2040 the appropriate insurance risk apportionment plan because of an
2041 offer of coverage in the voluntary market. An offer of full
2042 property insurance coverage by the insurer currently insuring
2043 either the ex-wind or wind-only coverage on the policy to which
2044 the offer applies shall not be considered a take-out or keepout
2045 offer. Any rule, plan of operation, or plan of depopulation,
2046 through keepout, take-out, midterm assumption, or any other
2047 means, of any property insurance risk apportionment plan under
2048 s. 627.351(2) or (6) is subject to ss. 627.351(2)(b) and (6)(c)
2049 and 627.3511(4).

2050 Section 10. For the purpose of incorporating the amendments
2051 made by this act to section 627.351, Florida Statutes, in a
2052 reference thereto, subsection (1) of section 627.712, Florida
2053 Statutes, is reenacted to read:

2054 627.712 Residential windstorm coverage required;
2055 availability of exclusions for windstorm or contents.—

2056 (1) An insurer issuing a residential property insurance
2057 policy must provide windstorm coverage. Except as provided in
2058 paragraph (2)(c), this section does not apply to risks that are
2059 eligible for wind-only coverage from Citizens Property Insurance

576-03532-22

20221728c2

2060 Corporation under s. 627.351(6), and risks that are not eligible
2061 for coverage from Citizens Property Insurance Corporation under
2062 s. 627.351(6)(a)3. or 5. A risk ineligible for coverage by the
2063 corporation under s. 627.351(6)(a)3. or 5. is exempt from this
2064 section only if the risk is located within the boundaries of the
2065 coastal account of the corporation.

2066 Section 11. This act shall take effect July 1, 2022.