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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

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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,

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

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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

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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

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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

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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 ~~c. 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.~~

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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



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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

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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

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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

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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

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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 sub-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

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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

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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

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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,



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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

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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

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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

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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

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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

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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

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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

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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



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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

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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.

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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

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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

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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

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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

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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;

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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



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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:

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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

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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

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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

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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

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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

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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

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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



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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

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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

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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

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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).

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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.

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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

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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

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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



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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

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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,

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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

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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

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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

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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.

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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

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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



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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.

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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

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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

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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

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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

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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

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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

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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



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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

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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

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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

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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

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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 and costs  
1986 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

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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

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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

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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.