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Proposed Committee Substitute by the Committee on Appropriations  
(Appropriations Subcommittee on Agriculture, Environment, and  
General Government)

1                                   A bill to be entitled  
2           An act relating to Citizens Property Insurance  
3           Corporation; amending s. 627.021, F.S.; revising  
4           applicability; amending s. 627.351, F.S.; requiring,  
5           rather than authorizing, the corporation to use a  
6           single account under certain circumstances; revising  
7           the method for determining the amounts of potential  
8           surcharges to be levied against policyholders under  
9           certain circumstances; defining the term "primary  
10          residence"; revising conditions for eligibility for  
11          coverage with the corporation to require a certain  
12          minimum premium; specifying a limit for agent  
13          commission rates; revising the policies to which  
14          annual rate increases apply; requiring that policies  
15          assumed by the corporation from unsound insurers be  
16          charged a specified premium until certain conditions  
17          are met; defining the term "unsound insurer";  
18          providing that eligible surplus lines insurers may  
19          participate, in the same manner and on the same terms  
20          as an authorized insurer, in depopulation, take-out,  
21          or keep-out programs relating to policies removed from  
22          Citizens Property Insurance Corporation; providing  
23          certain exceptions, conditions, and requirements  
24          relating to such participation by a surplus lines  
25          insurer in the corporation's depopulation, take-out,  
26          or keep-out programs; providing thresholds for



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27 eligibility for coverage by the corporation for risks  
28 that are offered coverage from qualified surplus lines  
29 insurers; authorizing information from underwriting  
30 files and confidential claims files to be released  
31 under certain circumstances by the corporation to  
32 specified entities that consider writing or  
33 underwriting risks insured by the corporation;  
34 specifying that only the corporation's transfer of a  
35 policy file to an insurer, as opposed to the transfer  
36 of any file, changes the file's public record status;  
37 making technical changes; amending s. 627.3517, F.S.;

38 making technical changes; amending s. 627.3518, F.S.,  
39 and reenacting paragraphs (6) (a) and (7) (a) of that  
40 section, relating to the Citizens Property Insurance  
41 Corporation policyholder eligibility clearinghouse  
42 program, to incorporate the amendments made to s.  
43 627.351, F.S., in references thereto; conforming  
44 provisions to changes made by the act; providing an  
45 effective date.

46

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

48

49 Section 1. Subsection (2) of section 627.021, Florida  
50 Statutes, is amended to read:

51 627.021 Scope of this part.—

52 (2) This part does not apply to:

53 (a) Reinsurance, except joint reinsurance as provided in s.  
54 627.311.

55 (b) Insurance against loss of or damage to aircraft, their



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56 hulls, accessories, or equipment, or against liability, other  
57 than workers' compensation and employer's liability, arising out  
58 of the ownership, maintenance, or use of aircraft.

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

62 (d) Commercial inland marine insurance.

63 (e) Except as may be specifically stated to apply, surplus  
64 lines insurance placed under ~~the provisions of~~ ss. 626.913-  
65 626.937.

66 Section 2. Paragraphs (b), (c), (n), (q), and (x) of  
67 subsection (6) of section 627.351, Florida Statutes, are amended  
68 to read:

69 627.351 Insurance risk apportionment plans.—

70 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

71 (b)1. All insurers authorized to write one or more subject  
72 lines of business in this state are subject to assessment by the  
73 corporation and, for the purposes of this subsection, are  
74 referred to collectively as "assessable insurers." Insurers  
75 writing one or more subject lines of business in this state  
76 pursuant to part VIII of chapter 626 are not assessable  
77 insurers; however, insureds who procure one or more subject  
78 lines of business in this state pursuant to part VIII of chapter  
79 626 are subject to assessment by the corporation and are  
80 referred to collectively as "assessable insureds." An insurer's  
81 assessment liability begins on the first day of the calendar  
82 year following the year in which the insurer was issued a  
83 certificate of authority to transact insurance for subject lines  
84 of business in this state and terminates 1 year after the end of



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85 the first calendar year during which the insurer no longer holds  
86 a certificate of authority to transact insurance for subject  
87 lines of business in this state.

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

91 (I) A personal lines account for personal residential  
92 policies issued by the corporation which provides comprehensive,  
93 multiperil coverage on risks that are not located in areas  
94 eligible for coverage by the Florida Windstorm Underwriting  
95 Association as those areas were defined on January 1, 2002, and  
96 for policies that do not provide coverage for the peril of wind  
97 on risks that are located in such areas;

98 (II) A commercial lines account for commercial residential  
99 and commercial nonresidential policies issued by the corporation  
100 which provides coverage for basic property perils on risks that  
101 are not located in areas eligible for coverage by the Florida  
102 Windstorm Underwriting Association as those areas were defined  
103 on January 1, 2002, and for policies that do not provide  
104 coverage for the peril of wind on risks that are located in such  
105 areas; and

106 (III) A coastal account for personal residential policies  
107 and commercial residential and commercial nonresidential  
108 property policies issued by the corporation which provides  
109 coverage for the peril of wind on risks that are located in  
110 areas eligible for coverage by the Florida Windstorm  
111 Underwriting Association as those areas were defined on January  
112 1, 2002. The corporation may offer policies that provide  
113 multiperil coverage and shall offer policies that provide



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114 coverage only for the peril of wind for risks located in areas  
115 eligible for coverage in the coastal account. Effective July 1,  
116 2014, the corporation shall cease offering new commercial  
117 residential policies providing multiperil coverage and shall  
118 instead continue to offer commercial residential wind-only  
119 policies, and may offer commercial residential policies  
120 excluding wind. The corporation may, however, continue to renew  
121 a commercial residential multiperil policy on a building that is  
122 insured by the corporation on June 30, 2014, under a multiperil  
123 policy. In issuing multiperil coverage, the corporation may use  
124 its approved policy forms and rates for the personal lines  
125 account. An applicant or insured who is eligible to purchase a  
126 multiperil policy from the corporation may purchase a multiperil  
127 policy from an authorized insurer without prejudice to the  
128 applicant's or insured's eligibility to prospectively purchase a  
129 policy that provides coverage only for the peril of wind from  
130 the corporation. An applicant or insured who is eligible for a  
131 corporation policy that provides coverage only for the peril of  
132 wind may elect to purchase or retain such policy and also  
133 purchase or retain coverage excluding wind from an authorized  
134 insurer without prejudice to the applicant's or insured's  
135 eligibility to prospectively purchase a policy that provides  
136 multiperil coverage from the corporation. It is the goal of the  
137 Legislature that there be an overall average savings of 10  
138 percent or more for a policyholder who currently has a wind-only  
139 policy with the corporation, and an ex-wind policy with a  
140 voluntary insurer or the corporation, and who obtains a  
141 multiperil policy from the corporation. It is the intent of the  
142 Legislature that the offer of multiperil coverage in the coastal



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143 account be made and implemented in a manner that does not  
144 adversely affect the tax-exempt status of the corporation or  
145 creditworthiness of or security for currently outstanding  
146 financing obligations or credit facilities of the coastal  
147 account, the personal lines account, or the commercial lines  
148 account. The coastal account must also include quota share  
149 primary insurance under subparagraph (c)2. The area eligible for  
150 coverage under the coastal account also includes the area within  
151 Port Canaveral, which is bordered on the south by the City of  
152 Cape Canaveral, bordered on the west by the Banana River, and  
153 bordered on the north by Federal Government property.

154       b. The three separate accounts must be maintained as long  
155 as financing obligations entered into by the Florida Windstorm  
156 Underwriting Association or Residential Property and Casualty  
157 Joint Underwriting Association are outstanding, in accordance  
158 with the terms of the corresponding financing documents. If the  
159 financing obligations are no longer outstanding, the corporation  
160 shall ~~may~~ use a single account for all revenues, assets,  
161 liabilities, losses, and expenses of the corporation. Consistent  
162 with this subparagraph and prudent investment policies that  
163 minimize the cost of carrying debt, the board shall exercise its  
164 best efforts to retire existing debt or obtain the approval of  
165 necessary parties to amend the terms of existing debt, so as to  
166 structure the most efficient plan for consolidating the three  
167 separate accounts into a single account.

168       c. Creditors of the Residential Property and Casualty Joint  
169 Underwriting Association and the accounts specified in sub-sub-  
170 subparagraphs a.(I) and (II) may have a claim against, and  
171 recourse to, those accounts and no claim against, or recourse



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172 to, the account referred to in sub-sub-subparagraph a.(III).  
173 Creditors of the Florida Windstorm Underwriting Association have  
174 a claim against, and recourse to, the account referred to in  
175 sub-sub-subparagraph a.(III) and no claim against, or recourse  
176 to, the accounts referred to in sub-sub-subparagraphs a.(I) and  
177 (II).

178 d. Revenues, assets, liabilities, losses, and expenses not  
179 attributable to particular accounts shall be prorated among the  
180 accounts.

181 e. The Legislature finds that the revenues of the  
182 corporation are revenues that are necessary to meet the  
183 requirements set forth in documents authorizing the issuance of  
184 bonds under this subsection.

185 f. The income of the corporation may not inure to the  
186 benefit of any private person.

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

188 a. After accounting for the Citizens policyholder surcharge  
189 imposed under sub-subparagraph i., if the remaining projected  
190 deficit incurred in the coastal account in a particular calendar  
191 year:

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

197 (II) Exceeds 2 percent of the aggregate statewide direct  
198 written premium for the subject lines of business for the prior  
199 calendar year, the corporation shall levy regular assessments on  
200 assessable insurers under paragraph (q) and on assessable



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201 insureds in an amount equal to the greater of 2 percent of the  
202 projected deficit or 2 percent of the aggregate statewide direct  
203 written premium for the subject lines of business for the prior  
204 calendar year. Any remaining projected deficit shall be  
205 recovered through emergency assessments under sub-subparagraph  
206 d.

207       b. Each assessable insurer's share of the amount being  
208 assessed under sub-subparagraph a. must be in the proportion  
209 that the assessable insurer's direct written premium for the  
210 subject lines of business for the year preceding the assessment  
211 bears to the aggregate statewide direct written premium for the  
212 subject lines of business for that year. The assessment  
213 percentage applicable to each assessable insured is the ratio of  
214 the amount being assessed under sub-subparagraph a. to the  
215 aggregate statewide direct written premium for the subject lines  
216 of business for the prior year. Assessments levied by the  
217 corporation on assessable insurers under sub-subparagraph a.  
218 must be paid as required by the corporation's plan of operation  
219 and paragraph (q). Assessments levied by the corporation on  
220 assessable insureds under sub-subparagraph a. shall be collected  
221 by the surplus lines agent at the time the surplus lines agent  
222 collects the surplus lines tax required by s. 626.932, and paid  
223 to the Florida Surplus Lines Service Office at the time the  
224 surplus lines agent pays the surplus lines tax to that office.  
225 Upon receipt of regular assessments from surplus lines agents,  
226 the Florida Surplus Lines Service Office shall transfer the  
227 assessments directly to the corporation as determined by the  
228 corporation.

229       c. After accounting for the Citizens policyholder surcharge





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230 imposed under sub-subparagraph i., the remaining projected  
231 deficits in the personal lines account and in the commercial  
232 lines account in a particular calendar year shall be recovered  
233 through emergency assessments under sub-subparagraph d.

234 d. Upon a determination by the board of governors that a  
235 projected deficit in an account exceeds the amount that is  
236 expected to be recovered through regular assessments under sub-  
237 subparagraph a., plus the amount that is expected to be  
238 recovered through surcharges under sub-subparagraph i., the  
239 board, after verification by the office, shall levy emergency  
240 assessments for as many years as necessary to cover the  
241 deficits, to be collected by assessable insurers and the  
242 corporation and collected from assessable insureds upon issuance  
243 or renewal of policies for subject lines of business, excluding  
244 National Flood Insurance policies. The amount collected in a  
245 particular year must be a uniform percentage of that year's  
246 direct written premium for subject lines of business and all  
247 accounts of the corporation, excluding National Flood Insurance  
248 Program policy premiums, as annually determined by the board and  
249 verified by the office. The office shall verify the arithmetic  
250 calculations involved in the board's determination within 30  
251 days after receipt of the information on which the determination  
252 was based. The office shall notify assessable insurers and the  
253 Florida Surplus Lines Service Office of the date on which  
254 assessable insurers shall begin to collect and assessable  
255 insureds shall begin to pay such assessment. The date must be at  
256 least 90 days after the date the corporation levies emergency  
257 assessments pursuant to this sub-subparagraph. Notwithstanding  
258 any other provision of law, the corporation and each assessable



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259 insurer that writes subject lines of business shall collect  
260 emergency assessments from its policyholders without such  
261 obligation being affected by any credit, limitation, exemption,  
262 or deferment. Emergency assessments levied by the corporation on  
263 assessable insureds shall be collected by the surplus lines  
264 agent at the time the surplus lines agent collects the surplus  
265 lines tax required by s. 626.932 and paid to the Florida Surplus  
266 Lines Service Office at the time the surplus lines agent pays  
267 the surplus lines tax to that office. The emergency assessments  
268 collected shall be transferred directly to the corporation on a  
269 periodic basis as determined by the corporation and held by the  
270 corporation solely in the applicable account. The aggregate  
271 amount of emergency assessments levied for an account in any  
272 calendar year may be less than but may not exceed the greater of  
273 10 percent of the amount needed to cover the deficit, plus  
274 interest, fees, commissions, required reserves, and other costs  
275 associated with financing the original deficit, or 10 percent of  
276 the aggregate statewide direct written premium for subject lines  
277 of business and all accounts of the corporation for the prior  
278 year, plus interest, fees, commissions, required reserves, and  
279 other costs associated with financing the deficit.

280 e. The corporation may pledge the proceeds of assessments,  
281 projected recoveries from the Florida Hurricane Catastrophe  
282 Fund, other insurance and reinsurance recoverables, policyholder  
283 surcharges and other surcharges, and other funds available to  
284 the corporation as the source of revenue for and to secure bonds  
285 issued under paragraph (q), bonds or other indebtedness issued  
286 under subparagraph (c)3., or lines of credit or other financing  
287 mechanisms issued or created under this subsection, or to retire



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288 any other debt incurred as a result of deficits or events giving  
289 rise to deficits, or in any other way that the board determines  
290 will efficiently recover such deficits. The purpose of the lines  
291 of credit or other financing mechanisms is to provide additional  
292 resources to assist the corporation in covering claims and  
293 expenses attributable to a catastrophe. As used in this  
294 subsection, the term "assessments" includes regular assessments  
295 under sub-subparagraph a. or subparagraph (q)1. and emergency  
296 assessments under sub-subparagraph d. Emergency assessments  
297 collected under sub-subparagraph d. are not part of an insurer's  
298 rates, are not premium, and are not subject to premium tax,  
299 fees, or commissions; however, failure to pay the emergency  
300 assessment shall be treated as failure to pay premium. The  
301 emergency assessments shall continue as long as any bonds issued  
302 or other indebtedness incurred with respect to a deficit for  
303 which the assessment was imposed remain outstanding, unless  
304 adequate provision has been made for the payment of such bonds  
305 or other indebtedness pursuant to the documents governing such  
306 bonds or indebtedness.

307 f. As used in this subsection for purposes of any deficit  
308 incurred on or after January 25, 2007, the term "subject lines  
309 of business" means insurance written by assessable insurers or  
310 procured by assessable insureds for all property and casualty  
311 lines of business in this state, but not including workers'  
312 compensation or medical malpractice. As used in this sub-  
313 subparagraph, the term "property and casualty lines of business"  
314 includes all lines of business identified on Form 2, Exhibit of  
315 Premiums and Losses, in the annual statement required of  
316 authorized insurers under s. 624.424 and any rule adopted under



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317 this section, except for those lines identified as accident and  
318 health insurance and except for policies written under the  
319 National Flood Insurance Program or the Federal Crop Insurance  
320 Program. For purposes of this sub-subparagraph, the term  
321 "workers' compensation" includes both workers' compensation  
322 insurance and excess workers' compensation insurance.

323 g. The Florida Surplus Lines Service Office shall determine  
324 annually the aggregate statewide written premium in subject  
325 lines of business procured by assessable insureds and report  
326 that information to the corporation in a form and at a time the  
327 corporation specifies to ensure that the corporation can meet  
328 the requirements of this subsection and the corporation's  
329 financing obligations.

330 h. The Florida Surplus Lines Service Office shall verify  
331 the proper application by surplus lines agents of assessment  
332 percentages for regular assessments and emergency assessments  
333 levied under this subparagraph on assessable insureds and assist  
334 the corporation in ensuring the accurate, timely collection and  
335 payment of assessments by surplus lines agents as required by  
336 the corporation.

337 i. Upon determination by the board of governors that an  
338 account has a projected deficit, the board shall levy a Citizens  
339 policyholder surcharge against all policyholders of the  
340 corporation.

341 (I) The surcharge must ~~shall~~ be levied as a uniform  
342 percentage of the premium for the policy ~~of up to 15 percent of~~  
343 ~~such premium,~~ and must ~~which funds shall~~ be used to offset the  
344 deficit, as follows:

345 (A) If the total number of policyholders of the corporation



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346 is less than 1 million, a surcharge of 15 percent of the  
347 premium.

348 (B) If the total number of policyholders of the corporation  
349 is at least 1 million but less than 1.5 million, a surcharge of  
350 20 percent of the premium.

351 (C) If the total number of policyholders of the corporation  
352 is at least 1.5 million, a surcharge of 25 percent of the  
353 premium.

354 (II) The surcharge is payable upon cancellation or  
355 termination of the policy, upon renewal of the policy, or upon  
356 issuance of a new policy by the corporation within the first 12  
357 months after the date of the levy or the period of time  
358 necessary to fully collect the surcharge amount.

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

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

367 j. If the amount of any assessments or surcharges collected  
368 from corporation policyholders, assessable insurers or their  
369 policyholders, or assessable insureds exceeds the amount of the  
370 deficits, such excess amounts shall be remitted to and retained  
371 by the corporation in a reserve to be used by the corporation,  
372 as determined by the board of governors and approved by the  
373 office, to pay claims or reduce any past, present, or future  
374 plan-year deficits or to reduce outstanding debt.



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- 375 (c) The corporation's plan of operation:
- 376 1. Must provide for adoption of residential property and
- 377 casualty insurance policy forms and commercial residential and
- 378 nonresidential property insurance forms, which must be approved
- 379 by the office before use. The corporation shall adopt the
- 380 following policy forms:
- 381 a. Standard personal lines policy forms that are
- 382 comprehensive multiperil policies providing full coverage of a
- 383 residential property equivalent to the coverage provided in the
- 384 private insurance market under an HO-3, HO-4, or HO-6 policy.
- 385 b. Basic personal lines policy forms that are policies
- 386 similar to an HO-8 policy or a dwelling fire policy that provide
- 387 coverage meeting the requirements of the secondary mortgage
- 388 market, but which is more limited than the coverage under a
- 389 standard policy.
- 390 c. Commercial lines residential and nonresidential policy
- 391 forms that are generally similar to the basic perils of full
- 392 coverage obtainable for commercial residential structures and
- 393 commercial nonresidential structures in the admitted voluntary
- 394 market.
- 395 d. Personal lines and commercial lines residential property
- 396 insurance forms that cover the peril of wind only. The forms are
- 397 applicable only to residential properties located in areas
- 398 eligible for coverage under the coastal account referred to in
- 399 sub-subparagraph (b)2.a.
- 400 e. Commercial lines nonresidential property insurance forms
- 401 that cover the peril of wind only. The forms are applicable only
- 402 to nonresidential properties located in areas eligible for
- 403 coverage under the coastal account referred to in sub-



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404 subparagraph (b)2.a.

405 f. The corporation may adopt variations of the policy forms  
406 listed in sub-subparagraphs a.-e. which contain more restrictive  
407 coverage.

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

412 2. Must provide that the corporation adopt a program in  
413 which the corporation and authorized insurers enter into quota  
414 share primary insurance agreements for hurricane coverage, as  
415 defined in s. 627.4025(2)(a), for eligible risks, and adopt  
416 property insurance forms for eligible risks which cover the  
417 peril of wind only.

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

419 (II) "Primary residence" means a risk that has a dwelling  
420 replacement cost of less than \$700,000 or a single condominium  
421 unit that has a combined dwelling and contents replacement cost  
422 of less than \$700,000 and the insured has represented such  
423 dwelling as its permanent home on the insurance application or  
424 otherwise to the corporation. A policyholder and the  
425 policyholder's spouse may not collectively have more than one  
426 primary residence insured with the corporation.

427 (III) ~~(I)~~ "Quota share primary insurance" means an  
428 arrangement in which the primary hurricane coverage of an  
429 eligible risk is provided in specified percentages by the  
430 corporation and an authorized insurer. The corporation and  
431 authorized insurer are each solely responsible for a specified  
432 percentage of hurricane coverage of an eligible risk as set



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433 forth in a quota share primary insurance agreement between the  
434 corporation and an authorized insurer and the insurance  
435 contract. The responsibility of the corporation or authorized  
436 insurer to pay its specified percentage of hurricane losses of  
437 an eligible risk, as set forth in the agreement, may not be  
438 altered by the inability of the other party to pay its specified  
439 percentage of losses. Eligible risks that are provided hurricane  
440 coverage through a quota share primary insurance arrangement  
441 must be provided policy forms that set forth the obligations of  
442 the corporation and authorized insurer under the arrangement,  
443 clearly specify the percentages of quota share primary insurance  
444 provided by the corporation and authorized insurer, and  
445 conspicuously and clearly state that the authorized insurer and  
446 the corporation may not be held responsible beyond their  
447 specified percentage of coverage of hurricane losses.

448 (I)~~(II)~~ "Eligible risks" means personal lines residential  
449 and commercial lines residential risks that meet the  
450 underwriting criteria of the corporation and are located in  
451 areas that were eligible for coverage by the Florida Windstorm  
452 Underwriting Association on January 1, 2002.

453 b. The corporation may enter into quota share primary  
454 insurance agreements with authorized insurers at corporation  
455 coverage levels of 90 percent and 50 percent.

456 c. If the corporation determines that additional coverage  
457 levels are necessary to maximize participation in quota share  
458 primary insurance agreements by authorized insurers, the  
459 corporation may establish additional coverage levels. However,  
460 the corporation's quota share primary insurance coverage level  
461 may not exceed 90 percent.





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462           d. Any quota share primary insurance agreement entered into  
463 between an authorized insurer and the corporation must provide  
464 for a uniform specified percentage of coverage of hurricane  
465 losses, by county or territory as set forth by the corporation  
466 board, for all eligible risks of the authorized insurer covered  
467 under the agreement.

468           e. Any quota share primary insurance agreement entered into  
469 between an authorized insurer and the corporation is subject to  
470 review and approval by the office. However, such agreement shall  
471 be authorized only as to insurance contracts entered into  
472 between an authorized insurer and an insured who is already  
473 insured by the corporation for wind coverage.

474           f. For all eligible risks covered under quota share primary  
475 insurance agreements, the exposure and coverage levels for both  
476 the corporation and authorized insurers shall be reported by the  
477 corporation to the Florida Hurricane Catastrophe Fund. For all  
478 policies of eligible risks covered under such agreements, the  
479 corporation and the authorized insurer must maintain complete  
480 and accurate records for the purpose of exposure and loss  
481 reimbursement audits as required by fund rules. The corporation  
482 and the authorized insurer shall each maintain duplicate copies  
483 of policy declaration pages and supporting claims documents.

484           g. The corporation board shall establish in its plan of  
485 operation standards for quota share agreements which ensure that  
486 there is no discriminatory application among insurers as to the  
487 terms of the agreements, pricing of the agreements, incentive  
488 provisions if any, and consideration paid for servicing policies  
489 or adjusting claims.

490           h. The quota share primary insurance agreement between the



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491 corporation and an authorized insurer must set forth the  
492 specific terms under which coverage is provided, including, but  
493 not limited to, the sale and servicing of policies issued under  
494 the agreement by the insurance agent of the authorized insurer  
495 producing the business, the reporting of information concerning  
496 eligible risks, the payment of premium to the corporation, and  
497 arrangements for the adjustment and payment of hurricane claims  
498 incurred on eligible risks by the claims adjuster and personnel  
499 of the authorized insurer. Entering into a quota sharing  
500 insurance agreement between the corporation and an authorized  
501 insurer is voluntary and at the discretion of the authorized  
502 insurer.

503 3. May provide that the corporation may employ or otherwise  
504 contract with individuals or other entities to provide  
505 administrative or professional services that may be appropriate  
506 to effectuate the plan. The corporation may borrow funds by  
507 issuing bonds or by incurring other indebtedness, and shall have  
508 other powers reasonably necessary to effectuate the requirements  
509 of this subsection, including, without limitation, the power to  
510 issue bonds and incur other indebtedness in order to refinance  
511 outstanding bonds or other indebtedness. The corporation may  
512 seek judicial validation of its bonds or other indebtedness  
513 under chapter 75. The corporation may issue bonds or incur other  
514 indebtedness, or have bonds issued on its behalf by a unit of  
515 local government pursuant to subparagraph (q)2. in the absence  
516 of a hurricane or other weather-related event, upon a  
517 determination by the corporation, subject to approval by the  
518 office, that such action would enable it to efficiently meet the  
519 financial obligations of the corporation and that such



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520 financings are reasonably necessary to effectuate the  
521 requirements of this subsection. The corporation may take all  
522 actions needed to facilitate tax-free status for such bonds or  
523 indebtedness, including formation of trusts or other affiliated  
524 entities. The corporation may pledge assessments, projected  
525 recoveries from the Florida Hurricane Catastrophe Fund, other  
526 reinsurance recoverables, policyholder surcharges and other  
527 surcharges, and other funds available to the corporation as  
528 security for bonds or other indebtedness. In recognition of s.  
529 10, Art. I of the State Constitution, prohibiting the impairment  
530 of obligations of contracts, it is the intent of the Legislature  
531 that no action be taken whose purpose is to impair any bond  
532 indenture or financing agreement or any revenue source committed  
533 by contract to such bond or other indebtedness.

534 4. Must require that the corporation operate subject to the  
535 supervision and approval of a board of governors consisting of  
536 nine individuals who are residents of this state and who are  
537 from different geographical areas of this ~~the~~ state, one of whom  
538 is appointed by the Governor and serves solely to advocate on  
539 behalf of the consumer. The appointment of a consumer  
540 representative by the Governor is deemed to be within the scope  
541 of the exemption provided in s. 112.313(7)(b) and is in addition  
542 to the appointments authorized under sub-subparagraph a.

543 a. The Governor, the Chief Financial Officer, the President  
544 of the Senate, and the Speaker of the House of Representatives  
545 shall each appoint two members of the board. At least one of the  
546 two members appointed by each appointing officer must have  
547 demonstrated expertise in insurance and be deemed to be within  
548 the scope of the exemption provided in s. 112.313(7)(b). The



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549 Chief Financial Officer shall designate one of the appointees as  
550 chair. All board members serve at the pleasure of the appointing  
551 officer. All members of the board are subject to removal at will  
552 by the officers who appointed them. All board members, including  
553 the chair, must be appointed to serve for 3-year terms beginning  
554 annually on a date designated by the plan. However, for the  
555 first term beginning on or after July 1, 2009, each appointing  
556 officer shall appoint one member of the board for a 2-year term  
557 and one member for a 3-year term. A board vacancy shall be  
558 filled for the unexpired term by the appointing officer. The  
559 Chief Financial Officer shall appoint a technical advisory group  
560 to provide information and advice to the board in connection  
561 with the board's duties under this subsection. The executive  
562 director and senior managers of the corporation shall be engaged  
563 by the board and serve at the pleasure of the board. Any  
564 executive director appointed on or after July 1, 2006, is  
565 subject to confirmation by the Senate. The executive director is  
566 responsible for employing other staff as the corporation may  
567 require, subject to review and concurrence by the board.

568       b. The board shall create a Market Accountability Advisory  
569 Committee to assist the corporation in developing awareness of  
570 its rates and its customer and agent service levels in  
571 relationship to the voluntary market insurers writing similar  
572 coverage.

573       (I) The members of the advisory committee consist of the  
574 following 11 persons, one of whom must be elected chair by the  
575 members of the committee: four representatives, one appointed by  
576 the Florida Association of Insurance Agents, one by the Florida  
577 Association of Insurance and Financial Advisors, one by the



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578 Professional Insurance Agents of Florida, and one by the Latin  
579 American Association of Insurance Agencies; three  
580 representatives appointed by the insurers with the three highest  
581 voluntary market share of residential property insurance  
582 business in this ~~the~~ state; one representative from the Office  
583 of Insurance Regulation; one consumer appointed by the board who  
584 is insured by the corporation at the time of appointment to the  
585 committee; one representative appointed by the Florida  
586 Association of Realtors; and one representative appointed by the  
587 Florida Bankers Association. All members shall be appointed to  
588 3-year terms and may serve for consecutive terms.

589 (II) The committee shall report to the corporation at each  
590 board meeting on insurance market issues that ~~which~~ may include  
591 rates and rate competition with the voluntary market; service,  
592 including policy issuance, claims processing, and general  
593 responsiveness to policyholders, applicants, and agents; and  
594 matters relating to depopulation.

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

597 a. Subject to s. 627.3517, with respect to personal lines  
598 residential risks, if the risk is offered coverage from an  
599 authorized insurer at the insurer's approved rate under a  
600 standard policy including wind coverage or, if consistent with  
601 the insurer's underwriting rules as filed with the office, a  
602 basic policy including wind coverage, for a new application to  
603 the corporation for coverage, the risk is not eligible for any  
604 policy issued by the corporation unless the premium for coverage  
605 from the authorized insurer is more than 20 percent greater than  
606 the premium for comparable coverage from the corporation.



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607 Whenever an offer of coverage for a personal lines residential  
608 risk is received for a policyholder of the corporation ~~at~~  
609 ~~renewal~~ from an authorized insurer, ~~if the offer is equal to or~~  
610 ~~less than the corporation's renewal premium for comparable~~  
611 ~~coverage,~~ the risk is not eligible for coverage with the  
612 corporation unless the premium for coverage from the authorized  
613 insurer is more than 20 percent greater than the renewal premium  
614 for comparable coverage from the corporation. If the risk is not  
615 able to obtain such offer, the risk is eligible for a standard  
616 policy including wind coverage or a basic policy including wind  
617 coverage issued by the corporation; however, if the risk could  
618 not be insured under a standard policy including wind coverage  
619 regardless of market conditions, the risk is eligible for a  
620 basic policy including wind coverage unless rejected under  
621 subparagraph 8. However, a policyholder removed from the  
622 corporation through an assumption agreement remains eligible for  
623 coverage from the corporation until the end of the assumption  
624 period. The corporation shall determine the type of policy to be  
625 provided on the basis of objective standards specified in the  
626 underwriting manual and based on generally accepted underwriting  
627 practices.

628 (I) If the risk accepts an offer of coverage through the  
629 market assistance plan or through a mechanism established by the  
630 corporation other than a plan established by s. 627.3518, before  
631 a policy is issued to the risk by the corporation or during the  
632 first 30 days of coverage by the corporation, and the producing  
633 agent who submitted the application to the plan or to the  
634 corporation is not currently appointed by the insurer, the  
635 insurer shall:



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

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

646  
647 If the producing agent is unwilling or unable to accept  
648 appointment, the new insurer shall pay the agent in accordance  
649 with sub-sub-sub-subparagraph (A).

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

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

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

663  
664 If the producing agent is unwilling or unable to accept



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

667       b. With respect to commercial lines residential risks, for  
668 a new application to the corporation for coverage, if the risk  
669 is offered coverage under a policy including wind coverage from  
670 an authorized insurer at its approved rate, the risk is not  
671 eligible for a policy issued by the corporation unless the  
672 premium for coverage from the authorized insurer is more than 15  
673 percent greater than the premium for comparable coverage from  
674 the corporation. Whenever an offer of coverage for a commercial  
675 lines residential risk is received for a policyholder of the  
676 corporation at renewal from an authorized insurer, if the offer  
677 is equal to or less than the corporation's renewal premium for  
678 comparable coverage, the risk is not eligible for coverage with  
679 the corporation. If the risk is not able to obtain any such  
680 offer, the risk is eligible for a policy including wind coverage  
681 issued by the corporation. However, a policyholder removed from  
682 the corporation through an assumption agreement remains eligible  
683 for coverage from the corporation until the end of the  
684 assumption period.

685       (I) If the risk accepts an offer of coverage through the  
686 market assistance plan or through a mechanism established by the  
687 corporation other than a plan established by s. 627.3518, before  
688 a policy is issued to the risk by the corporation or during the  
689 first 30 days of coverage by the corporation, and the producing  
690 agent who submitted the application to the plan or the  
691 corporation is not currently appointed by the insurer, the  
692 insurer shall:

693       (A) Pay to the producing agent of record of the policy, for





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694 the first year, an amount that is the greater of the insurer's  
695 usual and customary commission for the type of policy written or  
696 a fee equal to the usual and customary commission of the  
697 corporation; or

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

703

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

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

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

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

720

721 If the producing agent is unwilling or unable to accept  
722 appointment, the new insurer shall pay the agent in accordance



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723 with sub-sub-sub-subparagraph (A).

724 c. For purposes of determining comparable coverage under  
725 sub-subparagraphs a. and b., the comparison must be based on  
726 those forms and coverages that are reasonably comparable. The  
727 corporation may rely on a determination of comparable coverage  
728 and premium made by the producing agent who submits the  
729 application to the corporation, made in the agent's capacity as  
730 the corporation's agent. A comparison may be made solely of the  
731 premium with respect to the main building or structure only on  
732 the following basis: the same coverage A or other building  
733 limits; the same percentage hurricane deductible that applies on  
734 an annual basis or that applies to each hurricane for commercial  
735 residential property; the same percentage of ordinance and law  
736 coverage, if the same limit is offered by both the corporation  
737 and the authorized insurer; the same mitigation credits, to the  
738 extent the same types of credits are offered both by the  
739 corporation and the authorized insurer; the same method for loss  
740 payment, such as replacement cost or actual cash value, if the  
741 same method is offered both by the corporation and the  
742 authorized insurer in accordance with underwriting rules; and  
743 any other form or coverage that is reasonably comparable as  
744 determined by the board. If an application is submitted to the  
745 corporation for wind-only coverage in the coastal account, the  
746 premium for the corporation's wind-only policy plus the premium  
747 for the ex-wind policy that is offered by an authorized insurer  
748 to the applicant must be compared to the premium for multiperil  
749 coverage offered by an authorized insurer, subject to the  
750 standards for comparison specified in this subparagraph. If the  
751 corporation or the applicant requests from the authorized



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752 insurer a breakdown of the premium of the offer by types of  
753 coverage so that a comparison may be made by the corporation or  
754 its agent and the authorized insurer refuses or is unable to  
755 provide such information, the corporation may treat the offer as  
756 not being an offer of coverage from an authorized insurer at the  
757 insurer's approved rate.

758 6. Must include rules for classifications of risks and  
759 rates.

760 7. Must provide that if premium and investment income for  
761 an account attributable to a particular calendar year are in  
762 excess of projected losses and expenses for the account  
763 attributable to that year, such excess shall be held in surplus  
764 in the account. Such surplus must be available to defray  
765 deficits in that account as to future years and used for that  
766 purpose before assessing assessable insurers and assessable  
767 insureds as to any calendar year.

768 8. Must provide objective criteria and procedures to be  
769 uniformly applied to all applicants in determining whether an  
770 individual risk is so hazardous as to be uninsurable. In making  
771 this determination and in establishing the criteria and  
772 procedures, the following must be considered:

773 a. Whether the likelihood of a loss for the individual risk  
774 is substantially higher than for other risks of the same class;  
775 and

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

778

779 The acceptance or rejection of a risk by the corporation must  
780 ~~shall~~ be construed as the private placement of insurance, and



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781 ~~the provisions of~~ chapter 120 does ~~do~~ not apply.

782       9. Must provide that the corporation make its best efforts  
783 to procure catastrophe reinsurance at reasonable rates, to cover  
784 its projected 100-year probable maximum loss as determined by  
785 the board of governors. If catastrophe reinsurance is not  
786 available at reasonable rates, the corporation need not purchase  
787 it, but the corporation shall include the costs of reinsurance  
788 to cover its projected 100-year probable maximum loss in its  
789 rate calculations even if it does not purchase catastrophe  
790 reinsurance.

791       10. The policies issued by the corporation must provide  
792 that if the corporation or the market assistance plan obtains an  
793 offer from an authorized insurer to cover the risk at its  
794 approved rates, the risk is no longer eligible for renewal  
795 through the corporation, except as otherwise provided in this  
796 subsection.

797       11. Corporation policies and applications must include a  
798 notice that the corporation policy could, under this section, be  
799 replaced with a policy issued by an authorized insurer which  
800 does not provide coverage identical to the coverage provided by  
801 the corporation. The notice must also specify that acceptance of  
802 corporation coverage creates a conclusive presumption that the  
803 applicant or policyholder is aware of this potential.

804       12. May establish, subject to approval by the office,  
805 different eligibility requirements and operational procedures  
806 for any line or type of coverage for any specified county or  
807 area if the board determines that such changes are justified due  
808 to the voluntary market being sufficiently stable and  
809 competitive in such area or for such line or type of coverage



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810 and that consumers who, in good faith, are unable to obtain  
811 insurance through the voluntary market through ordinary methods  
812 continue to have access to coverage from the corporation. If  
813 coverage is sought in connection with a real property transfer,  
814 the requirements and procedures may not provide an effective  
815 date of coverage later than the date of the closing of the  
816 transfer as established by the transferor, the transferee, and,  
817 if applicable, the lender.

818       13. Must provide that, with respect to the coastal account,  
819 any assessable insurer with a surplus as to policyholders of \$25  
820 million or less writing 25 percent or more of its total  
821 countrywide property insurance premiums in this state may  
822 petition the office, within the first 90 days of each calendar  
823 year, to qualify as a limited apportionment company. A regular  
824 assessment levied by the corporation on a limited apportionment  
825 company for a deficit incurred by the corporation for the  
826 coastal account may be paid to the corporation on a monthly  
827 basis as the assessments are collected by the limited  
828 apportionment company from its insureds, but a limited  
829 apportionment company must begin collecting the regular  
830 assessments not later than 90 days after the regular assessments  
831 are levied by the corporation, and the regular assessments must  
832 be paid in full within 15 months after being levied by the  
833 corporation. A limited apportionment company shall collect from  
834 its policyholders any emergency assessment imposed under sub-  
835 subparagraph (b)3.d. The plan must provide that, if the office  
836 determines that any regular assessment will result in an  
837 impairment of the surplus of a limited apportionment company,  
838 the office may direct that all or part of such assessment be



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839 deferred as provided in subparagraph (q)4. However, an emergency  
840 assessment to be collected from policyholders under sub-  
841 subparagraph (b)3.d. may not be limited or deferred.

842 14. Must provide that the corporation appoint as its  
843 licensed agents only those agents who throughout such  
844 appointments also hold an appointment as defined in s. 626.015  
845 by an insurer who is authorized to write and is actually writing  
846 or renewing personal lines residential property coverage,  
847 commercial residential property coverage, or commercial  
848 nonresidential property coverage within this ~~the~~ state.

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

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

856 17. Must provide coverage for manufactured or mobile home  
857 dwellings. Such coverage must also include the following  
858 attached structures:

859 a. Screened enclosures that are aluminum framed or screened  
860 enclosures that are not covered by the same or substantially the  
861 same materials as those of the primary dwelling;

862 b. Carports that are aluminum or carports that are not  
863 covered by the same or substantially the same materials as those  
864 of the primary dwelling; and

865 c. Patios that have a roof covering that is constructed of  
866 materials that are not the same or substantially the same  
867 materials as those of the primary dwelling.



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

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

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

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

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

ACKNOWLEDGMENT OF POTENTIAL SURCHARGE  
AND ASSESSMENT LIABILITY:

1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,



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897 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
898 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE  
899 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT  
900 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
901 LEGISLATURE.

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

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

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

916  
917 a. The corporation shall maintain, in electronic format or  
918 otherwise, a copy of the applicant's signed acknowledgment and  
919 provide a copy of the statement to the policyholder as part of  
920 the first renewal after the effective date of this subparagraph.

921 b. The signed acknowledgment form creates a conclusive  
922 presumption that the policyholder understood and accepted his or  
923 her potential surcharge and assessment liability as a  
924 policyholder of the corporation.

925 22. The corporation shall pay a producing agent of record a





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926 reasonable commission not to exceed the average of commissions  
927 paid in the preceding year by the 20 admitted insurers writing  
928 the greatest market share of property insurance in this state.

929 (n)1. Rates for coverage provided by the corporation must  
930 be actuarially sound and subject to s. 627.062, except as  
931 otherwise provided in this paragraph. The corporation shall file  
932 its recommended rates with the office at least annually. The  
933 corporation shall provide any additional information regarding  
934 the rates which the office requires. The office shall consider  
935 the recommendations of the board and issue a final order  
936 establishing the rates for the corporation within 45 days after  
937 the recommended rates are filed. The corporation may not pursue  
938 an administrative challenge or judicial review of the final  
939 order of the office.

940 2. In addition to the rates otherwise determined pursuant  
941 to this paragraph, the corporation shall impose and collect an  
942 amount equal to the premium tax provided in s. 624.509 to  
943 augment the financial resources of the corporation.

944 3. If ~~After~~ the public hurricane loss-projection model  
945 under s. 627.06281 is ~~has been~~ found to be accurate and reliable  
946 by the Florida Commission on Hurricane Loss Projection  
947 Methodology, it must ~~the model shall~~ be considered when  
948 establishing the windstorm portion of the corporation's rates.  
949 The corporation may use the public model results in combination  
950 with the results of private models to calculate rates for the  
951 windstorm portion of the corporation's rates. This subparagraph  
952 does not require or allow the corporation to adopt rates lower  
953 than the rates otherwise required or allowed by this paragraph.

954 4. The corporation must make a recommended actuarially



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955 sound rate filing for each personal and commercial line of  
956 business it writes.

957 5. Notwithstanding the board's recommended rates and the  
958 office's final order regarding the corporation's filed rates  
959 under subparagraph 1., the corporation shall annually implement  
960 a rate increase that which, except for sinkhole coverage, does  
961 not exceed the following for any single personal lines  
962 residential policy that covers an insured's primary residence  
963 issued by the corporation or any single commercial lines  
964 residential policy issued by the corporation, excluding coverage  
965 changes and surcharges:

- 966 a. Eleven percent for 2022.
- 967 b. Twelve percent for 2023.
- 968 c. Thirteen percent for 2024.
- 969 d. Fourteen percent for 2025.
- 970 e. Fifteen percent for 2026 and all subsequent years.

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

974 7. The corporation's implementation of rates as prescribed  
975 in subparagraph 5. must ~~shall~~ cease for any line of business  
976 written by the corporation upon the corporation's implementation  
977 of actuarially sound rates. Thereafter, the corporation shall  
978 annually make a recommended actuarially sound rate filing for  
979 each commercial and personal line of business the corporation  
980 writes.

981 8. Policies assumed by the corporation from an unsound  
982 insurer shall be charged a premium for coverage that is the  
983 higher of the last premium amount charged by the unsound insurer



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984 or the premium charged by the corporation applicable to the  
985 policy. Premiums established by the unsound insurer shall remain  
986 unchanged until such time as the corporation's rate exceeds this  
987 amount and the policy becomes subject to the corporation's  
988 annually approved rate. For purposes of this subparagraph, the  
989 term "unsound insurer" means an insurer determined by the Office  
990 of Insurance Regulation to be in unsound condition as defined in  
991 s. 624.80(2) or an insurer placed in receivership under chapter  
992 631.

993 (q)1. The corporation shall certify to the office its needs  
994 for annual assessments as to a particular calendar year, and for  
995 any interim assessments that it deems to be necessary to sustain  
996 operations as to a particular year pending the receipt of annual  
997 assessments. Upon verification, the office shall approve such  
998 certification, and the corporation shall levy such annual or  
999 interim assessments. Such assessments shall be prorated as  
1000 provided in paragraph (b). The corporation shall take all  
1001 reasonable and prudent steps necessary to collect the amount of  
1002 assessments due from each assessable insurer, including, if  
1003 prudent, filing suit to collect the assessments, and the office  
1004 may provide such assistance to the corporation it deems  
1005 appropriate. If the corporation is unable to collect an  
1006 assessment from any assessable insurer, the uncollected  
1007 assessments shall be levied as an additional assessment against  
1008 the assessable insurers and any assessable insurer required to  
1009 pay an additional assessment as a result of such failure to pay  
1010 shall have a cause of action against such nonpaying assessable  
1011 insurer. Assessments shall be included as an appropriate factor  
1012 in the making of rates. The failure of a surplus lines agent to



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1013 collect and remit any regular or emergency assessment levied by  
1014 the corporation is considered to be a violation of s. 626.936  
1015 and subjects the surplus lines agent to the penalties provided  
1016 in that section.

1017         2. The governing body of any unit of local government, any  
1018 residents of which are insured by the corporation, may issue  
1019 bonds as defined in s. 125.013 or s. 166.101 from time to time  
1020 to fund an assistance program, in conjunction with the  
1021 corporation, for the purpose of defraying deficits of the  
1022 corporation. In order to avoid needless and indiscriminate  
1023 proliferation, duplication, and fragmentation of such assistance  
1024 programs, any unit of local government, any residents of which  
1025 are insured by the corporation, may provide for the payment of  
1026 losses, regardless of whether or not the losses occurred within  
1027 or outside of the territorial jurisdiction of the local  
1028 government. Revenue bonds under this subparagraph may not be  
1029 issued until validated pursuant to chapter 75, unless a state of  
1030 emergency is declared by executive order or proclamation of the  
1031 Governor pursuant to s. 252.36 making such findings as are  
1032 necessary to determine that it is in the best interests of, and  
1033 necessary for, the protection of the public health, safety, and  
1034 general welfare of residents of this state and declaring it an  
1035 essential public purpose to permit certain municipalities or  
1036 counties to issue such bonds as will permit relief to claimants  
1037 and policyholders of the corporation. Any such unit of local  
1038 government may enter into such contracts with the corporation  
1039 and with any other entity created pursuant to this subsection as  
1040 are necessary to carry out this paragraph. Any bonds issued  
1041 under this subparagraph shall be payable from and secured by



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1042 moneys received by the corporation from emergency assessments  
1043 under sub-subparagraph (b)3.d., and assigned and pledged to or  
1044 on behalf of the unit of local government for the benefit of the  
1045 holders of such bonds. The funds, credit, property, and taxing  
1046 power of the state or of the unit of local government may ~~shall~~  
1047 not be pledged for the payment of such bonds.

1048 3.a. The corporation shall adopt one or more programs  
1049 subject to approval by the office for the reduction of both new  
1050 and renewal writings in the corporation. Beginning January 1,  
1051 2008, any program the corporation adopts for the payment of  
1052 bonuses to an insurer for each risk the insurer removes from the  
1053 corporation shall comply with s. 627.3511(2) and may not exceed  
1054 the amount referenced in s. 627.3511(2) for each risk removed.  
1055 The corporation may consider any prudent and not unfairly  
1056 discriminatory approach to reducing corporation writings, and  
1057 may adopt a credit against assessment liability or other  
1058 liability that provides an incentive for insurers to take risks  
1059 out of the corporation and to keep risks out of the corporation  
1060 by maintaining or increasing voluntary writings in counties or  
1061 areas in which corporation risks are highly concentrated and a  
1062 program to provide a formula under which an insurer voluntarily  
1063 taking risks out of the corporation by maintaining or increasing  
1064 voluntary writings will be relieved wholly or partially from  
1065 assessments under sub-subparagraph (b)3.a. However, any "take-  
1066 out bonus" or payment to an insurer must be conditioned on the  
1067 property being insured for at least 5 years by the insurer,  
1068 unless canceled or nonrenewed by the policyholder. If the policy  
1069 is canceled or nonrenewed by the policyholder before the end of  
1070 the 5-year period, the amount of the take-out bonus must be



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1071 prorated for the time period the policy was insured. When the  
1072 corporation enters into a contractual agreement for a take-out  
1073 plan, the producing agent of record of the corporation policy is  
1074 entitled to retain any unearned commission on such policy, and  
1075 the insurer shall either:

1076 (I) Pay to the producing agent of record of the policy, for  
1077 the first year, an amount which is the greater of the insurer's  
1078 usual and customary commission for the type of policy written or  
1079 a policy fee equal to the usual and customary commission of the  
1080 corporation; or

1081 (II) Offer to allow the producing agent of record of the  
1082 policy to continue servicing the policy for a period of not less  
1083 than 1 year and offer to pay the agent the insurer's usual and  
1084 customary commission for the type of policy written. If the  
1085 producing agent is unwilling or unable to accept appointment by  
1086 the new insurer, the new insurer shall pay the agent in  
1087 accordance with sub-sub-subparagraph (I).

1088 b. Any credit or exemption from regular assessments adopted  
1089 under this subparagraph shall last no longer than the 3 years  
1090 following the cancellation or expiration of the policy by the  
1091 corporation. With the approval of the office, the board may  
1092 extend such credits for an additional year if the insurer  
1093 guarantees an additional year of renewability for all policies  
1094 removed from the corporation, or for 2 additional years if the  
1095 insurer guarantees 2 additional years of renewability for all  
1096 policies so removed.

1097 c. There shall be no credit, limitation, exemption, or  
1098 deferment from emergency assessments to be collected from  
1099 policyholders pursuant to sub-subparagraph (b)3.d.



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1100 d. Notwithstanding any other law, for purposes of a  
1101 depopulation, take-out, or keep-out program adopted by the  
1102 corporation, including an initial or renewal offer of coverage  
1103 made to a policyholder removed from the corporation pursuant to  
1104 such program, an eligible surplus lines insurer may participate  
1105 in the program in the same manner and on the same terms as an  
1106 authorized insurer, except as provided under this sub-  
1107 subparagraph.

1108 (I) The policy count of the corporation must be more than  
1109 700,000 within the 30 days before the time a takeout offer is  
1110 made by a surplus lines insurer.

1111 (II) To qualify for participation, the surplus lines  
1112 insurer must first obtain approval from the office for its  
1113 depopulation, take-out, or keep-out plan and then comply with  
1114 all of the corporation's requirements for the plan applicable to  
1115 admitted insurers and with all statutory provisions applicable  
1116 to the removal of policies from the corporation.

1117 (III) In considering a surplus lines insurer's request for  
1118 approval for its plan, the office shall determine whether the  
1119 surplus lines insurer meets the following requirements:

1120 (A) Maintains a surplus of \$50 million on a company or  
1121 pooled basis;

1122 (B) Has a superior, excellent, exceptional, or equally  
1123 comparable financial strength rating by a rating agency  
1124 acceptable to the office;

1125 (C) Maintains reserves, surplus, reinsurance, and  
1126 reinsurance equivalents sufficient to cover the insurer's 100-  
1127 year probable maximum hurricane loss at least twice in a single  
1128 hurricane season and submits such reinsurance to the office to



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1129 review for purposes of the take-out;

1130 (D) Provides prominent notice to the policyholder before  
1131 the assumption of the policy that surplus lines policies are not  
1132 provided coverage by the Florida Insurance Guaranty Association  
1133 and provides an outline of any substantial differences in  
1134 coverage between the existing policy and the policy being  
1135 offered to the insured; and

1136 (E) Provides policy coverage similar to that provided by  
1137 the corporation.

1138 (IV) To obtain approval for a plan, the surplus lines  
1139 insurer must file the following with the office:

1140 (A) Information requested by the office to demonstrate  
1141 compliance with s. 624.404(3), including biographical  
1142 affidavits, fingerprints processed pursuant to s. 624.34, and  
1143 the results of criminal history records checks for officers and  
1144 directors of the insurer and its parent or holding company;

1145 (B) A service-of-process consent and agreement form  
1146 executed by the insurer;

1147 (C) Proof that the insurer has been an eligible or  
1148 authorized insurer for at least 3 years;

1149 (D) A duly authenticated copy of the insurer's current  
1150 audited financial statement, in English, which, in the case of  
1151 statements originally made in the currencies of other countries,  
1152 expresses all monetary values in United States dollars, at an  
1153 exchange rate then current and shown in the statement, and  
1154 including any additional information relative to the insurer as  
1155 the office may request;

1156 (E) A complete certified copy of the latest official  
1157 financial statement required by the insurer's domiciliary state,





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1158 if different from the statement required by sub-sub-sub-  
1159 subparagraph (D); and

1160 (F) If applicable, a copy of the United States trust  
1161 account agreement.

1162  
1163 This sub-sub-subparagraph does not subject any surplus lines  
1164 insurer to requirements in addition to part VIII of chapter 626.  
1165 Surplus lines brokers making an offer of coverage under this  
1166 sub-subparagraph are not required to comply with s.  
1167 626.916(1) (a), (b), (c), or (e).

1168 (V) Within 10 days after the date of assumption, the  
1169 surplus lines insurer assuming policies from the corporation  
1170 shall remit to the Bureau of Collateral Management within the  
1171 Department of Financial Services a special deposit equal to the  
1172 unearned premium net of unearned commissions on the assumed  
1173 block of business. The surplus lines insurer shall submit to the  
1174 office, along with the special deposit, an accounting of the  
1175 policies assumed and the amount of unearned premium for such  
1176 policies and a sworn affidavit attesting to the accuracy of the  
1177 accounting by an officer of the surplus lines insurer.

1178 Thereafter, the surplus lines insurer shall make a filing within  
1179 10 days after the end of each calendar quarter attesting to the  
1180 unearned premium in force for the previous quarter on policies  
1181 assumed from the corporation and shall submit additional funds  
1182 with that filing if the special deposit is insufficient to cover  
1183 the unearned premium on assumed policies, or shall receive a  
1184 return of funds within 60 days if the special deposit exceeds  
1185 the amount of unearned premium required for assumed policies.  
1186 The special deposit is an asset of the surplus lines insurer



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1187 which is held by the department for the benefit of state  
1188 policyholders of the surplus lines insurer in the event of the  
1189 insolvency of the surplus lines insurer. If an order of  
1190 liquidation is entered in any state against the surplus lines  
1191 insurer, the department may use the special deposit for payment  
1192 of unearned premium or policy claims, return all or part of the  
1193 deposit to the domiciliary receiver, or use the funds in  
1194 accordance with any action authorized under part I of chapter  
1195 631 or in compliance with any order of a court having  
1196 jurisdiction over the insolvency.

1197 (VI) In advance of a surplus lines insurer assuming a  
1198 policy, surplus lines brokers representing a surplus lines  
1199 insurer on a take-out program shall obtain confirmation, in  
1200 written or e-mail form, from each producing agent stating that  
1201 the agent is willing to participate in the take-out program with  
1202 the surplus lines insurer engaging in the take-out program. The  
1203 take-out program is also subject to s. 627.3517. If a  
1204 policyholder is selected for removal from the corporation by a  
1205 surplus lines insurer and an authorized insurer, the corporation  
1206 must give priority to the offer of coverage from the authorized  
1207 insurer.

1208 (VII) (A) A risk that has a dwelling replacement cost of  
1209 \$700,000 or more or a single condominium unit that has a  
1210 combined dwelling and contents replacement cost of \$700,000 or  
1211 more is not eligible for coverage by the corporation if it is  
1212 offered comparable coverage from a qualified surplus lines  
1213 insurer at a premium no greater than the premium charged by the  
1214 corporation.

1215 (B) A risk that has a dwelling replacement cost below



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1216 \$700,000 or a single condominium unit that has a combined  
1217 dwelling and contents replacement cost below \$700,000 remains  
1218 eligible for coverage by the corporation if it is offered  
1219 coverage from a qualified surplus lines insurer.

1220 4. The plan shall provide for the deferment, in whole or in  
1221 part, of the assessment of an assessable insurer, other than an  
1222 emergency assessment collected from policyholders pursuant to  
1223 sub-subparagraph (b)3.d., if the office finds that payment of  
1224 the assessment would endanger or impair the solvency of the  
1225 insurer. In the event an assessment against an assessable  
1226 insurer is deferred in whole or in part, the amount by which  
1227 such assessment is deferred may be assessed against the other  
1228 assessable insurers in a manner consistent with the basis for  
1229 assessments set forth in paragraph (b).

1230 5. Effective July 1, 2007, in order to evaluate the costs  
1231 and benefits of approved take-out plans, if the corporation pays  
1232 a bonus or other payment to an insurer for an approved take-out  
1233 plan, it shall maintain a record of the address or such other  
1234 identifying information on the property or risk removed in order  
1235 to track if and when the property or risk is later insured by  
1236 the corporation.

1237 6. Any policy taken out, assumed, or removed from the  
1238 corporation is, as of the effective date of the take-out,  
1239 assumption, or removal, direct insurance issued by the insurer  
1240 and not by the corporation, even if the corporation continues to  
1241 service the policies. This subparagraph applies to policies of  
1242 the corporation and not policies taken out, assumed, or removed  
1243 from any other entity.

1244 7. For a policy taken out, assumed, or removed from the



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1245 corporation, the insurer may, for a period of no more than 3  
1246 years, continue to use any of the corporation's policy forms or  
1247 endorsements that apply to the policy taken out, removed, or  
1248 assumed without obtaining approval from the office for use of  
1249 such policy form or endorsement.

1250 (x)1. The following records of the corporation are  
1251 confidential and exempt from ~~the provisions of~~ s. 119.07(1) and  
1252 s. 24(a), Art. I of the State Constitution:

1253 a. Underwriting files, except that a policyholder or an  
1254 applicant shall have access to his or her own underwriting  
1255 files. Confidential and exempt underwriting file records may  
1256 also be released to other governmental agencies upon written  
1257 request and demonstration of need; such records held by the  
1258 receiving agency remain confidential and exempt as provided  
1259 herein.

1260 b. Claims files, until termination of all litigation and  
1261 settlement of all claims arising out of the same incident,  
1262 although portions of the claims files may remain exempt, as  
1263 otherwise provided by law. Confidential and exempt claims file  
1264 records may be released to other governmental agencies upon  
1265 written request and demonstration of need; such records held by  
1266 the receiving agency remain confidential and exempt as provided  
1267 herein.

1268 c. Records obtained or generated by an internal auditor  
1269 pursuant to a routine audit, until the audit is completed, or if  
1270 the audit is conducted as part of an investigation, until the  
1271 investigation is closed or ceases to be active. An investigation  
1272 is considered "active" while the investigation is being  
1273 conducted with a reasonable, good faith belief that it could



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1274 lead to the filing of administrative, civil, or criminal  
1275 proceedings.

1276 d. Matters reasonably encompassed in privileged attorney-  
1277 client communications.

1278 e. Proprietary information licensed to the corporation  
1279 under contract and the contract provides for the confidentiality  
1280 of such proprietary information.

1281 f. All information relating to the medical condition or  
1282 medical status of a corporation employee which is not relevant  
1283 to the employee's capacity to perform his or her duties, except  
1284 as otherwise provided in this paragraph. Information that is  
1285 exempt includes ~~shall include~~, but is not limited to,  
1286 information relating to workers' compensation, insurance  
1287 benefits, and retirement or disability benefits.

1288 g. Upon an employee's entrance into the employee assistance  
1289 program, a program to assist any employee who has a behavioral  
1290 or medical disorder, substance abuse problem, or emotional  
1291 difficulty that affects the employee's job performance, all  
1292 records relative to that participation are ~~shall be~~ confidential  
1293 and exempt from ~~the provisions of~~ s. 119.07(1) and s. 24(a),  
1294 Art. I of the State Constitution, except as otherwise provided  
1295 in s. 112.0455(11).

1296 h. Information relating to negotiations for financing,  
1297 reinsurance, depopulation, or contractual services, until the  
1298 conclusion of the negotiations.

1299 i. Minutes of closed meetings regarding underwriting files,  
1300 and minutes of closed meetings regarding an open claims file  
1301 until termination of all litigation and settlement of all claims  
1302 with regard to that claim, except that information otherwise



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1303 confidential or exempt by law must ~~shall~~ be redacted.  
1304       2. If an authorized insurer, a reinsurance intermediary, an  
1305 eligible surplus lines insurer, or an entity that has filed an  
1306 application with the office for licensure as a property and  
1307 casualty insurer in this state is considering writing or  
1308 assisting in the underwriting of a risk insured by the  
1309 corporation, relevant information from both the underwriting  
1310 files and confidential claims files may be released to the  
1311 insurer, reinsurance intermediary, eligible surplus lines  
1312 insurer, or entity that has been created to seek authority to  
1313 write property insurance in this state, provided that the  
1314 recipient insurer agrees in writing, notarized and under oath,  
1315 to maintain the confidentiality of such files. If a policy file  
1316 is transferred to an insurer, that policy file is no longer a  
1317 public record because it is not held by an agency subject to ~~the~~  
1318 ~~provisions of~~ the public records law. Underwriting files and  
1319 confidential claims files may also be released to staff and the  
1320 board of governors of the market assistance plan established  
1321 pursuant to s. 627.3515, who must retain the confidentiality of  
1322 such files, except such files may be released to authorized  
1323 insurers that are considering assuming the risks to which the  
1324 files apply, provided the insurer agrees in writing, notarized  
1325 and under oath, to maintain the confidentiality of such files.  
1326 Finally, the corporation or the board or staff of the market  
1327 assistance plan may make the following information obtained from  
1328 underwriting files and confidential claims files available to an  
1329 entity that has obtained a permit to become an authorized  
1330 insurer, a reinsurer that may provide reinsurance under s.  
1331 624.610, a licensed reinsurance broker, a licensed rating



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1332 organization, a modeling company, or a licensed general lines  
1333 insurance agent: name, address, and telephone number of the  
1334 residential property owner or insured; location of the risk;  
1335 rating information; loss history; and policy type. The receiving  
1336 person must retain the confidentiality of the information  
1337 received and may use the information only for the purposes of  
1338 developing a take-out plan or a rating plan to be submitted to  
1339 the office for approval or otherwise analyzing the underwriting  
1340 of a risk or risks insured by the corporation on behalf of the  
1341 private insurance market. A licensed general lines insurance  
1342 agent may not use such information for the direct solicitation  
1343 of policyholders.

1344 3. A policyholder who has filed suit against the  
1345 corporation has the right to discover the contents of his or her  
1346 own claims file to the same extent that discovery of such  
1347 contents would be available from a private insurer in litigation  
1348 as provided by the Florida Rules of Civil Procedure, the Florida  
1349 Evidence Code, and other applicable law. Pursuant to subpoena, a  
1350 third party has the right to discover the contents of an  
1351 insured's or applicant's underwriting or claims file to the same  
1352 extent that discovery of such contents would be available from a  
1353 private insurer by subpoena as provided by the Florida Rules of  
1354 Civil Procedure, the Florida Evidence Code, and other applicable  
1355 law, and subject to any confidentiality protections requested by  
1356 the corporation and agreed to by the seeking party or ordered by  
1357 the court. The corporation may release confidential underwriting  
1358 and claims file contents and information as it deems necessary  
1359 and appropriate to underwrite or service insurance policies and  
1360 claims, subject to any confidentiality protections deemed



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1361 necessary and appropriate by the corporation.

1362         4. Portions of meetings of the corporation are exempt from  
1363 ~~the provisions of~~ s. 286.011 and s. 24(b), Art. I of the State  
1364 Constitution wherein confidential underwriting files or  
1365 confidential open claims files are discussed. All portions of  
1366 corporation meetings which are closed to the public shall be  
1367 recorded by a court reporter. The court reporter shall record  
1368 the times of commencement and termination of the meeting, all  
1369 discussion and proceedings, the names of all persons present at  
1370 any time, and the names of all persons speaking. No portion of  
1371 any closed meeting shall be off the record. Subject to the  
1372 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's  
1373 notes of any closed meeting shall be retained by the corporation  
1374 for a minimum of 5 years. A copy of the transcript, less any  
1375 exempt matters, of any closed meeting wherein claims are  
1376 discussed shall become public as to individual claims after  
1377 settlement of the claim.

1378         Section 3. Section 627.3517, Florida Statutes, is amended  
1379 to read:

1380         627.3517 Consumer choice.—No provision of s. 627.351, s.  
1381 627.3511, or s. 627.3515 shall be construed to impair the right  
1382 of any insurance risk apportionment plan policyholder, upon  
1383 receipt of any keep-out ~~keep-out~~ or take-out offer, to retain his  
1384 or her current agent, so long as that agent is duly licensed and  
1385 appointed by the insurance risk apportionment plan or otherwise  
1386 authorized to place business with the insurance risk  
1387 apportionment plan. This right may ~~shall~~ not be canceled,  
1388 suspended, impeded, abridged, or otherwise compromised by any  
1389 rule, plan of operation, or depopulation plan, whether through





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1390 keep-out ~~keepout~~, take-out, midterm assumption, or any other  
1391 means, of any insurance risk apportionment plan or depopulation  
1392 plan, including, but not limited to, those described in s.  
1393 627.351, s. 627.3511, or s. 627.3515. The commission shall adopt  
1394 any rules necessary to cause any insurance risk apportionment  
1395 plan or market assistance plan under such sections to  
1396 demonstrate that the operations of the plan do not interfere  
1397 with, promote, or allow interference with the rights created  
1398 under this section. If the policyholder's current agent is  
1399 unable or unwilling to be appointed with the insurer making the  
1400 take-out or keep-out ~~keepout~~ offer, the policyholder is ~~shall~~  
1401 not ~~be~~ disqualified from participation in the appropriate  
1402 insurance risk apportionment plan because of an offer of  
1403 coverage in the voluntary market. An offer of full property  
1404 insurance coverage by the insurer currently insuring either the  
1405 ex-wind or wind-only coverage on the policy to which the offer  
1406 applies is ~~shall~~ not ~~be~~ considered a take-out or keep-out  
1407 ~~keepout~~ offer. Any rule, plan of operation, or plan of  
1408 depopulation, through keep-out ~~keepout~~, take-out, midterm  
1409 assumption, or any other means, of any property insurance risk  
1410 apportionment plan under s. 627.351(2) or (6) is subject to ss.  
1411 627.351(2) (b) and (6) (c) and 627.3511(4).

1412 Section 4. Subsection (5) of section 627.3518, Florida  
1413 Statutes, is amended, and paragraph (a) of subsection (6) and  
1414 paragraph (a) of subsection (7) of that section are reenacted,  
1415 to read:

1416 627.3518 Citizens Property Insurance Corporation  
1417 policyholder eligibility clearinghouse program.—The purpose of  
1418 this section is to provide a framework for the corporation to



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1419 implement a clearinghouse program by January 1, 2014.  
1420 (5) Notwithstanding s. 627.3517, any applicant for new  
1421 coverage from the corporation is not eligible for coverage from  
1422 the corporation if provided an offer of coverage from an  
1423 authorized insurer through the program at a premium that is at  
1424 or below the eligibility threshold established in s.  
1425 627.351(6)(c)5.a. Whenever an offer of coverage for a personal  
1426 lines risk is received for a policyholder of the corporation at  
1427 renewal from an authorized insurer through the program, if the  
1428 offer is at or below the eligibility threshold specified in s.  
1429 627.351(6)(c)5.a. equal to or less than the corporation's  
1430 renewal premium for comparable coverage, the risk is not  
1431 eligible for coverage with the corporation. In the event that an  
1432 offer of coverage for a new applicant or a personal lines risk  
1433 at renewal is received from an authorized insurer through the  
1434 program, and the premium offered exceeds the eligibility  
1435 thresholds specified ~~threshold contained~~ in s.  
1436 627.351(6)(c)5.a., the applicant or insured may elect to accept  
1437 such coverage, or may elect to accept or continue coverage with  
1438 the corporation. ~~In the event an offer of coverage for a~~  
1439 ~~personal lines risk is received from an authorized insurer at~~  
1440 ~~renewal through the program, and the premium offered is more~~  
1441 ~~than the corporation's renewal premium for comparable coverage,~~  
1442 ~~the insured may elect to accept such coverage, or may elect to~~  
1443 ~~accept or continue coverage with the corporation.~~ Section  
1444 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from  
1445 an authorized insurer obtained through the program. An applicant  
1446 for coverage from the corporation who was declared ineligible  
1447 for coverage at renewal by the corporation in the previous 36



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1448 months due to an offer of coverage pursuant to this subsection  
1449 shall be considered a renewal under this section if the  
1450 corporation determines that the authorized insurer making the  
1451 offer of coverage pursuant to this subsection continues to  
1452 insure the applicant and increased the rate on the policy in  
1453 excess of the increase allowed for the corporation under s.  
1454 627.351(6)(n)5.

1455 (6) Independent insurance agents submitting new  
1456 applications for coverage or that are the agent of record on a  
1457 renewal policy submitted to the program:

1458 (a) Are granted and must maintain ownership and the  
1459 exclusive use of expirations, records, or other written or  
1460 electronic information directly related to such applications or  
1461 renewals written through the corporation or through an insurer  
1462 participating in the program, notwithstanding s.  
1463 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted  
1464 for as long as the insured remains with the agency or until sold  
1465 or surrendered in writing by the agent. Contracts with the  
1466 corporation or required by the corporation must not amend,  
1467 modify, interfere with, or limit such rights of ownership. Such  
1468 expirations, records, or other written or electronic information  
1469 may be used to review an application, issue a policy, or for any  
1470 other purpose necessary for placing such business through the  
1471 program.

1472  
1473 Applicants ineligible for coverage in accordance with subsection  
1474 (5) remain ineligible if their independent agent is unwilling or  
1475 unable to enter into a standard or limited agency agreement with  
1476 an insurer participating in the program.



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1477           (7) Exclusive agents submitting new applications for  
1478 coverage or that are the agent of record on a renewal policy  
1479 submitted to the program:

1480           (a) Must maintain ownership and the exclusive use of  
1481 expirations, records, or other written or electronic information  
1482 directly related to such applications or renewals written  
1483 through the corporation or through an insurer participating in  
1484 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and  
1485 (II)(B). Contracts with the corporation or required by the  
1486 corporation must not amend, modify, interfere with, or limit  
1487 such rights of ownership. Such expirations, records, or other  
1488 written or electronic information may be used to review an  
1489 application, issue a policy, or for any other purpose necessary  
1490 for placing such business through the program.

1491  
1492 Applicants ineligible for coverage in accordance with subsection  
1493 (5) remain ineligible if their exclusive agent is unwilling or  
1494 unable to enter into a standard or limited agency agreement with  
1495 an insurer making an offer of coverage to that applicant.

1496           Section 5. This act shall take effect January 1, 2023.