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LEGISLATIVE ACTION

Senate

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House

Floor: 8/F/2R

12/13/2022 02:56 PM

Senator Polsky moved the following:

Senate Amendment (with title amendment)

Delete lines 613 - 2578

and insert:

5. Repeated failure to comply with s. 627.70131(7)(a).

Section 8. Effective January 1, 2023, paragraphs (b), (c), (n), (o), (p), (q), (v), (w), (aa), and (ii) of subsection (6) of section 627.351, Florida Statutes, are amended, and paragraph (kk) is added to that subsection, to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(b)1. All insurers authorized to write one or more subject



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12 lines of business in this state are subject to assessment by the
13 corporation and, for the purposes of this subsection, are
14 referred to collectively as "assessable insurers." Insurers
15 writing one or more subject lines of business in this state
16 pursuant to part VIII of chapter 626 are not assessable
17 insurers; however, insureds who procure one or more subject
18 lines of business in this state pursuant to part VIII of chapter
19 626 are subject to assessment by the corporation and are
20 referred to collectively as "assessable insureds." An insurer's
21 assessment liability begins on the first day of the calendar
22 year following the year in which the insurer was issued a
23 certificate of authority to transact insurance for subject lines
24 of business in this state and terminates 1 year after the end of
25 the first calendar year during which the insurer no longer holds
26 a certificate of authority to transact insurance for subject
27 lines of business in this state.

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

31 (I) A personal lines account for personal residential
32 policies issued by the corporation which provides comprehensive,
33 multiperil coverage on risks that are not located in areas
34 eligible for coverage by the Florida Windstorm Underwriting
35 Association as those areas were defined on January 1, 2002, and
36 for policies that do not provide coverage for the peril of wind
37 on risks that are located in such areas;

38 (II) A commercial lines account for commercial residential
39 and commercial nonresidential policies issued by the corporation
40 which provides coverage for basic property perils on risks that



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41 are not located in areas eligible for coverage by the Florida
42 Windstorm Underwriting Association as those areas were defined
43 on January 1, 2002, and for policies that do not provide
44 coverage for the peril of wind on risks that are located in such
45 areas; and

46 (III) A coastal account for personal residential policies
47 and commercial residential and commercial nonresidential
48 property policies issued by the corporation which provides
49 coverage for the peril of wind on risks that are located in
50 areas eligible for coverage by the Florida Windstorm
51 Underwriting Association as those areas were defined on January
52 1, 2002. The corporation may offer policies that provide
53 multiperil coverage and shall offer policies that provide
54 coverage only for the peril of wind for risks located in areas
55 eligible for coverage in the coastal account. Effective July 1,
56 2014, the corporation shall cease offering new commercial
57 residential policies providing multiperil coverage and shall
58 instead continue to offer commercial residential wind-only
59 policies, and may offer commercial residential policies
60 excluding wind. The corporation may, however, continue to renew
61 a commercial residential multiperil policy on a building that is
62 insured by the corporation on June 30, 2014, under a multiperil
63 policy. In issuing multiperil coverage, the corporation may use
64 its approved policy forms and rates for the personal lines
65 account. An applicant or insured who is eligible to purchase a
66 multiperil policy from the corporation may purchase a multiperil
67 policy from an authorized insurer without prejudice to the
68 applicant's or insured's eligibility to prospectively purchase a
69 policy that provides coverage only for the peril of wind from



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70 the corporation. An applicant or insured who is eligible for a
71 corporation policy that provides coverage only for the peril of
72 wind may elect to purchase or retain such policy and also
73 purchase or retain coverage excluding wind from an authorized
74 insurer without prejudice to the applicant's or insured's
75 eligibility to prospectively purchase a policy that provides
76 multiperil coverage from the corporation. It is the goal of the
77 Legislature that there be an overall average savings of 10
78 percent or more for a policyholder who currently has a wind-only
79 policy with the corporation, and an ex-wind policy with a
80 voluntary insurer or the corporation, and who obtains a
81 multiperil policy from the corporation. It is the intent of the
82 Legislature that the offer of multiperil coverage in the coastal
83 account be made and implemented in a manner that does not
84 adversely affect the tax-exempt status of the corporation or
85 creditworthiness of or security for currently outstanding
86 financing obligations or credit facilities of the coastal
87 account, the personal lines account, or the commercial lines
88 account. The coastal account must also include quota share
89 primary insurance under subparagraph (c)2. The area eligible for
90 coverage under the coastal account also includes the area within
91 Port Canaveral, which is bordered on the south by the City of
92 Cape Canaveral, bordered on the west by the Banana River, and
93 bordered on the north by Federal Government property.

94 b. The three separate accounts must be maintained as long
95 as financing obligations entered into by the Florida Windstorm
96 Underwriting Association or Residential Property and Casualty
97 Joint Underwriting Association are outstanding, in accordance
98 with the terms of the corresponding financing documents. If no



99 such financing obligations remain outstanding or if the
100 financing documents allow for combining of accounts, the
101 corporation may consolidate the three separate accounts into a
102 new account, to be known as the Citizens account, for all
103 revenues, assets, liabilities, losses, and expenses of the
104 corporation. The Citizens account, if established by the
105 corporation, is authorized to provide coverage to the same
106 extent as provided under each of the three separate accounts.
107 The authority to provide coverage under the Citizens account is
108 set forth in subparagraph 4. ~~If the financing obligations are no~~
109 ~~longer outstanding, the corporation may use a single account for~~
110 ~~all revenues, assets, liabilities, losses, and expenses of the~~
111 ~~corporation.~~ Consistent with this subparagraph and prudent
112 investment policies that minimize the cost of carrying debt, the
113 board shall exercise its best efforts to retire existing debt or
114 obtain the approval of necessary parties to amend the terms of
115 existing debt, so as to structure the most efficient plan for
116 consolidating the three separate accounts into a single account.
117 Once the accounts are combined into one account, this
118 subparagraph and subparagraph 3. shall be replaced in their
119 entirety by subparagraphs 4. and 5.

120 c. Creditors of the Residential Property and Casualty Joint
121 Underwriting Association and the accounts specified in sub-sub-
122 subparagraphs a.(I) and (II) may have a claim against, and
123 recourse to, those accounts and no claim against, or recourse
124 to, the account referred to in sub-sub-subparagraph a.(III).
125 Creditors of the Florida Windstorm Underwriting Association have
126 a claim against, and recourse to, the account referred to in
127 sub-sub-subparagraph a.(III) and no claim against, or recourse



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128 to, the accounts referred to in sub-sub-subparagraphs a.(I) and
129 (II).

130 d. Revenues, assets, liabilities, losses, and expenses not
131 attributable to particular accounts shall be prorated among the
132 accounts.

133 e. The Legislature finds that the revenues of the
134 corporation are revenues that are necessary to meet the
135 requirements set forth in documents authorizing the issuance of
136 bonds under this subsection.

137 f. The income of the corporation may not inure to the
138 benefit of any private person.

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

140 a. After accounting for the Citizens policyholder surcharge
141 imposed under sub-subparagraph i., if the remaining projected
142 deficit incurred in the coastal account in a particular calendar
143 year:

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

149 (II) Exceeds 2 percent of the aggregate statewide direct
150 written premium for the subject lines of business for the prior
151 calendar year, the corporation shall levy regular assessments on
152 assessable insurers under paragraph (q) and on assessable
153 insureds in an amount equal to the greater of 2 percent of the
154 projected deficit or 2 percent of the aggregate statewide direct
155 written premium for the subject lines of business for the prior
156 calendar year. Any remaining projected deficit shall be



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157 recovered through emergency assessments under sub-subparagraph
158 e. ~~d.~~

159 b. Each assessable insurer's share of the amount being
160 assessed under sub-subparagraph a. must be in the proportion
161 that the assessable insurer's direct written premium for the
162 subject lines of business for the year preceding the assessment
163 bears to the aggregate statewide direct written premium for the
164 subject lines of business for that year. The assessment
165 percentage applicable to each assessable insured is the ratio of
166 the amount being assessed under sub-subparagraph a. to the
167 aggregate statewide direct written premium for the subject lines
168 of business for the prior year. Assessments levied by the
169 corporation on assessable insurers under sub-subparagraph a.
170 must be paid as required by the corporation's plan of operation
171 and paragraph (q). Assessments levied by the corporation on
172 assessable insureds under sub-subparagraph a. shall be collected
173 by the surplus lines agent at the time the surplus lines agent
174 collects the surplus lines tax required by s. 626.932, and paid
175 to the Florida Surplus Lines Service Office at the time the
176 surplus lines agent pays the surplus lines tax to that office.
177 Upon receipt of regular assessments from surplus lines agents,
178 the Florida Surplus Lines Service Office shall transfer the
179 assessments directly to the corporation as determined by the
180 corporation.

181 c. The corporation may not levy regular assessments under
182 paragraph (q) pursuant to sub-subparagraph a. or sub-
183 subparagraph b. if the three separate accounts in sub-sub-
184 subparagraphs 2.a.(I)-(III) have been consolidated into the
185 Citizens account pursuant to sub-subparagraph 2.b. However, the



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186 outstanding balance of any regular assessment levied by the
187 corporation before establishment of the Citizens account remains
188 payable to the corporation.

189 d. After accounting for the Citizens policyholder surcharge
190 imposed under sub-subparagraph j. ~~i.~~, the remaining projected
191 deficits in the personal lines account and in the commercial
192 lines account in a particular calendar year shall be recovered
193 through emergency assessments under sub-subparagraph e. ~~d.~~

194 e. ~~d.~~ Upon a determination by the board of governors that a
195 projected deficit in an account exceeds the amount that is
196 expected to be recovered through regular assessments under sub-
197 subparagraph a., plus the amount that is expected to be
198 recovered through surcharges under sub-subparagraph j. ~~i.~~, the
199 board, after verification by the office, shall levy emergency
200 assessments for as many years as necessary to cover the
201 deficits, to be collected by assessable insurers and the
202 corporation and collected from assessable insureds upon issuance
203 or renewal of policies for subject lines of business, excluding
204 National Flood Insurance policies. The amount collected in a
205 particular year must be a uniform percentage of that year's
206 direct written premium for subject lines of business and all
207 accounts of the corporation, excluding National Flood Insurance
208 Program policy premiums, as annually determined by the board and
209 verified by the office. The office shall verify the arithmetic
210 calculations involved in the board's determination within 30
211 days after receipt of the information on which the determination
212 was based. The office shall notify assessable insurers and the
213 Florida Surplus Lines Service Office of the date on which
214 assessable insurers shall begin to collect and assessable



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215 insureds shall begin to pay such assessment. The date must be at
216 least 90 days after the date the corporation levies emergency
217 assessments pursuant to this sub-subparagraph. Notwithstanding
218 any other provision of law, the corporation and each assessable
219 insurer that writes subject lines of business shall collect
220 emergency assessments from its policyholders without such
221 obligation being affected by any credit, limitation, exemption,
222 or deferment. Emergency assessments levied by the corporation on
223 assessable insureds shall be collected by the surplus lines
224 agent at the time the surplus lines agent collects the surplus
225 lines tax required by s. 626.932 and paid to the Florida Surplus
226 Lines Service Office at the time the surplus lines agent pays
227 the surplus lines tax to that office. The emergency assessments
228 collected shall be transferred directly to the corporation on a
229 periodic basis as determined by the corporation and held by the
230 corporation solely in the applicable account. The aggregate
231 amount of emergency assessments levied for an account in any
232 calendar year may be less than but may not exceed the greater of
233 10 percent of the amount needed to cover the deficit, plus
234 interest, fees, commissions, required reserves, and other costs
235 associated with financing the original deficit, or 10 percent of
236 the aggregate statewide direct written premium for subject lines
237 of business and all accounts of the corporation for the prior
238 year, plus interest, fees, commissions, required reserves, and
239 other costs associated with financing the deficit.

240 ~~f.e.~~ The corporation may pledge the proceeds of
241 assessments, projected recoveries from the Florida Hurricane
242 Catastrophe Fund, other insurance and reinsurance recoverables,
243 policyholder surcharges and other surcharges, and other funds



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244 available to the corporation as the source of revenue for and to
245 secure bonds issued under paragraph (q), bonds or other
246 indebtedness issued under subparagraph (c)3., or lines of credit
247 or other financing mechanisms issued or created under this
248 subsection, or to retire any other debt incurred as a result of
249 deficits or events giving rise to deficits, or in any other way
250 that the board determines will efficiently recover such
251 deficits. The purpose of the lines of credit or other financing
252 mechanisms is to provide additional resources to assist the
253 corporation in covering claims and expenses attributable to a
254 catastrophe. As used in this subsection, the term "assessments"
255 includes regular assessments under sub-subparagraph a. or
256 subparagraph (q)1. and emergency assessments under sub-
257 subparagraph e. ~~d.~~ Emergency assessments collected under sub-
258 subparagraph e. ~~d.~~ are not part of an insurer's rates, are not
259 premium, and are not subject to premium tax, fees, or
260 commissions; however, failure to pay the emergency assessment
261 shall be treated as failure to pay premium. The emergency
262 assessments shall continue as long as any bonds issued or other
263 indebtedness incurred with respect to a deficit for which the
264 assessment was imposed remain outstanding, unless adequate
265 provision has been made for the payment of such bonds or other
266 indebtedness pursuant to the documents governing such bonds or
267 indebtedness.

268 g.f. As used in this subsection for purposes of any deficit
269 incurred on or after January 25, 2007, the term "subject lines
270 of business" means insurance written by assessable insurers or
271 procured by assessable insureds for all property and casualty
272 lines of business in this state, but not including workers'



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273 compensation or medical malpractice. As used in this sub-
274 subparagraph, the term "property and casualty lines of business"
275 includes all lines of business identified on Form 2, Exhibit of
276 Premiums and Losses, in the annual statement required of
277 authorized insurers under s. 624.424 and any rule adopted under
278 this section, except for those lines identified as accident and
279 health insurance and except for policies written under the
280 National Flood Insurance Program or the Federal Crop Insurance
281 Program. For purposes of this sub-subparagraph, the term
282 "workers' compensation" includes both workers' compensation
283 insurance and excess workers' compensation insurance.

284 ~~h.g.~~ The Florida Surplus Lines Service Office shall
285 determine annually the aggregate statewide written premium in
286 subject lines of business procured by assessable insureds and
287 report that information to the corporation in a form and at a
288 time the corporation specifies to ensure that the corporation
289 can meet the requirements of this subsection and the
290 corporation's financing obligations.

291 ~~i.h.~~ The Florida Surplus Lines Service Office shall verify
292 the proper application by surplus lines agents of assessment
293 percentages for regular assessments and emergency assessments
294 levied under this subparagraph on assessable insureds and assist
295 the corporation in ensuring the accurate, timely collection and
296 payment of assessments by surplus lines agents as required by
297 the corporation.

298 ~~j.i.~~ Upon determination by the board of governors that an
299 account has a projected deficit, the board shall levy a Citizens
300 policyholder surcharge against all policyholders of the
301 corporation.



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

305 (II) The surcharge is payable upon cancellation or
306 termination of the policy, upon renewal of the policy, or upon
307 issuance of a new policy by the corporation within the first 12
308 months after the date of the levy or the period of time
309 necessary to fully collect the surcharge amount.

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

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

318 ~~k.j.~~ If the amount of any assessments or surcharges
319 collected from corporation policyholders, assessable insurers or
320 their policyholders, or assessable insureds exceeds the amount
321 of the deficits, such excess amounts shall be remitted to and
322 retained by the corporation in a reserve to be used by the
323 corporation, as determined by the board of governors and
324 approved by the office, to pay claims or reduce any past,
325 present, or future plan-year deficits or to reduce outstanding
326 debt.

327 4. The Citizens account, if established by the corporation
328 pursuant to sub-subparagraph 2.b., is authorized to provide:

329 a. Personal residential policies that provide
330 comprehensive, multiperil coverage on risks that are not located



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331 in areas eligible for coverage by the Florida Windstorm
332 Underwriting Association, as those areas were defined on January
333 1, 2002, and for policies that do not provide coverage for the
334 peril of wind on risks that are located in such areas;

335 b. Commercial residential and commercial nonresidential
336 policies that provide coverage for basic property perils on
337 risks that are not located in areas eligible for coverage by the
338 Florida Windstorm Underwriting Association, as those areas were
339 defined on January 1, 2002, and for policies that do not provide
340 coverage for the peril of wind on risks that are located in such
341 areas; and

342 c. Personal residential policies and commercial residential
343 and commercial nonresidential property policies that provide
344 coverage for the peril of wind on risks that are located in
345 areas eligible for coverage by the Florida Windstorm
346 Underwriting Association, as those areas were defined on January
347 1, 2002. The corporation may offer policies that provide
348 multi-peril coverage and shall offer policies that provide
349 coverage only for the peril of wind for risks located in areas
350 eligible for coverage by the Florida Windstorm Underwriting
351 Association, as those areas were defined on January 1, 2002. The
352 corporation may not offer new commercial residential policies
353 providing multi-peril coverage, but shall continue to offer
354 commercial residential wind-only policies, and may offer
355 commercial residential policies excluding wind. However, the
356 corporation may continue to renew a commercial residential
357 multi-peril policy on a building that was insured by the
358 corporation on June 30, 2014, under a multi-peril policy. In
359 issuing multi-peril coverage under this sub-subparagraph, the



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360 corporation may use its approved policy forms and rates for
361 risks located in areas not eligible for coverage by the Florida
362 Windstorm Underwriting Association as those areas were defined
363 on January 1, 2002, and for policies that do not provide
364 coverage for the peril of wind on risks that are located in such
365 areas. An applicant or insured who is eligible to purchase a
366 multi-peril policy from the corporation may purchase a multi-peril
367 policy from an authorized insurer without prejudice to the
368 applicant's or insured's eligibility to prospectively purchase a
369 policy that provides coverage only for the peril of wind from
370 the corporation. An applicant or insured who is eligible for a
371 corporation policy that provides coverage only for the peril of
372 wind may elect to purchase or retain such policy and also
373 purchase or retain coverage excluding wind from an authorized
374 insurer without prejudice to the applicant's or insured's
375 eligibility to prospectively purchase a policy that provides
376 multi-peril coverage from the corporation. The following
377 policies, which provide coverage only for the peril of wind,
378 must also include quota share primary insurance under
379 subparagraph (c)2.: Personal residential policies and commercial
380 residential and commercial nonresidential property policies that
381 provide coverage for the peril of wind on risks that are located
382 in areas eligible for coverage by the Florida Windstorm
383 Underwriting Association, as those areas were defined on January
384 1, 2002; policies that provide multi-peril coverage, if offered
385 by the corporation, and policies that provide coverage only for
386 the peril of wind for risks located in areas eligible for
387 coverage by the Florida Windstorm Underwriting Association, as
388 those areas were defined on January 1, 2002; commercial



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389 residential wind-only policies; commercial residential policies
390 excluding wind, if offered by the corporation; and commercial
391 residential multiperil policies on a building that was insured
392 by the corporation on June 30, 2014. The area eligible for
393 coverage with the corporation under this sub-subparagraph
394 includes the area within Port Canaveral, which is bordered on
395 the south by the City of Cape Canaveral, bordered on the west by
396 the Banana River, and bordered on the north by Federal
397 Government property.

398 5. With respect to a deficit in the Citizens account:

399 a. Upon a determination by the board of governors that the
400 Citizens account has a projected deficit, the board shall levy a
401 Citizens policyholder surcharge against all policyholders of the
402 corporation.

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

406 (II) The surcharge is payable upon cancellation or
407 termination of the policy, upon renewal of the policy, or upon
408 issuance of a new policy by the corporation within the first 12
409 months after the date of the levy or the period of time
410 necessary to fully collect the surcharge amount.

411 (III) The surcharge is not considered premium and is not
412 subject to commissions, fees, or premium taxes. However, failure
413 to pay the surcharge shall be treated as failure to pay premium.

414 b. After accounting for the Citizens policyholder surcharge
415 imposed under sub-subparagraph a., the remaining projected
416 deficit incurred in the Citizens account in a particular
417 calendar year shall be recovered through emergency assessments



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418 under sub-subparagraph c.
419 c. Upon a determination by the board of governors that a
420 projected deficit in the Citizens account exceeds the amount
421 that is expected to be recovered through surcharges under sub-
422 subparagraph a., the board, after verification by the office,
423 shall levy emergency assessments for as many years as necessary
424 to cover the deficits, to be collected by assessable insurers
425 and the corporation and collected from assessable insureds upon
426 issuance or renewal of policies for subject lines of business,
427 excluding National Flood Insurance Program policies. The amount
428 collected in a particular year must be a uniform percentage of
429 that year's direct written premium for subject lines of business
430 and the Citizens account, National Flood Insurance Program
431 policy premiums, as annually determined by the board and
432 verified by the office. The office shall verify the arithmetic
433 calculations involved in the board's determination within 30
434 days after receipt of the information on which the determination
435 was based. The office shall notify assessable insurers and the
436 Florida Surplus Lines Service Office of the date on which
437 assessable insurers shall begin to collect and assessable
438 insureds shall begin to pay such assessment. The date must be at
439 least 90 days after the date the corporation levies emergency
440 assessments pursuant to this sub-subparagraph. Notwithstanding
441 any other law, the corporation and each assessable insurer that
442 writes subject lines of business shall collect emergency
443 assessments from its policyholders without such obligation being
444 affected by any credit, limitation, exemption, or deferment.
445 Emergency assessments levied by the corporation on assessable
446 insureds shall be collected by the surplus lines agent at the



447 time the surplus lines agent collects the surplus lines tax
448 required by s. 626.932 and paid to the Florida Surplus Lines
449 Service Office at the time the surplus lines agent pays the
450 surplus lines tax to that office. The emergency assessments
451 collected shall be transferred directly to the corporation on a
452 periodic basis as determined by the corporation and held by the
453 corporation solely in the Citizens account. The aggregate amount
454 of emergency assessments levied for the Citizens account in any
455 calendar year may be less than, but may not exceed the greater
456 of, 10 percent of the amount needed to cover the deficit, plus
457 interest, fees, commissions, required reserves, and other costs
458 associated with financing the original deficit or 10 percent of
459 the aggregate statewide direct written premium for subject lines
460 of business and the Citizens accounts for the prior year, plus
461 interest, fees, commissions, required reserves, and other costs
462 associated with financing the deficit.

463 d. The corporation may pledge the proceeds of assessments,
464 projected recoveries from the Florida Hurricane Catastrophe
465 Fund, other insurance and reinsurance recoverables, policyholder
466 surcharges and other surcharges, and other funds available to
467 the corporation as the source of revenue for and to secure bonds
468 issued under paragraph (q), bonds or other indebtedness issued
469 under subparagraph (c)3., or lines of credit or other financing
470 mechanisms issued or created under this subsection; or to retire
471 any other debt incurred as a result of deficits or events giving
472 rise to deficits, or in any other way that the board determines
473 will efficiently recover such deficits. The purpose of the lines
474 of credit or other financing mechanisms is to provide additional
475 resources to assist the corporation in covering claims and



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476 expenses attributable to a catastrophe. As used in this
477 subsection, the term "assessments" includes emergency
478 assessments under sub-subparagraph c. Emergency assessments
479 collected under sub-subparagraph c. are not part of an insurer's
480 rates, are not premium, and are not subject to premium tax,
481 fees, or commissions; however, failure to pay the emergency
482 assessment shall be treated as failure to pay premium. The
483 emergency assessments shall continue as long as any bonds issued
484 or other indebtedness incurred with respect to a deficit for
485 which the assessment was imposed remain outstanding, unless
486 adequate provision has been made for the payment of such bonds
487 or other indebtedness pursuant to the documents governing such
488 bonds or indebtedness.

489 e. As used in this subsection and for purposes of any
490 deficit incurred on or after January 25, 2007, the term "subject
491 lines of business" means insurance written by assessable
492 insurers or procured by assessable insureds for all property and
493 casualty lines of business in this state, but not including
494 workers' compensation or medical malpractice. As used in this
495 sub-subparagraph, the term "property and casualty lines of
496 business" includes all lines of business identified on Form 2,
497 Exhibit of Premiums and Losses, in the annual statement required
498 of authorized insurers under s. 624.424 and any rule adopted
499 under this section, except for those lines identified as
500 accident and health insurance and except for policies written
501 under the National Flood Insurance Program or the Federal Crop
502 Insurance Program. For purposes of this sub-subparagraph, the
503 term "workers' compensation" includes both workers' compensation
504 insurance and excess workers' compensation insurance.



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

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

519 h. If the amount of any assessments or surcharges collected
520 from corporation policyholders, assessable insurers or their
521 policyholders, or assessable insureds exceeds the amount of the
522 deficits, such excess amounts shall be remitted to and retained
523 by the corporation in a reserve to be used by the corporation,
524 as determined by the board of governors and approved by the
525 office, to pay claims or reduce any past, present, or future
526 plan-year deficits or to reduce outstanding debt.

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

528 1. Must provide for adoption of residential property and
529 casualty insurance policy forms and commercial residential and
530 nonresidential property insurance forms, which must be approved
531 by the office before use. The corporation shall adopt the
532 following policy forms:

533 a. Standard personal lines policy forms that are



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534 comprehensive multiperil policies providing full coverage of a
535 residential property equivalent to the coverage provided in the
536 private insurance market under an HO-3, HO-4, or HO-6 policy.

537 b. Basic personal lines policy forms that are policies
538 similar to an HO-8 policy or a dwelling fire policy that provide
539 coverage meeting the requirements of the secondary mortgage
540 market, but which is more limited than the coverage under a
541 standard policy.

542 c. Commercial lines residential and nonresidential policy
543 forms that are generally similar to the basic perils of full
544 coverage obtainable for commercial residential structures and
545 commercial nonresidential structures in the admitted voluntary
546 market.

547 d. Personal lines and commercial lines residential property
548 insurance forms that cover the peril of wind only. The forms are
549 applicable only to residential properties located in areas
550 eligible for coverage by the Florida Windstorm Underwriting
551 Association, as those areas were defined on January 1, 2002
552 ~~under the coastal account referred to in sub-subparagraph~~
553 ~~(b)2.a.~~

554 e. Commercial lines nonresidential property insurance forms
555 that cover the peril of wind only. The forms are applicable only
556 to nonresidential properties located in areas eligible for
557 coverage by the Florida Windstorm Underwriting Association, as
558 those areas were defined on January 1, 2002 ~~under the coastal~~
559 ~~account referred to in sub-subparagraph (b)2.a.~~

560 f. The corporation may adopt variations of the policy forms
561 listed in sub-subparagraphs a.-e. which contain more restrictive
562 coverage.



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563 g. ~~Effective January 1, 2013,~~ The corporation shall offer a
564 basic personal lines policy similar to an HO-8 policy with
565 dwelling repair based on common construction materials and
566 methods.

567 2. Must provide that the corporation adopt a program in
568 which the corporation and authorized insurers enter into quota
569 share primary insurance agreements for hurricane coverage, as
570 defined in s. 627.4025(2)(a), for eligible risks, and adopt
571 property insurance forms for eligible risks which cover the
572 peril of wind only.

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

574 (I) "Quota share primary insurance" means an arrangement in
575 which the primary hurricane coverage of an eligible risk is
576 provided in specified percentages by the corporation and an
577 authorized insurer. The corporation and authorized insurer are
578 each solely responsible for a specified percentage of hurricane
579 coverage of an eligible risk as set forth in a quota share
580 primary insurance agreement between the corporation and an
581 authorized insurer and the insurance contract. The
582 responsibility of the corporation or authorized insurer to pay
583 its specified percentage of hurricane losses of an eligible
584 risk, as set forth in the agreement, may not be altered by the
585 inability of the other party to pay its specified percentage of
586 losses. Eligible risks that are provided hurricane coverage
587 through a quota share primary insurance arrangement must be
588 provided policy forms that set forth the obligations of the
589 corporation and authorized insurer under the arrangement,
590 clearly specify the percentages of quota share primary insurance
591 provided by the corporation and authorized insurer, and



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592 conspicuously and clearly state that the authorized insurer and
593 the corporation may not be held responsible beyond their
594 specified percentage of coverage of hurricane losses.

595 (II) "Eligible risks" means personal lines residential and
596 commercial lines residential risks that meet the underwriting
597 criteria of the corporation and are located in areas that were
598 eligible for coverage by the Florida Windstorm Underwriting
599 Association on January 1, 2002.

600 b. The corporation may enter into quota share primary
601 insurance agreements with authorized insurers at corporation
602 coverage levels of 90 percent and 50 percent.

603 c. If the corporation determines that additional coverage
604 levels are necessary to maximize participation in quota share
605 primary insurance agreements by authorized insurers, the
606 corporation may establish additional coverage levels. However,
607 the corporation's quota share primary insurance coverage level
608 may not exceed 90 percent.

609 d. Any quota share primary insurance agreement entered into
610 between an authorized insurer and the corporation must provide
611 for a uniform specified percentage of coverage of hurricane
612 losses, by county or territory as set forth by the corporation
613 board, for all eligible risks of the authorized insurer covered
614 under the agreement.

615 e. Any quota share primary insurance agreement entered into
616 between an authorized insurer and the corporation is subject to
617 review and approval by the office. However, such agreement shall
618 be authorized only as to insurance contracts entered into
619 between an authorized insurer and an insured who is already
620 insured by the corporation for wind coverage.



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621 f. For all eligible risks covered under quota share primary
622 insurance agreements, the exposure and coverage levels for both
623 the corporation and authorized insurers shall be reported by the
624 corporation to the Florida Hurricane Catastrophe Fund. For all
625 policies of eligible risks covered under such agreements, the
626 corporation and the authorized insurer must maintain complete
627 and accurate records for the purpose of exposure and loss
628 reimbursement audits as required by fund rules. The corporation
629 and the authorized insurer shall each maintain duplicate copies
630 of policy declaration pages and supporting claims documents.

631 g. The corporation board shall establish in its plan of
632 operation standards for quota share agreements which ensure that
633 there is no discriminatory application among insurers as to the
634 terms of the agreements, pricing of the agreements, incentive
635 provisions if any, and consideration paid for servicing policies
636 or adjusting claims.

637 h. The quota share primary insurance agreement between the
638 corporation and an authorized insurer must set forth the
639 specific terms under which coverage is provided, including, but
640 not limited to, the sale and servicing of policies issued under
641 the agreement by the insurance agent of the authorized insurer
642 producing the business, the reporting of information concerning
643 eligible risks, the payment of premium to the corporation, and
644 arrangements for the adjustment and payment of hurricane claims
645 incurred on eligible risks by the claims adjuster and personnel
646 of the authorized insurer. Entering into a quota sharing
647 insurance agreement between the corporation and an authorized
648 insurer is voluntary and at the discretion of the authorized
649 insurer.



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650 3. May provide that the corporation may employ or otherwise
651 contract with individuals or other entities to provide
652 administrative or professional services that may be appropriate
653 to effectuate the plan. The corporation may borrow funds by
654 issuing bonds or by incurring other indebtedness, and shall have
655 other powers reasonably necessary to effectuate the requirements
656 of this subsection, including, without limitation, the power to
657 issue bonds and incur other indebtedness in order to refinance
658 outstanding bonds or other indebtedness. The corporation may
659 seek judicial validation of its bonds or other indebtedness
660 under chapter 75. The corporation may issue bonds or incur other
661 indebtedness, or have bonds issued on its behalf by a unit of
662 local government pursuant to subparagraph (q)2. in the absence
663 of a hurricane or other weather-related event, upon a
664 determination by the corporation, subject to approval by the
665 office, that such action would enable it to efficiently meet the
666 financial obligations of the corporation and that such
667 financings are reasonably necessary to effectuate the
668 requirements of this subsection. The corporation may take all
669 actions needed to facilitate tax-free status for such bonds or
670 indebtedness, including formation of trusts or other affiliated
671 entities. The corporation may pledge assessments, projected
672 recoveries from the Florida Hurricane Catastrophe Fund, other
673 reinsurance recoverables, policyholder surcharges and other
674 surcharges, and other funds available to the corporation as
675 security for bonds or other indebtedness. In recognition of s.
676 10, Art. I of the State Constitution, prohibiting the impairment
677 of obligations of contracts, it is the intent of the Legislature
678 that no action be taken whose purpose is to impair any bond



679 indenture or financing agreement or any revenue source committed
680 by contract to such bond or other indebtedness.

681 4. Must require that the corporation operate subject to the
682 supervision and approval of a board of governors consisting of
683 nine individuals who are residents of this state and who are
684 from different geographical areas of the state, one of whom is
685 appointed by the Governor and serves solely to advocate on
686 behalf of the consumer. The appointment of a consumer
687 representative by the Governor is deemed to be within the scope
688 of the exemption provided in s. 112.313(7)(b) and is in addition
689 to the appointments authorized under sub-subparagraph a.

690 a. The Governor, the Chief Financial Officer, the President
691 of the Senate, and the Speaker of the House of Representatives
692 shall each appoint two members of the board. At least one of the
693 two members appointed by each appointing officer must have
694 demonstrated expertise in insurance and be deemed to be within
695 the scope of the exemption provided in s. 112.313(7)(b). The
696 Chief Financial Officer shall designate one of the appointees as
697 chair. All board members serve at the pleasure of the appointing
698 officer. All members of the board are subject to removal at will
699 by the officers who appointed them. All board members, including
700 the chair, must be appointed to serve for 3-year terms beginning
701 annually on a date designated by the plan. However, for the
702 first term beginning on or after July 1, 2009, each appointing
703 officer shall appoint one member of the board for a 2-year term
704 and one member for a 3-year term. A board vacancy shall be
705 filled for the unexpired term by the appointing officer. The
706 Chief Financial Officer shall appoint a technical advisory group
707 to provide information and advice to the board in connection



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708 with the board's duties under this subsection. The executive
709 director and senior managers of the corporation shall be engaged
710 by the board and serve at the pleasure of the board. Any
711 executive director appointed on or after July 1, 2006, is
712 subject to confirmation by the Senate. The executive director is
713 responsible for employing other staff as the corporation may
714 require, subject to review and concurrence by the board.

715 b. The board shall create a Market Accountability Advisory
716 Committee to assist the corporation in developing awareness of
717 its rates and its customer and agent service levels in
718 relationship to the voluntary market insurers writing similar
719 coverage.

720 (I) The members of the advisory committee consist of the
721 following 11 persons, one of whom must be elected chair by the
722 members of the committee: four representatives, one appointed by
723 the Florida Association of Insurance Agents, one by the Florida
724 Association of Insurance and Financial Advisors, one by the
725 Professional Insurance Agents of Florida, and one by the Latin
726 American Association of Insurance Agencies; three
727 representatives appointed by the insurers with the three highest
728 voluntary market share of residential property insurance
729 business in the state; one representative from the Office of
730 Insurance Regulation; one consumer appointed by the board who is
731 insured by the corporation at the time of appointment to the
732 committee; one representative appointed by the Florida
733 Association of Realtors; and one representative appointed by the
734 Florida Bankers Association. All members shall be appointed to
735 3-year terms and may serve for consecutive terms.

736 (II) The committee shall report to the corporation at each



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737 board meeting on insurance market issues which may include rates
738 and rate competition with the voluntary market; service,
739 including policy issuance, claims processing, and general
740 responsiveness to policyholders, applicants, and agents; and
741 matters relating to depopulation.

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

744 a. Subject to s. 627.3517, with respect to personal lines
745 residential risks, if the risk is offered coverage from an
746 authorized insurer at the insurer's approved rate under a
747 standard policy including wind coverage or, if consistent with
748 the insurer's underwriting rules as filed with the office, a
749 basic policy including wind coverage, for a new application to
750 the corporation for coverage, the risk is not eligible for any
751 policy issued by the corporation unless the premium for coverage
752 from the authorized insurer is more than 20 percent greater than
753 the premium for comparable coverage from the corporation.

754 Whenever an offer of coverage for a personal lines residential
755 risk is received for a policyholder of the corporation at
756 renewal from an authorized insurer, if the offer is equal to or
757 less than the corporation's renewal premium for comparable
758 coverage, the risk is not eligible for coverage with the
759 corporation for policies that renew before April 1, 2023; for
760 policies that renew on or after that date, the risk is not
761 eligible for coverage with the corporation unless the premium
762 for coverage from the authorized insurer is more than 20 percent
763 greater than the corporation's renewal premium for comparable
764 coverage. If the risk is not able to obtain such offer, the risk
765 is eligible for a standard policy including wind coverage or a



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766 basic policy including wind coverage issued by the corporation;
767 however, if the risk could not be insured under a standard
768 policy including wind coverage regardless of market conditions,
769 the risk is eligible for a basic policy including wind coverage
770 unless rejected under subparagraph 8. ~~However, a policyholder~~
771 ~~removed from the corporation through an assumption agreement~~
772 ~~remains eligible for coverage from the corporation until the end~~
773 ~~of the assumption period.~~ The corporation shall determine the
774 type of policy to be provided on the basis of objective
775 standards specified in the underwriting manual and based on
776 generally accepted underwriting practices. A policyholder
777 removed from the corporation through an assumption agreement
778 does not remain eligible for coverage from the corporation after
779 the end of the policy term. However, any policy removed from the
780 corporation through an assumption agreement remains on the
781 corporation's policy forms through the end of the policy term.

782 (I) If the risk accepts an offer of coverage through the
783 market assistance plan or through a mechanism established by the
784 corporation other than a plan established by s. 627.3518, before
785 a policy is issued to the risk by the corporation or during the
786 first 30 days of coverage by the corporation, and the producing
787 agent who submitted the application to the plan or to the
788 corporation is not currently appointed by the insurer, the
789 insurer shall:

790 (A) Pay to the producing agent of record of the policy for
791 the first year, an amount that is the greater of the insurer's
792 usual and customary commission for the type of policy written or
793 a fee equal to the usual and customary commission of the
794 corporation; or



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795 (B) Offer to allow the producing agent of record of the
796 policy to continue servicing the policy for at least 1 year and
797 offer to pay the agent the greater of the insurer's or the
798 corporation's usual and customary commission for the type of
799 policy written.

800

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

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

808 (A) Pay to the producing agent of record, for the first
809 year, an amount that is the greater of the insurer's usual and
810 customary commission for the type of policy written or a fee
811 equal to the usual and customary commission of the corporation;
812 or

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

817

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

821 b. With respect to commercial lines residential risks, for
822 a new application to the corporation for coverage, if the risk
823 is offered coverage under a policy including wind coverage from



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824 an authorized insurer at its approved rate, the risk is not
825 eligible for a policy issued by the corporation unless the
826 premium for coverage from the authorized insurer is more than 20
827 ~~15~~ percent greater than the premium for comparable coverage from
828 the corporation. Whenever an offer of coverage for a commercial
829 lines residential risk is received for a policyholder of the
830 corporation at renewal from an authorized insurer, ~~if the offer~~
831 ~~is equal to or less than the corporation's renewal premium for~~
832 ~~comparable coverage,~~ the risk is not eligible for coverage with
833 the corporation unless the premium for coverage from the
834 authorized insurer is more than 20 percent greater than the
835 corporation's renewal premium for comparable coverage. If the
836 risk is not able to obtain any such offer, the risk is eligible
837 for a policy including wind coverage issued by the corporation.
838 ~~However,~~ A policyholder removed from the corporation through an
839 assumption agreement remains eligible for coverage from the
840 corporation until the end of the policy term. ~~However, any~~
841 policy removed from the corporation through an assumption
842 agreement remains on the corporation's policy forms through the
843 end of the policy term ~~assumption period.~~

844 (I) If the risk accepts an offer of coverage through the
845 market assistance plan or through a mechanism established by the
846 corporation other than a plan established by s. 627.3518, before
847 a policy is issued to the risk by the corporation or during the
848 first 30 days of coverage by the corporation, and the producing
849 agent who submitted the application to the plan or the
850 corporation is not currently appointed by the insurer, the
851 insurer shall:

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



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853 the first year, an amount that is the greater of the insurer's
854 usual and customary commission for the type of policy written or
855 a fee equal to the usual and customary commission of the
856 corporation; or

857 (B) Offer to allow the producing agent of record of the
858 policy to continue servicing the policy for at least 1 year and
859 offer to pay the agent the greater of the insurer's or the
860 corporation's usual and customary commission for the type of
861 policy written.

862

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

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

870 (A) Pay to the producing agent of record, for the first
871 year, an amount that is the greater of the insurer's usual and
872 customary commission for the type of policy written or a fee
873 equal to the usual and customary commission of the corporation;
874 or

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

879

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



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

883 c. For purposes of determining comparable coverage under
884 sub-subparagraphs a. and b., the comparison must be based on
885 those forms and coverages that are reasonably comparable. The
886 corporation may rely on a determination of comparable coverage
887 and premium made by the producing agent who submits the
888 application to the corporation, made in the agent's capacity as
889 the corporation's agent. For purposes of comparing the premium
890 for comparable coverage under sub-subparagraphs a. and b.,
891 premium includes any surcharge or assessment that is actually
892 applied to such policy. A comparison may be made solely of the
893 premium with respect to the main building or structure only on
894 the following basis: the same coverage A or other building
895 limits; the same percentage hurricane deductible that applies on
896 an annual basis or that applies to each hurricane for commercial
897 residential property; the same percentage of ordinance and law
898 coverage, if the same limit is offered by both the corporation
899 and the authorized insurer; the same mitigation credits, to the
900 extent the same types of credits are offered both by the
901 corporation and the authorized insurer; the same method for loss
902 payment, such as replacement cost or actual cash value, if the
903 same method is offered both by the corporation and the
904 authorized insurer in accordance with underwriting rules; and
905 any other form or coverage that is reasonably comparable as
906 determined by the board. If an application is submitted to the
907 corporation for wind-only coverage on a risk that is located in
908 an area eligible for coverage by the Florida Windstorm
909 Underwriting Association, as that area was defined on January 1,
910 2002 in the coastal account, the premium for the corporation's



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911 wind-only policy plus the premium for the ex-wind policy that is
912 offered by an authorized insurer to the applicant must be
913 compared to the premium for multiperil coverage offered by an
914 authorized insurer, subject to the standards for comparison
915 specified in this subparagraph. If the corporation or the
916 applicant requests from the authorized insurer a breakdown of
917 the premium of the offer by types of coverage so that a
918 comparison may be made by the corporation or its agent and the
919 authorized insurer refuses or is unable to provide such
920 information, the corporation may treat the offer as not being an
921 offer of coverage from an authorized insurer at the insurer's
922 approved rate.

923 6. Must include rules for classifications of risks and
924 rates.

925 7. Must provide that if premium and investment income:

926 a. For an account attributable to a particular calendar
927 year are in excess of projected losses and expenses for the
928 account attributable to that year, such excess shall be held in
929 surplus in the account. Such surplus must be available to defray
930 deficits in that account as to future years and used for that
931 purpose before assessing assessable insurers and assessable
932 insureds as to any calendar year; or

933 b. For the Citizens account, if established by the
934 corporation, which are attributable to a particular calendar
935 year are in excess of projected losses and expenses for the
936 Citizens account attributable to that year, such excess shall be
937 held in surplus in the Citizens account. Such surplus must be
938 available to defray deficits in the Citizens account as to
939 future years and used for that purpose before assessing



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940 assessable insurers and assessable insureds as to any calendar
941 year.

942 8. Must provide objective criteria and procedures to be
943 uniformly applied to all applicants in determining whether an
944 individual risk is so hazardous as to be uninsurable. In making
945 this determination and in establishing the criteria and
946 procedures, the following must be considered:

947 a. Whether the likelihood of a loss for the individual risk
948 is substantially higher than for other risks of the same class;
949 and

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

952
953 The acceptance or rejection of a risk by the corporation shall
954 be construed as the private placement of insurance, and the
955 provisions of chapter 120 do not apply.

956 9. Must provide that the corporation make its best efforts
957 to procure catastrophe reinsurance at reasonable rates, to cover
958 its projected 100-year probable maximum loss as determined by
959 the board of governors. If catastrophe reinsurance is not
960 available at reasonable rates, the corporation need not purchase
961 it, but the corporation shall include the costs of reinsurance
962 to cover its projected 100-year probable maximum loss in its
963 rate calculations even if it does not purchase catastrophe
964 reinsurance.

965 10. The policies issued by the corporation must provide
966 that if the corporation or the market assistance plan obtains an
967 offer from an authorized insurer to cover the risk at its
968 approved rates, the risk is no longer eligible for renewal



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969 through the corporation, except as otherwise provided in this
970 subsection.

971 11. Corporation policies and applications must include a
972 notice that the corporation policy could, under this section, be
973 replaced with a policy issued by an authorized insurer which
974 does not provide coverage identical to the coverage provided by
975 the corporation. The notice must also specify that acceptance of
976 corporation coverage creates a conclusive presumption that the
977 applicant or policyholder is aware of this potential.

978 12. May establish, subject to approval by the office,
979 different eligibility requirements and operational procedures
980 for any line or type of coverage for any specified county or
981 area if the board determines that such changes are justified due
982 to the voluntary market being sufficiently stable and
983 competitive in such area or for such line or type of coverage
984 and that consumers who, in good faith, are unable to obtain
985 insurance through the voluntary market through ordinary methods
986 continue to have access to coverage from the corporation. If
987 coverage is sought in connection with a real property transfer,
988 the requirements and procedures may not provide an effective
989 date of coverage later than the date of the closing of the
990 transfer as established by the transferor, the transferee, and,
991 if applicable, the lender.

992 13. Must provide that:7

993 a. With respect to the coastal account, any assessable
994 insurer with a surplus as to policyholders of \$25 million or
995 less writing 25 percent or more of its total countrywide
996 property insurance premiums in this state may petition the
997 office, within the first 90 days of each calendar year, to



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998 qualify as a limited apportionment company. A regular assessment
999 levied by the corporation on a limited apportionment company for
1000 a deficit incurred by the corporation for the coastal account
1001 may be paid to the corporation on a monthly basis as the
1002 assessments are collected by the limited apportionment company
1003 from its insureds, but a limited apportionment company must
1004 begin collecting the regular assessments not later than 90 days
1005 after the regular assessments are levied by the corporation, and
1006 the regular assessments must be paid in full within 15 months
1007 after being levied by the corporation. A limited apportionment
1008 company shall collect from its policyholders any emergency
1009 assessment imposed under sub-subparagraph (b)3.e. ~~(b)3.d.~~ The
1010 plan must provide that, if the office determines that any
1011 regular assessment will result in an impairment of the surplus
1012 of a limited apportionment company, the office may direct that
1013 all or part of such assessment be deferred as provided in
1014 subparagraph (q)4. However, an emergency assessment to be
1015 collected from policyholders under sub-subparagraph (b)3.e.
1016 ~~(b)3.d.~~ may not be limited or deferred; or
1017 b. With respect to the Citizens account, if established by
1018 the corporation pursuant to sub-subparagraph (b)2.b., any
1019 assessable insurer with a surplus as to policyholders of \$25
1020 million or less and writing 25 percent or more of its total
1021 countrywide property insurance premiums in this state may
1022 petition the office, within the first 90 days of each calendar
1023 year, to qualify as a limited apportionment company. A limited
1024 apportionment company shall collect from its policyholders any
1025 emergency assessment imposed under sub-subparagraph (b)5.c. An
1026 emergency assessment to be collected from policyholders under



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1027 sub-subparagraph (b)5.c. may not be limited or deferred.
1028 14. Must provide that the corporation appoint as its
1029 licensed agents only those agents who throughout such
1030 appointments also hold an appointment as defined in s. 626.015
1031 by an insurer who is authorized to write and is actually writing
1032 or renewing personal lines residential property coverage,
1033 commercial residential property coverage, or commercial
1034 nonresidential property coverage within the state.
1035 15. Must provide a premium payment plan option to its
1036 policyholders which, at a minimum, allows for quarterly and
1037 semiannual payment of premiums. A monthly payment plan may, but
1038 is not required to, be offered.
1039 16. Must limit coverage on mobile homes or manufactured
1040 homes built before 1994 to actual cash value of the dwelling
1041 rather than replacement costs of the dwelling.
1042 17. Must provide coverage for manufactured or mobile home
1043 dwellings. Such coverage must also include the following
1044 attached structures:
1045 a. Screened enclosures that are aluminum framed or screened
1046 enclosures that are not covered by the same or substantially the
1047 same materials as those of the primary dwelling;
1048 b. Carports that are aluminum or carports that are not
1049 covered by the same or substantially the same materials as those
1050 of the primary dwelling; and
1051 c. Patios that have a roof covering that is constructed of
1052 materials that are not the same or substantially the same
1053 materials as those of the primary dwelling.
1054
1055 The corporation shall make available a policy for mobile homes



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1056 or manufactured homes for a minimum insured value of at least
1057 \$3,000.

1058 18. May provide such limits of coverage as the board
1059 determines, consistent with the requirements of this subsection.

1060 19. May require commercial property to meet specified
1061 hurricane mitigation construction features as a condition of
1062 eligibility for coverage.

1063 20. Must provide that new or renewal policies issued by the
1064 corporation on or after January 1, 2012, which cover sinkhole
1065 loss do not include coverage for any loss to appurtenant
1066 structures, driveways, sidewalks, decks, or patios that are
1067 directly or indirectly caused by sinkhole activity. The
1068 corporation shall exclude such coverage using a notice of
1069 coverage change, which may be included with the policy renewal,
1070 and not by issuance of a notice of nonrenewal of the excluded
1071 coverage upon renewal of the current policy.

1072 21.a. As of January 1, 2012, unless the Citizens account
1073 has been established pursuant to sub-subparagraph (b)2.b., must
1074 require that the agent obtain from an applicant for coverage
1075 from the corporation an acknowledgment signed by the applicant,
1076 which includes, at a minimum, the following statement:

1077
1078 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
1079 AND ASSESSMENT LIABILITY:

1080
1081 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
1082 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
1083 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
1084 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND



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1085 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
1086 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
1087 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
1088 LEGISLATURE.

1089 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
1090 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
1091 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
1092 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
1093 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
1094 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
1095 ARE REGULATED AND APPROVED BY THE STATE.

1096 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
1097 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
1098 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
1099 FLORIDA LEGISLATURE.

1100 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
1101 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
1102 STATE OF FLORIDA.

1103
1104 b. The corporation must require, if it has established the
1105 Citizens account pursuant to sub-subparagraph (b)2.b., that the
1106 agent obtain from an applicant for coverage from the corporation
1107 the following acknowledgment signed by the applicant, which
1108 includes, at a minimum, the following statement:

1109
1110 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
1111 AND ASSESSMENT LIABILITY:

1112
1113 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE



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1114 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
1115 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
1116 MY POLICY COULD BE SUBJECT TO SURCHARGES AND ASSESSMENTS, WHICH
1117 WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR
1118 TERMINATION OF THE POLICY, AND THAT THE SURCHARGES AND
1119 ASSESSMENTS COULD BE AS HIGH AS 25 PERCENT OF MY PREMIUM, OR A
1120 DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.

1121 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
1122 SURCHARGE, WHICH COULD BE AS HIGH AS 15 PERCENT OF MY PREMIUM,
1123 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
1124 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
1125 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
1126 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
1127 ARE REGULATED AND APPROVED BY THE STATE.

1128 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
1129 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
1130 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
1131 FLORIDA LEGISLATURE.

1132 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
1133 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
1134 STATE OF FLORIDA.

1135
1136 ~~c.a.~~ The corporation shall maintain, in electronic format
1137 or otherwise, a copy of the applicant's signed acknowledgment
1138 and provide a copy of the statement to the policyholder as part
1139 of the first renewal after the effective date of sub-
1140 subparagraph a. or sub-subparagraph b., as applicable ~~this~~
1141 subparagraph.

1142 ~~d.b.~~ The signed acknowledgment form creates a conclusive



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1143 presumption that the policyholder understood and accepted his or
1144 her potential surcharge and assessment liability as a
1145 policyholder of the corporation.

1146 (n)1. Rates for coverage provided by the corporation must
1147 be actuarially sound pursuant and subject to s. 627.062 and not
1148 competitive with approved rates charged in the admitted
1149 voluntary market so that the corporation functions as a residual
1150 market mechanism to provide insurance only when insurance cannot
1151 be procured in the voluntary market, except as otherwise
1152 provided in this paragraph. The office shall provide the
1153 corporation such information as would be necessary to determine
1154 whether rates are competitive. The corporation shall file its
1155 recommended rates with the office at least annually. The
1156 corporation shall provide any additional information regarding
1157 the rates which the office requires. The office shall consider
1158 the recommendations of the board and issue a final order
1159 establishing the rates for the corporation within 45 days after
1160 the recommended rates are filed. The corporation may not pursue
1161 an administrative challenge or judicial review of the final
1162 order of the office.

1163 2. In addition to the rates otherwise determined pursuant
1164 to this paragraph, the corporation shall impose and collect an
1165 amount equal to the premium tax provided in s. 624.509 to
1166 augment the financial resources of the corporation.

1167 3. After the public hurricane loss-projection model under
1168 s. 627.06281 has been found to be accurate and reliable by the
1169 Florida Commission on Hurricane Loss Projection Methodology, the
1170 model shall be considered when establishing the windstorm
1171 portion of the corporation's rates. The corporation may use the



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1172 public model results in combination with the results of private
1173 models to calculate rates for the windstorm portion of the
1174 corporation's rates. This subparagraph does not require or allow
1175 the corporation to adopt rates lower than the rates otherwise
1176 required or allowed by this paragraph.

1177 4. The corporation must make a recommended actuarially
1178 sound rate filing for each personal and commercial line of
1179 business it writes.

1180 5. Notwithstanding the board's recommended rates and the
1181 office's final order regarding the corporation's filed rates
1182 under subparagraph 1., the corporation shall annually implement
1183 a rate increase which, except for sinkhole coverage, does not
1184 exceed the following for any single policy issued by the
1185 corporation, excluding coverage changes and surcharges:

- 1186 a. ~~Eleven percent for 2022.~~
1187 ~~b.~~ Twelve percent for 2023.
1188 ~~b.e.~~ Thirteen percent for 2024.
1189 ~~c.d.~~ Fourteen percent for 2025.
1190 ~~d.e.~~ Fifteen percent for 2026 and all subsequent years.

1191 6. The corporation may also implement an increase to
1192 reflect the effect on the corporation of the cash buildup factor
1193 pursuant to s. 215.555(5)(b).

1194 7. The corporation's implementation of rates as prescribed
1195 in subparagraphs 5. and 8. ~~subparagraph 5.~~ shall cease for any
1196 line of business written by the corporation upon the
1197 corporation's implementation of actuarially sound rates.
1198 Thereafter, the corporation shall annually make a recommended
1199 actuarially sound rate filing that is not competitive with
1200 approved rates in the admitted voluntary market for each



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1201 commercial and personal line of business the corporation writes.

1202 8. For any new or renewal personal lines policy written on
1203 or after November 1, 2023, which does not cover a primary
1204 residence, the rate to be applied in calculating premium is not
1205 subject to the rate increase limitations in subparagraph 5.
1206 However, the policyholder may not be charged more than 50
1207 percent above, and may not be charged less than, the established
1208 rate for the corporation which was in effect 1 year before the
1209 date of the application.

1210 9. As used in this paragraph, the term "primary residence"
1211 means the dwelling that is the policyholder's primary home or is
1212 a rental property that is the primary home of the tenant, and
1213 which the policyholder or tenant occupies for more than 9 months
1214 of each year.

1215 (o) If coverage in an account, or the Citizens account if
1216 established by the corporation, is deactivated pursuant to
1217 paragraph (p), coverage through the corporation shall be
1218 reactivated by order of the office only under one of the
1219 following circumstances:

1220 1. If the market assistance plan receives a minimum of 100
1221 applications for coverage within a 3-month period, or 200
1222 applications for coverage within a 1-year period or less for
1223 residential coverage, unless the market assistance plan provides
1224 a quotation from admitted carriers at their filed rates for at
1225 least 90 percent of such applicants. Any market assistance plan
1226 application that is rejected because an individual risk is so
1227 hazardous as to be uninsurable using the criteria specified in
1228 subparagraph (c)8. shall not be included in the minimum
1229 percentage calculation provided herein. In the event that there



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1230 is a legal or administrative challenge to a determination by the
1231 office that the conditions of this subparagraph have been met
1232 for eligibility for coverage in the corporation, any eligible
1233 risk may obtain coverage during the pendency of such challenge.

1234 2. In response to a state of emergency declared by the
1235 Governor under s. 252.36, the office may activate coverage by
1236 order for the period of the emergency upon a finding by the
1237 office that the emergency significantly affects the availability
1238 of residential property insurance.

1239 (p)1. The corporation shall file with the office quarterly
1240 statements of financial condition, an annual statement of
1241 financial condition, and audited financial statements in the
1242 manner prescribed by law. In addition, the corporation shall
1243 report to the office monthly on the types, premium, exposure,
1244 and distribution by county of its policies in force, and shall
1245 submit other reports as the office requires to carry out its
1246 oversight of the corporation.

1247 2. The activities of the corporation shall be reviewed at
1248 least annually by the office to determine whether coverage shall
1249 be deactivated in an account, or in the Citizens account if
1250 established by the corporation, on the basis that the conditions
1251 giving rise to its activation no longer exist.

1252 (q)1. The corporation shall certify to the office its needs
1253 for annual assessments as to a particular calendar year, and for
1254 any interim assessments that it deems to be necessary to sustain
1255 operations as to a particular year pending the receipt of annual
1256 assessments. Upon verification, the office shall approve such
1257 certification, and the corporation shall levy such annual or
1258 interim assessments. Such assessments shall be prorated, if



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1259 authority to levy exists, as provided in paragraph (b). The
1260 corporation shall take all reasonable and prudent steps
1261 necessary to collect the amount of assessments due from each
1262 assessable insurer, including, if prudent, filing suit to
1263 collect the assessments, and the office may provide such
1264 assistance to the corporation it deems appropriate. If the
1265 corporation is unable to collect an assessment from any
1266 assessable insurer, the uncollected assessments shall be levied
1267 as an additional assessment against the assessable insurers and
1268 any assessable insurer required to pay an additional assessment
1269 as a result of such failure to pay shall have a cause of action
1270 against such nonpaying assessable insurer. Assessments shall be
1271 included as an appropriate factor in the making of rates. The
1272 failure of a surplus lines agent to collect and remit any
1273 regular or emergency assessment levied by the corporation is
1274 considered to be a violation of s. 626.936 and subjects the
1275 surplus lines agent to the penalties provided in that section.

1276 2. The governing body of any unit of local government, any
1277 residents of which are insured by the corporation, may issue
1278 bonds as defined in s. 125.013 or s. 166.101 from time to time
1279 to fund an assistance program, in conjunction with the
1280 corporation, for the purpose of defraying deficits of the
1281 corporation. In order to avoid needless and indiscriminate
1282 proliferation, duplication, and fragmentation of such assistance
1283 programs, any unit of local government, any residents of which
1284 are insured by the corporation, may provide for the payment of
1285 losses, regardless of whether or not the losses occurred within
1286 or outside of the territorial jurisdiction of the local
1287 government. Revenue bonds under this subparagraph may not be



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1288 issued until validated pursuant to chapter 75, unless a state of
1289 emergency is declared by executive order or proclamation of the
1290 Governor pursuant to s. 252.36 making such findings as are
1291 necessary to determine that it is in the best interests of, and
1292 necessary for, the protection of the public health, safety, and
1293 general welfare of residents of this state and declaring it an
1294 essential public purpose to permit certain municipalities or
1295 counties to issue such bonds as will permit relief to claimants
1296 and policyholders of the corporation. Any such unit of local
1297 government may enter into such contracts with the corporation
1298 and with any other entity created pursuant to this subsection as
1299 are necessary to carry out this paragraph. Any bonds issued
1300 under this subparagraph shall be payable from and secured by
1301 moneys received by the corporation from emergency assessments
1302 under sub-subparagraph (b)3.e. ~~(b)3.d.~~, and assigned and pledged
1303 to or on behalf of the unit of local government for the benefit
1304 of the holders of such bonds. The funds, credit, property, and
1305 taxing power of the state or of the unit of local government
1306 shall not be pledged for the payment of such bonds.

1307 3.a. The corporation shall adopt one or more programs
1308 subject to approval by the office for the reduction of both new
1309 and renewal writings in the corporation. Beginning January 1,
1310 2008, any program the corporation adopts for the payment of
1311 bonuses to an insurer for each risk the insurer removes from the
1312 corporation shall comply with s. 627.3511(2) and may not exceed
1313 the amount referenced in s. 627.3511(2) for each risk removed.
1314 The corporation may consider any prudent and not unfairly
1315 discriminatory approach to reducing corporation writings, and
1316 may adopt a credit against assessment liability or other



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1317 liability that provides an incentive for insurers to take risks
1318 out of the corporation and to keep risks out of the corporation
1319 by maintaining or increasing voluntary writings in counties or
1320 areas in which corporation risks are highly concentrated and a
1321 program to provide a formula under which an insurer voluntarily
1322 taking risks out of the corporation by maintaining or increasing
1323 voluntary writings will be relieved wholly or partially from
1324 assessments under sub-subparagraph (b)3.a. However, any "take-
1325 out bonus" or payment to an insurer must be conditioned on the
1326 property being insured for at least 5 years by the insurer,
1327 unless canceled or nonrenewed by the policyholder. If the policy
1328 is canceled or nonrenewed by the policyholder before the end of
1329 the 5-year period, the amount of the take-out bonus must be
1330 prorated for the time period the policy was insured. When the
1331 corporation enters into a contractual agreement for a take-out
1332 plan, the producing agent of record of the corporation policy is
1333 entitled to retain any unearned commission on such policy, and
1334 the insurer shall either:

1335 (I) Pay to the producing agent of record of the policy, for
1336 the first year, an amount which is the greater of the insurer's
1337 usual and customary commission for the type of policy written or
1338 a policy fee equal to the usual and customary commission of the
1339 corporation; or

1340 (II) Offer to allow the producing agent of record of the
1341 policy to continue servicing the policy for a period of not less
1342 than 1 year and offer to pay the agent the insurer's usual and
1343 customary commission for the type of policy written. If the
1344 producing agent is unwilling or unable to accept appointment by
1345 the new insurer, the new insurer shall pay the agent in



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1346 accordance with sub-sub-subparagraph (I).

1347 b. Any credit or exemption from regular assessments adopted
1348 under this subparagraph shall last no longer than the 3 years
1349 following the cancellation or expiration of the policy by the
1350 corporation. With the approval of the office, the board may
1351 extend such credits for an additional year if the insurer
1352 guarantees an additional year of renewability for all policies
1353 removed from the corporation, or for 2 additional years if the
1354 insurer guarantees 2 additional years of renewability for all
1355 policies so removed.

1356 c. There shall be no credit, limitation, exemption, or
1357 deferment from emergency assessments to be collected from
1358 policyholders pursuant to sub-subparagraph (b)3.e. or sub-
1359 subparagraph (b)5.c. ~~(b)3.d.~~

1360 4. The plan shall provide for the deferment, in whole or in
1361 part, of the assessment of an assessable insurer, other than an
1362 emergency assessment collected from policyholders pursuant to
1363 sub-subparagraph (b)3.e. or sub-subparagraph (b)5.c. ~~(b)3.d.~~, if
1364 the office finds that payment of the assessment would endanger
1365 or impair the solvency of the insurer. In the event an
1366 assessment against an assessable insurer is deferred in whole or
1367 in part, the amount by which such assessment is deferred may be
1368 assessed against the other assessable insurers in a manner
1369 consistent with the basis for assessments set forth in paragraph
1370 (b).

1371 5. Effective July 1, 2007, in order to evaluate the costs
1372 and benefits of approved take-out plans, if the corporation pays
1373 a bonus or other payment to an insurer for an approved take-out
1374 plan, it shall maintain a record of the address or such other



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1375 identifying information on the property or risk removed in order
1376 to track if and when the property or risk is later insured by
1377 the corporation.

1378 6. Any policy taken out, assumed, or removed from the
1379 corporation is, as of the effective date of the take-out,
1380 assumption, or removal, direct insurance issued by the insurer
1381 and not by the corporation, even if the corporation continues to
1382 service the policies. This subparagraph applies to policies of
1383 the corporation and not policies taken out, assumed, or removed
1384 from any other entity.

1385 7. For a policy taken out, assumed, or removed from the
1386 corporation, the insurer may, for a period of no more than 3
1387 years, continue to use any of the corporation's policy forms or
1388 endorsements that apply to the policy taken out, removed, or
1389 assumed without obtaining approval from the office for use of
1390 such policy form or endorsement.

1391 (v)1. Effective July 1, 2002, policies of the Residential
1392 Property and Casualty Joint Underwriting Association become
1393 policies of the corporation. All obligations, rights, assets and
1394 liabilities of the association, including bonds, note and debt
1395 obligations, and the financing documents pertaining to them
1396 become those of the corporation as of July 1, 2002. The
1397 corporation is not required to issue endorsements or
1398 certificates of assumption to insureds during the remaining term
1399 of in-force transferred policies.

1400 2. Effective July 1, 2002, policies of the Florida
1401 Windstorm Underwriting Association are transferred to the
1402 corporation and become policies of the corporation. All
1403 obligations, rights, assets, and liabilities of the association,



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1404 including bonds, note and debt obligations, and the financing
1405 documents pertaining to them are transferred to and assumed by
1406 the corporation on July 1, 2002. The corporation is not required
1407 to issue endorsements or certificates of assumption to insureds
1408 during the remaining term of in-force transferred policies.

1409 3. The Florida Windstorm Underwriting Association and the
1410 Residential Property and Casualty Joint Underwriting Association
1411 shall take all actions necessary to further evidence the
1412 transfers and provide the documents and instruments of further
1413 assurance as may reasonably be requested by the corporation for
1414 that purpose. The corporation shall execute assumptions and
1415 instruments as the trustees or other parties to the financing
1416 documents of the Florida Windstorm Underwriting Association or
1417 the Residential Property and Casualty Joint Underwriting
1418 Association may reasonably request to further evidence the
1419 transfers and assumptions, which transfers and assumptions,
1420 however, are effective on the date provided under this paragraph
1421 whether or not, and regardless of the date on which, the
1422 assumptions or instruments are executed by the corporation.
1423 Subject to the relevant financing documents pertaining to their
1424 outstanding bonds, notes, indebtedness, or other financing
1425 obligations, the moneys, investments, receivables, choses in
1426 action, and other intangibles of the Florida Windstorm
1427 Underwriting Association shall be credited to the coastal
1428 account of the corporation, and those of the personal lines
1429 residential coverage account and the commercial lines
1430 residential coverage account of the Residential Property and
1431 Casualty Joint Underwriting Association shall be credited to the
1432 personal lines account and the commercial lines account,



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1433 respectively, of the corporation.

1434 4. Effective July 1, 2002, a new applicant for property
1435 insurance coverage who would otherwise have been eligible for
1436 coverage in the Florida Windstorm Underwriting Association is
1437 eligible for coverage from the corporation as provided in this
1438 subsection.

1439 5. The transfer of all policies, obligations, rights,
1440 assets, and liabilities from the Florida Windstorm Underwriting
1441 Association to the corporation and the renaming of the
1442 Residential Property and Casualty Joint Underwriting Association
1443 as the corporation does not affect the coverage with respect to
1444 covered policies as defined in s. 215.555(2)(c) provided to
1445 these entities by the Florida Hurricane Catastrophe Fund. The
1446 coverage provided by the fund to the Florida Windstorm
1447 Underwriting Association based on its exposures as of June 30,
1448 2002, and each June 30 thereafter, unless the corporation has
1449 established the Citizens account, shall be redesignated as
1450 coverage for the coastal account of the corporation.

1451 Notwithstanding any other provision of law, the coverage
1452 provided by the fund to the Residential Property and Casualty
1453 Joint Underwriting Association based on its exposures as of June
1454 30, 2002, and each June 30 thereafter, unless the corporation
1455 has established the Citizens account, shall be transferred to
1456 the personal lines account and the commercial lines account of
1457 the corporation. Notwithstanding any other provision of law, the
1458 coastal account, unless the corporation has established the
1459 Citizens account, shall be treated, for all Florida Hurricane
1460 Catastrophe Fund purposes, as if it were a separate
1461 participating insurer with its own exposures, reimbursement



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1462 premium, and loss reimbursement. Likewise, the personal lines
1463 and commercial lines accounts, unless the corporation has
1464 established the Citizens account, shall be viewed together, for
1465 all fund purposes, as if the two accounts were one and represent
1466 a single, separate participating insurer with its own exposures,
1467 reimbursement premium, and loss reimbursement. The coverage
1468 provided by the fund to the corporation shall constitute and
1469 operate as a full transfer of coverage from the Florida
1470 Windstorm Underwriting Association and Residential Property and
1471 Casualty Joint Underwriting Association to the corporation.

1472 (w) Notwithstanding any other provision of law:

1473 1. The pledge or sale of, the lien upon, and the security
1474 interest in any rights, revenues, or other assets of the
1475 corporation created or purported to be created pursuant to any
1476 financing documents to secure any bonds or other indebtedness of
1477 the corporation shall be and remain valid and enforceable,
1478 notwithstanding the commencement of and during the continuation
1479 of, and after, any rehabilitation, insolvency, liquidation,
1480 bankruptcy, receivership, conservatorship, reorganization, or
1481 similar proceeding against the corporation under the laws of
1482 this state.

1483 2. The proceeding does not relieve the corporation of its
1484 obligation, or otherwise affect its ability to perform its
1485 obligation, to continue to collect, or levy and collect,
1486 assessments, policyholder surcharges or other surcharges under
1487 sub-subparagraph (b)3.j. ~~(b)3.i.~~, or any other rights, revenues,
1488 or other assets of the corporation pledged pursuant to any
1489 financing documents.

1490 3. Each such pledge or sale of, lien upon, and security



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1491 interest in, including the priority of such pledge, lien, or
1492 security interest, any such assessments, policyholder surcharges
1493 or other surcharges, or other rights, revenues, or other assets
1494 which are collected, or levied and collected, after the
1495 commencement of and during the pendency of, or after, any such
1496 proceeding shall continue unaffected by such proceeding. As used
1497 in this subsection, the term "financing documents" means any
1498 agreement or agreements, instrument or instruments, or other
1499 document or documents now existing or hereafter created
1500 evidencing any bonds or other indebtedness of the corporation or
1501 pursuant to which any such bonds or other indebtedness has been
1502 or may be issued and pursuant to which any rights, revenues, or
1503 other assets of the corporation are pledged or sold to secure
1504 the repayment of such bonds or indebtedness, together with the
1505 payment of interest on such bonds or such indebtedness, or the
1506 payment of any other obligation or financial product, as defined
1507 in the plan of operation of the corporation related to such
1508 bonds or indebtedness.

1509 4. Any such pledge or sale of assessments, revenues,
1510 contract rights, or other rights or assets of the corporation
1511 shall constitute a lien and security interest, or sale, as the
1512 case may be, that is immediately effective and attaches to such
1513 assessments, revenues, or contract rights or other rights or
1514 assets, whether or not imposed or collected at the time the
1515 pledge or sale is made. Any such pledge or sale is effective,
1516 valid, binding, and enforceable against the corporation or other
1517 entity making such pledge or sale, and valid and binding against
1518 and superior to any competing claims or obligations owed to any
1519 other person or entity, including policyholders in this state,



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1520 asserting rights in any such assessments, revenues, or contract
1521 rights or other rights or assets to the extent set forth in and
1522 in accordance with the terms of the pledge or sale contained in
1523 the applicable financing documents, whether or not any such
1524 person or entity has notice of such pledge or sale and without
1525 the need for any physical delivery, recordation, filing, or
1526 other action.

1527 5. As long as the corporation has any bonds outstanding,
1528 the corporation may not file a voluntary petition under chapter
1529 9 of the federal Bankruptcy Code or such corresponding chapter
1530 or sections as may be in effect, from time to time, and a public
1531 officer or any organization, entity, or other person may not
1532 authorize the corporation to be or become a debtor under chapter
1533 9 of the federal Bankruptcy Code or such corresponding chapter
1534 or sections as may be in effect, from time to time, during any
1535 such period.

1536 6. If ordered by a court of competent jurisdiction, the
1537 corporation may assume policies or otherwise provide coverage
1538 for policyholders of an insurer placed in liquidation under
1539 chapter 631, under such forms, rates, terms, and conditions as
1540 the corporation deems appropriate, subject to approval by the
1541 office.

1542 (aa) Except as otherwise provided in this paragraph, the
1543 corporation shall ~~not~~ require the securing and maintaining of
1544 flood insurance as a condition of coverage of a personal lines
1545 residential risk. ~~if~~ The insured or applicant must execute
1546 ~~executes~~ a form approved by the office affirming that flood
1547 insurance is not provided by the corporation and that if flood
1548 insurance is not secured by the applicant or insured from an



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1549 insurer other than the corporation and in addition to coverage
1550 by the corporation, the risk will not be eligible for coverage
1551 by the corporation covered for flood damage. A corporation
1552 policyholder electing not to secure flood insurance and
1553 executing a form as provided herein making a claim for water
1554 damage against the corporation shall have the burden of proving
1555 the damage was not caused by flooding. Notwithstanding other
1556 provisions of this subsection, The corporation may deny coverage
1557 of a personal lines residential risk to an applicant or insured
1558 who refuses to secure and maintain flood insurance execute the
1559 form described herein. The requirement to purchase flood
1560 insurance shall be implemented as follows:

1561 1. Except as provided in subparagraphs 2. and 3., all
1562 personal lines residential policyholders must have flood
1563 coverage in place for policies effective on or after:

1564 a. January 1, 2024, for property valued at \$600,000 or
1565 more.

1566 b. January 1, 2025, for property valued at \$500,000 or
1567 more.

1568 c. January 1, 2026, for property valued at \$400,000 or
1569 more.

1570 d. January 1, 2027, for all other personal lines
1571 residential property insured by the corporation.

1572 2. All personal lines residential policyholders whose
1573 property insured by the corporation is located within the
1574 special flood hazard area defined by the Federal Emergency
1575 Management Agency must have flood coverage in place:

1576 a. At the time of initial policy issuance for all new
1577 personal lines residential policies issued by the corporation on



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1578 or after April 1, 2023.

1579 b. By the time of the policy renewal for all personal lines
1580 residential policies renewing on or after July 1, 2023.

1581 3. Policyholders whose policies issued by the corporation
1582 do not provide coverage for the peril of wind are not required
1583 to purchase flood insurance as a condition for maintaining their
1584 policies with the corporation.

1585
1586 The flood insurance required under this paragraph must meet, at
1587 a minimum, the coverage available from the National Flood
1588 Insurance Program or the requirements of subparagraphs s.
1589 627.715(1)(a)1., 2., and 3.

1590 (ii) The corporation shall revise the programs adopted
1591 pursuant to sub-subparagraph (q)3.a. for personal lines
1592 residential policies to maximize policyholder options and
1593 encourage increased participation by insurers and agents. After
1594 January 1, 2017, a policy may not be taken out of the
1595 corporation unless the provisions of this paragraph are met.

1596 1. The corporation must publish a periodic schedule of
1597 cycles during which an insurer may identify, and notify the
1598 corporation of, policies that the insurer is requesting to take
1599 out. A request must include a description of the coverage
1600 offered and an estimated premium and must be submitted to the
1601 corporation in a form and manner prescribed by the corporation.

1602 2. The corporation must maintain and make available to the
1603 agent of record a consolidated list of all insurers requesting
1604 to take out a policy. The list must include a description of the
1605 coverage offered and the estimated premium for each take-out
1606 request.



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1607 3. If a policyholder receives a take-out offer from an
1608 authorized insurer, the risk is no longer eligible for coverage
1609 with the corporation unless the premium for coverage from the
1610 authorized insurer is more 20 percent greater than the renewal
1611 premium for comparable coverage from the corporation pursuant to
1612 sub-subparagraph (c)5.c. This subparagraph applies to take-out
1613 offers that are part of an application to participate in
1614 depopulation submitted to the office on or after January 1,
1615 2023.

1616 4. The corporation must provide written notice to the
1617 policyholder and the agent of record regarding all insurers
1618 requesting to take out the policy ~~and regarding the~~
1619 ~~policyholder's option to accept a take-out offer or to reject~~
1620 ~~all take-out offers and to remain with the corporation.~~ The
1621 notice must be in a format prescribed by the corporation and
1622 include, for each take-out offer:

- 1623 a. The amount of the estimated premium;
1624 b. A description of the coverage; and
1625 c. A comparison of the estimated premium and coverage
1626 offered by the insurer to the estimated premium and coverage
1627 provided by the corporation.

1628 (kk) A corporation policyholder making a claim for water
1629 damage against the corporation has the burden of proving that
1630 the damage was not caused by flooding.

1631 Section 9. Paragraph (s) of subsection (6) of section
1632 627.351, Florida Statutes, is amended to read:

1633 627.351 Insurance risk apportionment plans.—

1634 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

1635 (s)1. There shall be no liability on the part of, and no



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1636 cause of action of any nature shall arise against, any
1637 assessable insurer or its agents or employees, the corporation
1638 or its agents or employees, members of the board of governors or
1639 their respective designees at a board meeting, corporation
1640 committee members, or the office or its representatives, for any
1641 action taken by them in the performance of their duties or
1642 responsibilities under this subsection. Such immunity does not
1643 apply to:

1644 a. Any of the foregoing persons or entities for any willful
1645 tort;

1646 b. The corporation or its producing agents for breach of
1647 any contract or agreement pertaining to insurance coverage;

1648 c. The corporation with respect to issuance or payment of
1649 debt;

1650 d. Any assessable insurer with respect to any action to
1651 enforce an assessable insurer's obligations to the corporation
1652 under this subsection; or

1653 e. The corporation in any pending or future action for
1654 breach of contract or for benefits under a policy issued by the
1655 corporation; ~~in any such action, the corporation shall be liable~~
1656 ~~to the policyholders and beneficiaries for attorney's fees under~~
1657 ~~s. 627.428.~~

1658 2. The corporation shall manage its claim employees,
1659 independent adjusters, and others who handle claims to ensure
1660 they carry out the corporation's duty to its policyholders to
1661 handle claims carefully, timely, diligently, and in good faith,
1662 balanced against the corporation's duty to the state to manage
1663 its assets responsibly to minimize its assessment potential.

1664 Section 10. Paragraphs (b) and (c) of subsection (3) and



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1665 paragraphs (d), (e), and (f) of subsection (6) of section
1666 627.3511, Florida Statutes, are amended to read:

1667 627.3511 Depopulation of Citizens Property Insurance
1668 Corporation.—

1669 (3) EXEMPTION FROM DEFICIT ASSESSMENTS.—

1670 (b) An insurer that first wrote personal lines residential
1671 property coverage in this state on or after July 1, 1994, is
1672 exempt from regular deficit assessments imposed pursuant to s.
1673 627.351(6)(b)3.a., but not emergency assessments collected from
1674 policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~

1675 ~~627.351(6)(b)3.d.~~, of the Citizens Property Insurance
1676 Corporation until the earlier of the following:

1677 1. The end of the calendar year in which it first wrote 0.5
1678 percent or more of the statewide aggregate direct written
1679 premium for any line of residential property coverage; or

1680 2. December 31, 1997, or December 31 of the third year in
1681 which it wrote such coverage in this state, whichever is later.

1682 (c) Other than an insurer that is exempt under paragraph
1683 (b), an insurer that in any calendar year increases its total
1684 structure exposure subject to wind coverage by 25 percent or
1685 more over its exposure for the preceding calendar year is, with
1686 respect to that year, exempt from deficit assessments imposed
1687 pursuant to s. 627.351(6)(b)3.a., but not emergency assessments
1688 collected from policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~

1689 ~~627.351(6)(b)3.d.~~, of the Citizens Property Insurance
1690 Corporation attributable to such increase in exposure.

1691 (6) COMMERCIAL RESIDENTIAL TAKE-OUT PLANS.—

1692 (d) The calculation of an insurer's regular assessment
1693 liability under s. 627.351(6)(b)3.a., but not emergency



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1694 assessments collected from policyholders pursuant to s.
1695 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, shall, with respect to
1696 commercial residential policies removed from the corporation
1697 under an approved take-out plan, exclude such removed policies
1698 for the succeeding 3 years, as follows:

1699 1. In the first year following removal of the policies, the
1700 policies are excluded from the calculation to the extent of 100
1701 percent.

1702 2. In the second year following removal of the policies,
1703 the policies are excluded from the calculation to the extent of
1704 75 percent.

1705 3. In the third year following removal of the policies, the
1706 policies are excluded from the calculation to the extent of 50
1707 percent.

1708 (e) An insurer that first wrote commercial residential
1709 property coverage in this state on or after June 1, 1996, is
1710 exempt from regular assessments under s. 627.351(6)(b)3.a., but
1711 not emergency assessments collected from policyholders pursuant
1712 to s. 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, with respect to
1713 commercial residential policies until the earlier of:

1714 1. The end of the calendar year in which such insurer first
1715 wrote 0.5 percent or more of the statewide aggregate direct
1716 written premium for commercial residential property coverage; or

1717 2. December 31 of the third year in which such insurer
1718 wrote commercial residential property coverage in this state.

1719 (f) An insurer that is not otherwise exempt from regular
1720 assessments under s. 627.351(6)(b)3.a. with respect to
1721 commercial residential policies is, for any calendar year in
1722 which such insurer increased its total commercial residential



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1723 hurricane exposure by 25 percent or more over its exposure for
1724 the preceding calendar year, exempt from regular assessments
1725 under s. 627.351(6)(b)3.a., but not emergency assessments
1726 collected from policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~
1727 ~~627.351(6)(b)3.d.~~, attributable to such increased exposure.

1728 Section 11. Effective January 1, 2023, subsection (5) of
1729 section 627.3518, Florida Statutes, is amended to read:

1730 627.3518 Citizens Property Insurance Corporation
1731 policyholder eligibility clearinghouse program.—The purpose of
1732 this section is to provide a framework for the corporation to
1733 implement a clearinghouse program by January 1, 2014.

1734 (5) Notwithstanding s. 627.3517, any applicant for new
1735 coverage from the corporation is not eligible for coverage from
1736 the corporation if provided an offer of coverage from an
1737 authorized insurer through the program at a premium that is at
1738 or below the eligibility threshold for applicants for new
1739 coverage established in s. 627.351(6)(c)5.a. Whenever an offer
1740 of coverage for a personal lines risk is received for a
1741 policyholder of the corporation at renewal from an authorized
1742 insurer through the program which is at or below the eligibility
1743 threshold for policyholders of the corporation established in s.
1744 627.351(6)(c)5.a., ~~if the offer is equal to or less than the~~
1745 ~~corporation's renewal premium for comparable coverage,~~ the risk
1746 is not eligible for coverage with the corporation. In the event
1747 an offer of coverage for a new applicant is received from an
1748 authorized insurer through the program, and the premium offered
1749 exceeds the eligibility threshold for applicants for new
1750 coverage established ~~contained~~ in s. 627.351(6)(c)5.a., the
1751 applicant or insured may elect to accept such coverage, or may



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1752 elect to accept or continue coverage with the corporation. In
1753 the event an offer of coverage for a personal lines risk is
1754 received from an authorized insurer at renewal through the
1755 program, and the premium offered exceeds the eligibility
1756 threshold for policyholders of the corporation established in s.
1757 627.351(6)(c)5.a. ~~is more than the corporation's renewal premium~~
1758 ~~for comparable coverage~~, the insured may elect to accept such
1759 coverage, or may elect to accept or continue coverage with the
1760 corporation. Section 627.351(6)(c)5.a.(I) does not apply to an
1761 offer of coverage from an authorized insurer obtained through
1762 the program. ~~An applicant for coverage from the corporation who~~
1763 ~~was declared ineligible for coverage at renewal by the~~
1764 ~~corporation in the previous 36 months due to an offer of~~
1765 ~~coverage pursuant to this subsection shall be considered a~~
1766 ~~renewal under this section if the corporation determines that~~
1767 ~~the authorized insurer making the offer of coverage pursuant to~~
1768 ~~this subsection continues to insure the applicant and increased~~
1769 ~~the rate on the policy in excess of the increase allowed for the~~
1770 ~~corporation under s. 627.351(6)(n)5.~~

1771 Section 12. Subsection (3) of section 627.410, Florida
1772 Statutes, is amended to read:

1773 627.410 Filing, approval of forms.—

1774 (3) The office may, for cause, withdraw a previous
1775 approval. No insurer shall issue or use any form disapproved by
1776 the office, or as to which the office has withdrawn approval,
1777 after the effective date of the order of the office. Based on a
1778 finding from a market conduct examination of a property insurer
1779 that the insurer has exhibited a pattern or practice of one or
1780 more willful unfair insurance trade practice violations with



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1781 regard to its use of appraisal, the office shall reexamine the
1782 insurer's property insurance policy forms that contain an
1783 appraisal clause, and the office may:

1784 (a) Withdraw approval of the forms, if warranted by the
1785 Florida Insurance Code.

1786 (b) In addition to any regulatory action under ss. 624.418
1787 and 624.4211, issue an order prohibiting the insurer from
1788 invoking appraisal for up to 2 years.

1789 Section 13. Subsections (1) and (4) of section 627.428,
1790 Florida Statutes, are amended to read:

1791 627.428 Attorney fees.—

1792 (1) Except as provided in subsection (4), upon the
1793 rendition of a judgment or decree by any of the courts of this
1794 state against an insurer and in favor of any named or omnibus
1795 insured or the named beneficiary under a policy or contract
1796 executed by the insurer, the trial court or, in the event of an
1797 appeal in which the insured or beneficiary prevails, the
1798 appellate court shall adjudge or decree against the insurer and
1799 in favor of the insured or beneficiary a reasonable sum as fees
1800 or compensation for the insured's or beneficiary's attorney
1801 prosecuting the suit in which the recovery is had. ~~In a suit~~
1802 ~~arising under a residential or commercial property insurance~~
1803 ~~policy, the amount of reasonable attorney fees shall be awarded~~
1804 ~~only as provided in s. 57.105 or s. 627.70152, as applicable.~~

1805 (4) In a suit arising under a residential or commercial
1806 property insurance policy, there is no the right to attorney
1807 fees under this section ~~may not be transferred to, assigned to,~~
1808 ~~or acquired in any other manner by anyone other than a named or~~
1809 ~~omnibus insured or a named beneficiary.~~



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1810 Section 14. Paragraph (b) of subsection (4) of section
1811 627.7011, Florida Statutes, is amended to read:

1812 627.7011 Homeowners' policies; offer of replacement cost
1813 coverage and law and ordinance coverage.—

1814 (4)

1815 (b) An insurer that issues a homeowner's insurance policy
1816 that does not provide flood insurance coverage must include on
1817 the policy declarations page ~~with the policy documents~~ at
1818 initial issuance and every renewal, in bold type no smaller than
1819 18 points, the following statement:

1820

1821 "FLOOD INSURANCE: YOU SHOULD ~~MAY ALSO NEED TO~~ CONSIDER
1822 THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER'S
1823 INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE
1824 RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN
1825 CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD
1826 INSURANCE COVERAGE, YOUR ~~YOU MAY HAVE~~ UNCOVERED LOSSES
1827 CAUSED BY FLOOD ARE NOT COVERED. PLEASE DISCUSS THE
1828 NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE
1829 WITH YOUR INSURANCE AGENT."

1830

1831 Section 15. Effective March 1, 2023, present subsection (8)
1832 of section 627.70131, Florida Statutes, is redesignated as
1833 subsection (9), a new subsection (8) is added to that section,
1834 and paragraph (a) of subsection (1), subsections (3), (4), and
1835 (5), and paragraph (a) of subsection (7) of that section are
1836 amended, to read:

1837 627.70131 Insurer's duty to acknowledge communications
1838 regarding claims; investigation.—



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1839 (1) (a) Upon an insurer's receiving a communication with
1840 respect to a claim, the insurer shall, within 7 ~~14~~ calendar
1841 days, review and acknowledge receipt of such communication
1842 unless payment is made within that period of time or unless the
1843 failure to acknowledge is caused by factors beyond the control
1844 of the insurer ~~which reasonably prevent such acknowledgment~~. If
1845 the acknowledgment is not in writing, a notification indicating
1846 acknowledgment shall be made in the insurer's claim file and
1847 dated. A communication made to or by a representative of an
1848 insurer with respect to a claim shall constitute communication
1849 to or by the insurer.

1850 (3) (a) Unless otherwise provided by the policy of insurance
1851 or by law, within 7 ~~14~~ days after an insurer receives proof-of-
1852 loss statements, the insurer shall begin such investigation as
1853 is reasonably necessary unless the failure to begin such
1854 investigation is caused by factors beyond the control of the
1855 insurer ~~which reasonably prevent the commencement of such~~
1856 ~~investigation~~.

1857 (b) If such investigation involves a physical inspection of
1858 the property, the licensed adjuster assigned by the insurer must
1859 provide the policyholder with a printed or electronic document
1860 containing his or her name and state adjuster license number.
1861 ~~For claims other than those subject to a hurricane deductible,~~
1862 An insurer must conduct any such physical inspection within 30
1863 ~~45~~ days after its receipt of the proof-of-loss statements.

1864 (c) Any subsequent communication with the policyholder
1865 regarding the claim must also include the name and license
1866 number of the adjuster communicating about the claim.
1867 Communication of the adjuster's name and license number may be



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1868 included with other information provided to the policyholder.

1869 (d) An insurer may use electronic methods to investigate
1870 the loss. Such electronic methods may include any method that
1871 provides the insurer with clear, color pictures or video
1872 documenting the loss, including, but not limited to, electronic
1873 photographs or video recordings of the loss, video conferencing
1874 between the adjuster and the policyholder which includes video
1875 recording of the loss, and video recordings or photographs of
1876 the loss using a drone, driverless vehicle, or other machine
1877 that can move independently or through remote control. The
1878 insurer also may allow the policyholder to use such methods to
1879 assist in the investigation of the loss. An insurer may void the
1880 insurance policy if the policyholder or any other person at the
1881 direction of the policyholder, with intent to injure, defraud,
1882 or deceive any insurer, commits insurance fraud by providing
1883 false, incomplete, or misleading information concerning any fact
1884 or thing material to a claim using electronic methods. The use
1885 of electronic methods to investigate the loss does not prohibit
1886 an insurer from assigning a licensed adjuster to physically
1887 inspect the property.

1888 ~~(e) Within 7 days after the insurer's assignment of an~~
1889 ~~adjuster to the claim, The insurer must send notify the~~
1890 ~~policyholder that he or she may request a copy of any detailed~~
1891 ~~estimate of the amount of the loss within 7 days after the~~
1892 ~~estimate is generated by an insurer's adjuster. After receiving~~
1893 ~~such a request from the policyholder, the insurer must send any~~
1894 ~~such detailed estimate to the policyholder within the later of 7~~
1895 ~~days after the insurer received the request or 7 days after the~~
1896 ~~detailed estimate of the amount of the loss is completed. This~~



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1897 paragraph does not require that an insurer create a detailed
1898 estimate of the amount of the loss if such estimate is not
1899 reasonably necessary as part of the claim investigation.

1900 (4) An insurer shall maintain:

1901 (a) A record or log of each adjuster who communicates with
1902 the policyholder as provided in paragraphs (3)(b) and (c) and
1903 provide a list of such adjusters to the insured, office, or
1904 department upon request.

1905 (b) Claim records, including dates, of:

1906 1. Any claim-related communication made between the insurer
1907 and the policyholder or the policyholder's representative;

1908 2. The insurer's receipt of the policyholder's proof of
1909 loss statement;

1910 3. Any claim-related request for information made by the
1911 insurer to the policyholder or the policyholder's
1912 representative;

1913 4. Any claim-related inspections of the property made by
1914 the insurer, including physical inspections and inspections made
1915 by electronic means;

1916 5. Any detailed estimate of the amount of the loss
1917 generated by the insurer's adjuster;

1918 6. The beginning and end of any tolling period provided for
1919 in subsection (8); and

1920 7. The insurer's payment or denial of the claim.

1921 (5) For purposes of this section, the term:

1922 (a) "Factors beyond the control of the insurer" means:

1923 1. Any of the following events that is the basis for the
1924 office issuing an order finding that such event renders all or
1925 specified residential property insurers reasonably unable to



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1926 meet the requirements of this section in specified locations and
1927 ordering that such insurer or insurers may have additional time
1928 as specified by the office to comply with the requirements of
1929 this section: a state of emergency declared by the Governor
1930 under s. 252.36, a breach of security that must be reported
1931 under s. 501.171(3), or an information technology issue. The
1932 office may not extend the period for payment or denial of a
1933 claim for more than 30 additional days.

1934 2. Actions by the policyholder or the policyholder's
1935 representative which constitute fraud, lack of cooperation, or
1936 intentional misrepresentation regarding the claim for which
1937 benefits are owed when such actions reasonably prevent the
1938 insurer from complying with any requirement of this section.

1939 (b) "Insurer" means any residential property insurer.

1940 (7) (a) Within 60 ~~90~~ days after an insurer receives notice
1941 of an initial, reopened, or supplemental property insurance
1942 claim from a policyholder, the insurer shall pay or deny such
1943 claim or a portion of the claim unless the failure to pay is
1944 caused by factors beyond the control of the insurer ~~which~~
1945 ~~reasonably prevent such payment~~. The insurer shall provide a
1946 reasonable explanation in writing to the policyholder of the
1947 basis in the insurance policy, in relation to the facts or
1948 applicable law, for the payment, denial, or partial denial of a
1949 claim. If the insurer's claim payment is less than specified in
1950 any insurer's detailed estimate of the amount of the loss, the
1951 insurer must provide a reasonable explanation in writing of the
1952 difference to the policyholder. Any payment of an initial or
1953 supplemental claim or portion of such claim made 60 ~~90~~ days
1954 after the insurer receives notice of the claim, or made ~~more~~



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1955 ~~than 15 days~~ after the expiration of any additional timeframe
1956 provided to pay or deny a claim or a portion of a claim made
1957 pursuant to an order of the office finding there are no longer
1958 factors beyond the control of the insurer ~~which reasonably~~
1959 ~~prevented such payment~~, whichever is later, bears interest at
1960 the rate set forth in s. 55.03. Interest begins to accrue from
1961 the date the insurer receives notice of the claim. The
1962 provisions of this subsection may not be waived, voided, or
1963 nullified by the terms of the insurance policy. If there is a
1964 right to prejudgment interest, the insured must select whether
1965 to receive prejudgment interest or interest under this
1966 subsection. Interest is payable when the claim or portion of the
1967 claim is paid. Failure to comply with this subsection
1968 constitutes a violation of this code. However, failure to comply
1969 with this subsection does not form the sole basis for a private
1970 cause of action, except that repeated violations constitute an
1971 unfair method of competition and an unfair or deceptive act or
1972 practice as defined in s. 626.9541.

1973
1974 ===== T I T L E A M E N D M E N T =====

1975 And the title is amended as follows:

1976 Delete lines 46 - 47

1977 and insert:

1978 revising and adding unfair claim settlement practices
1979 by a property insurer; amending s.