

Amendment No.

CHAMBER ACTION

Senate

House

.

Representative Edmonds offered the following:

Amendment (with title amendment)

Remove lines 1367-2224 and insert:

corporation. If the risk is not able to obtain such offer, the risk is eligible for a standard policy including wind coverage or a basic policy including wind coverage issued by the corporation; however, if the risk could not be insured under a standard policy including wind coverage regardless of market conditions, the risk is eligible for a basic policy including wind coverage unless rejected under subparagraph 8. ~~However, a policyholder removed from the corporation through an assumption agreement remains eligible for coverage from the corporation~~

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14 ~~until the end of the assumption period.~~ The corporation shall
15 determine the type of policy to be provided on the basis of
16 objective standards specified in the underwriting manual and
17 based on generally accepted underwriting practices. A
18 policyholder removed from the corporation through an assumption
19 agreement does not remain eligible for coverage from the
20 corporation after the end of the policy term. However, any
21 policy removed from the corporation through an assumption
22 agreement remains on the corporation's policy forms through the
23 end of the policy term.

24 (I) If the risk accepts an offer of coverage through the
25 market assistance plan or through a mechanism established by the
26 corporation other than a plan established by s. 627.3518, before
27 a policy is issued to the risk by the corporation or during the
28 first 30 days of coverage by the corporation, and the producing
29 agent who submitted the application to the plan or to the
30 corporation is not currently appointed by the insurer, the
31 insurer shall:

32 (A) Pay to the producing agent of record of the policy for
33 the first year, an amount that is the greater of the insurer's
34 usual and customary commission for the type of policy written or
35 a fee equal to the usual and customary commission of the
36 corporation; or

37 (B) Offer to allow the producing agent of record of the
38 policy to continue servicing the policy for at least 1 year and

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39 offer to pay the agent the greater of the insurer's or the
40 corporation's usual and customary commission for the type of
41 policy written.

42
43 If the producing agent is unwilling or unable to accept
44 appointment, the new insurer shall pay the agent in accordance
45 with sub-sub-sub-subparagraph (A).

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

50 (A) Pay to the producing agent of record, for the first
51 year, an amount that is the greater of the insurer's usual and
52 customary commission for the type of policy written or a fee
53 equal to the usual and customary commission of the corporation;
54 or

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

59
60 If the producing agent is unwilling or unable to accept
61 appointment, the new insurer shall pay the agent in accordance
62 with sub-sub-sub-subparagraph (A).

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63 b. With respect to commercial lines residential risks, for
64 a new application to the corporation for coverage, if the risk
65 is offered coverage under a policy including wind coverage from
66 an authorized insurer at its approved rate, the risk is not
67 eligible for a policy issued by the corporation unless the
68 premium for coverage from the authorized insurer is more than 20
69 ~~15~~ percent greater than the premium for comparable coverage from
70 the corporation. Whenever an offer of coverage for a commercial
71 lines residential risk is received for a policyholder of the
72 corporation at renewal from an authorized insurer, if the offer
73 is equal to or less than the corporation's renewal premium for
74 comparable coverage, the risk is not eligible for coverage with
75 the corporation. If the risk is not able to obtain any such
76 offer, the risk is eligible for a policy including wind coverage
77 issued by the corporation. ~~However,~~ A policyholder removed from
78 the corporation through an assumption agreement remains eligible
79 for coverage from the corporation until the end of the policy
80 term. However, any policy removed from the corporation through
81 an assumption agreement remains on the corporation's policy
82 forms through the end of the policy term assumption period.

83 (I) If the risk accepts an offer of coverage through the
84 market assistance plan or through a mechanism established by the
85 corporation other than a plan established by s. 627.3518, before
86 a policy is issued to the risk by the corporation or during the
87 first 30 days of coverage by the corporation, and the producing

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88 agent who submitted the application to the plan or the
89 corporation is not currently appointed by the insurer, the
90 insurer shall:

91 (A) Pay to the producing agent of record of the policy,
92 for the first year, an amount that is the greater of the
93 insurer's usual and customary commission for the type of policy
94 written or a fee equal to the usual and customary commission of
95 the corporation; or

96 (B) Offer to allow the producing agent of record of the
97 policy to continue servicing the policy for at least 1 year and
98 offer to pay the agent the greater of the insurer's or the
99 corporation's usual and customary commission for the type of
100 policy written.

101
102 If the producing agent is unwilling or unable to accept
103 appointment, the new insurer shall pay the agent in accordance
104 with sub-sub-sub-subparagraph (A).

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

109 (A) Pay to the producing agent of record, for the first
110 year, an amount that is the greater of the insurer's usual and
111 customary commission for the type of policy written or a fee

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112 equal to the usual and customary commission of the corporation;
113 or

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

118
119 If the producing agent is unwilling or unable to accept
120 appointment, the new insurer shall pay the agent in accordance
121 with sub-sub-sub-subparagraph (A).

122 c. For purposes of determining comparable coverage under
123 sub-subparagraphs a. and b., the comparison must be based on
124 those forms and coverages that are reasonably comparable. The
125 corporation may rely on a determination of comparable coverage
126 and premium made by the producing agent who submits the
127 application to the corporation, made in the agent's capacity as
128 the corporation's agent. For purposes of comparing the premium
129 for comparable coverage under sub-subparagraphs a. and b.,
130 premium includes any surcharge or assessment that is actually
131 applied to such policy. A comparison may be made solely of the
132 premium with respect to the main building or structure only on
133 the following basis: the same coverage A or other building
134 limits; the same percentage hurricane deductible that applies on
135 an annual basis or that applies to each hurricane for commercial
136 residential property; the same percentage of ordinance and law

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137 coverage, if the same limit is offered by both the corporation
138 and the authorized insurer; the same mitigation credits, to the
139 extent the same types of credits are offered both by the
140 corporation and the authorized insurer; the same method for loss
141 payment, such as replacement cost or actual cash value, if the
142 same method is offered both by the corporation and the
143 authorized insurer in accordance with underwriting rules; and
144 any other form or coverage that is reasonably comparable as
145 determined by the board. If an application is submitted to the
146 corporation for wind-only coverage on a risk that is located in
147 an area eligible for coverage by the Florida Windstorm
148 Underwriting Association, as that area was defined on January 1,
149 2002 in the coastal account, the premium for the corporation's
150 wind-only policy plus the premium for the ex-wind policy that is
151 offered by an authorized insurer to the applicant must be
152 compared to the premium for multiperil coverage offered by an
153 authorized insurer, subject to the standards for comparison
154 specified in this subparagraph. If the corporation or the
155 applicant requests from the authorized insurer a breakdown of
156 the premium of the offer by types of coverage so that a
157 comparison may be made by the corporation or its agent and the
158 authorized insurer refuses or is unable to provide such
159 information, the corporation may treat the offer as not being an
160 offer of coverage from an authorized insurer at the insurer's
161 approved rate.

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162 6. Must include rules for classifications of risks and
163 rates.

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

165 a. For an account attributable to a particular calendar
166 year are in excess of projected losses and expenses for the
167 account attributable to that year, such excess shall be held in
168 surplus in the account. Such surplus must be available to defray
169 deficits in that account as to future years and used for that
170 purpose before assessing assessable insurers and assessable
171 insureds as to any calendar year; or

172 b. For the Citizens account, if established by the
173 corporation, which are attributable to a particular calendar
174 year are in excess of projected losses and expenses for the
175 Citizens account attributable to that year, such excess shall be
176 held in surplus in the Citizens account. Such surplus must be
177 available to defray deficits in the Citizens account as to
178 future years and used for that purpose before assessing
179 assessable insurers and assessable insureds as to any calendar
180 year.

181 8. Must provide objective criteria and procedures to be
182 uniformly applied to all applicants in determining whether an
183 individual risk is so hazardous as to be uninsurable. In making
184 this determination and in establishing the criteria and
185 procedures, the following must be considered:

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186 a. Whether the likelihood of a loss for the individual
187 risk is substantially higher than for other risks of the same
188 class; and

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

191
192 The acceptance or rejection of a risk by the corporation shall
193 be construed as the private placement of insurance, and the
194 provisions of chapter 120 do not apply.

195 9. Must provide that the corporation make its best efforts
196 to procure catastrophe reinsurance at reasonable rates, to cover
197 its projected 100-year probable maximum loss as determined by
198 the board of governors. If catastrophe reinsurance is not
199 available at reasonable rates, the corporation need not purchase
200 it, but the corporation shall include the costs of reinsurance
201 to cover its projected 100-year probable maximum loss in its
202 rate calculations even if it does not purchase catastrophe
203 reinsurance.

204 10. The policies issued by the corporation must provide
205 that if the corporation or the market assistance plan obtains an
206 offer from an authorized insurer to cover the risk at its
207 approved rates, the risk is no longer eligible for renewal
208 through the corporation, except as otherwise provided in this
209 subsection.

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210 11. Corporation policies and applications must include a
211 notice that the corporation policy could, under this section, be
212 replaced with a policy issued by an authorized insurer which
213 does not provide coverage identical to the coverage provided by
214 the corporation. The notice must also specify that acceptance of
215 corporation coverage creates a conclusive presumption that the
216 applicant or policyholder is aware of this potential.

217 12. May establish, subject to approval by the office,
218 different eligibility requirements and operational procedures
219 for any line or type of coverage for any specified county or
220 area if the board determines that such changes are justified due
221 to the voluntary market being sufficiently stable and
222 competitive in such area or for such line or type of coverage
223 and that consumers who, in good faith, are unable to obtain
224 insurance through the voluntary market through ordinary methods
225 continue to have access to coverage from the corporation. If
226 coverage is sought in connection with a real property transfer,
227 the requirements and procedures may not provide an effective
228 date of coverage later than the date of the closing of the
229 transfer as established by the transferor, the transferee, and,
230 if applicable, the lender.

231 13. Must provide that:7

232 a. With respect to the coastal account, any assessable
233 insurer with a surplus as to policyholders of \$25 million or
234 less writing 25 percent or more of its total countrywide

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235 property insurance premiums in this state may petition the
236 office, within the first 90 days of each calendar year, to
237 qualify as a limited apportionment company. A regular assessment
238 levied by the corporation on a limited apportionment company for
239 a deficit incurred by the corporation for the coastal account
240 may be paid to the corporation on a monthly basis as the
241 assessments are collected by the limited apportionment company
242 from its insureds, but a limited apportionment company must
243 begin collecting the regular assessments not later than 90 days
244 after the regular assessments are levied by the corporation, and
245 the regular assessments must be paid in full within 15 months
246 after being levied by the corporation. A limited apportionment
247 company shall collect from its policyholders any emergency
248 assessment imposed under sub-subparagraph (b) 3.e. ~~(b) 3.d.~~ The
249 plan must provide that, if the office determines that any
250 regular assessment will result in an impairment of the surplus
251 of a limited apportionment company, the office may direct that
252 all or part of such assessment be deferred as provided in
253 subparagraph (q)4. However, an emergency assessment to be
254 collected from policyholders under sub-subparagraph (b) 3.e.
255 ~~(b) 3.d.~~ may not be limited or deferred; or
256 b. With respect to the Citizens account, if established by
257 the corporation pursuant to sub-subparagraph (b) 2.b., any
258 assessable insurer with a surplus as to policyholders of \$25
259 million or less and writing 25 percent or more of its total

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260 countrywide property insurance premiums in this state may
261 petition the office, within the first 90 days of each calendar
262 year, to qualify as a limited apportionment company. A limited
263 apportionment company shall collect from its policyholders any
264 emergency assessment imposed under sub-subparagraph (b)5.c. An
265 emergency assessment to be collected from policyholders under
266 sub-subparagraph (b)5.c. may not be limited or deferred.

267 14. Must provide that the corporation appoint as its
268 licensed agents only those agents who throughout such
269 appointments also hold an appointment as defined in s. 626.015
270 by an insurer who is authorized to write and is actually writing
271 or renewing personal lines residential property coverage,
272 commercial residential property coverage, or commercial
273 nonresidential property coverage within the state.

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

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

281 17. Must provide coverage for manufactured or mobile home
282 dwellings. Such coverage must also include the following
283 attached structures:

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284 a. Screened enclosures that are aluminum framed or
285 screened enclosures that are not covered by the same or
286 substantially the same materials as those of the primary
287 dwelling;

288 b. Carports that are aluminum or carports that are not
289 covered by the same or substantially the same materials as those
290 of the primary dwelling; and

291 c. Patios that have a roof covering that is constructed of
292 materials that are not the same or substantially the same
293 materials as those of the primary dwelling.

294
295 The corporation shall make available a policy for mobile homes
296 or manufactured homes for a minimum insured value of at least
297 \$3,000.

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

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

303 20. Must provide that new or renewal policies issued by
304 the corporation on or after January 1, 2012, which cover
305 sinkhole loss do not include coverage for any loss to
306 appurtenant structures, driveways, sidewalks, decks, or patios
307 that are directly or indirectly caused by sinkhole activity. The
308 corporation shall exclude such coverage using a notice of

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309 coverage change, which may be included with the policy renewal,
310 and not by issuance of a notice of nonrenewal of the excluded
311 coverage upon renewal of the current policy.

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

317
318 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
319 AND ASSESSMENT LIABILITY:

320
321 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
322 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
323 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
324 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
325 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
326 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
327 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
328 LEGISLATURE.

329 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
330 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
331 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
332 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
333 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE

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334 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
335 ARE REGULATED AND APPROVED BY THE STATE.

336 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
337 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
338 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
339 FLORIDA LEGISLATURE.

340 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
341 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
342 STATE OF FLORIDA.

343
344 b. The corporation must require, if it has established the
345 Citizens account pursuant to sub-subparagraph (b)2.b., that the
346 agent obtain from an applicant for coverage from the corporation
347 the following acknowledgment signed by the applicant, which
348 includes, at a minimum, the following statement:

349
350 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
351 AND ASSESSMENT LIABILITY:

352
353 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
354 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
355 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
356 MY POLICY COULD BE SUBJECT TO SURCHARGES AND ASSESSMENTS, WHICH
357 WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR
358 TERMINATION OF THE POLICY, AND THAT THE SURCHARGES AND

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359 ASSESSMENTS COULD BE AS HIGH AS 25 PERCENT OF MY PREMIUM, OR A
360 DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.

361 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
362 SURCHARGE, WHICH COULD BE AS HIGH AS 15 PERCENT OF MY PREMIUM,
363 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
364 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
365 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
366 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
367 ARE REGULATED AND APPROVED BY THE STATE.

368 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
369 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
370 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
371 FLORIDA LEGISLATURE.

372 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
373 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
374 STATE OF FLORIDA.

375
376 ~~c.a.~~ The corporation shall maintain, in electronic format
377 or otherwise, a copy of the applicant's signed acknowledgment
378 and provide a copy of the statement to the policyholder as part
379 of the first renewal after the effective date of sub-
380 subparagraph a. or sub-subparagraph b., as applicable ~~this~~
381 ~~subparagraph.~~

382 ~~d.b.~~ The signed acknowledgment form creates a conclusive
383 presumption that the policyholder understood and accepted his or

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384 her potential surcharge and assessment liability as a
385 policyholder of the corporation.

386 (n)1. Rates for coverage provided by the corporation must
387 be actuarially sound pursuant ~~and subject~~ to s. 627.062 and not
388 competitive with approved rates charged in the admitted
389 voluntary market so that the corporation functions as a residual
390 market mechanism to provide insurance only when insurance cannot
391 be procured in the voluntary market, except as otherwise
392 provided in this paragraph. The office shall provide the
393 corporation such information as would be necessary to determine
394 whether rates are competitive. The corporation shall file its
395 recommended rates with the office at least annually. The
396 corporation shall provide any additional information regarding
397 the rates which the office requires. The office shall consider
398 the recommendations of the board and issue a final order
399 establishing the rates for the corporation within 45 days after
400 the recommended rates are filed. The corporation may not pursue
401 an administrative challenge or judicial review of the final
402 order of the office.

403 2. In addition to the rates otherwise determined pursuant
404 to this paragraph, the corporation shall impose and collect an
405 amount equal to the premium tax provided in s. 624.509 to
406 augment the financial resources of the corporation.

407 3. After the public hurricane loss-projection model under
408 s. 627.06281 has been found to be accurate and reliable by the

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409 Florida Commission on Hurricane Loss Projection Methodology, the
410 model shall be considered when establishing the windstorm
411 portion of the corporation's rates. The corporation may use the
412 public model results in combination with the results of private
413 models to calculate rates for the windstorm portion of the
414 corporation's rates. This subparagraph does not require or allow
415 the corporation to adopt rates lower than the rates otherwise
416 required or allowed by this paragraph.

417 4. The corporation must make a recommended actuarially
418 sound rate filing for each personal and commercial line of
419 business it writes.

420 5. Notwithstanding the board's recommended rates and the
421 office's final order regarding the corporation's filed rates
422 under subparagraph 1., the corporation shall annually implement
423 a rate increase which, except for sinkhole coverage, does not
424 exceed the following for any single policy issued by the
425 corporation, excluding coverage changes and surcharges:

426 a. ~~Eleven percent for 2022.~~

427 ~~b.~~ Twelve percent for 2023.

428 ~~b.e.~~ Thirteen percent for 2024.

429 ~~c.d.~~ Fourteen percent for 2025.

430 ~~d.e.~~ Fifteen percent for 2026 and all subsequent years.

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

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434 7. The corporation's implementation of rates as prescribed
435 in subparagraphs 5. and 8. subparagraph 5. shall cease for any
436 line of business written by the corporation upon the
437 corporation's implementation of actuarially sound rates.

438 Thereafter, the corporation shall annually make a recommended
439 actuarially sound rate filing that is not competitive with
440 approved rates in the admitted voluntary market for each
441 commercial and personal line of business the corporation writes.

442 8. For any new or renewal personal lines policy written on
443 or after November 1, 2023, which does not cover a primary
444 residence, the rate to be applied in calculating premium is not
445 subject to the rate increase limitations in subparagraph 5.
446 However, the policyholder may not be charged more than 50
447 percent above, and may not be charged less than, the established
448 rate for the corporation which was in effect 1 year before the
449 date of the application.

450 9. As used in this paragraph, the term "primary residence"
451 means the dwelling that is the policyholder's primary home or is
452 a rental property that is the primary home of the tenant, and
453 which the policyholder or tenant occupies for more than 9 months
454 of each year.

455 (o) If coverage in an account, or the Citizens account if
456 established by the corporation, is deactivated pursuant to
457 paragraph (p), coverage through the corporation shall be

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458 reactivated by order of the office only under one of the
459 following circumstances:

460 1. If the market assistance plan receives a minimum of 100
461 applications for coverage within a 3-month period, or 200
462 applications for coverage within a 1-year period or less for
463 residential coverage, unless the market assistance plan provides
464 a quotation from admitted carriers at their filed rates for at
465 least 90 percent of such applicants. Any market assistance plan
466 application that is rejected because an individual risk is so
467 hazardous as to be uninsurable using the criteria specified in
468 subparagraph (c)8. shall not be included in the minimum
469 percentage calculation provided herein. In the event that there
470 is a legal or administrative challenge to a determination by the
471 office that the conditions of this subparagraph have been met
472 for eligibility for coverage in the corporation, any eligible
473 risk may obtain coverage during the pendency of such challenge.

474 2. In response to a state of emergency declared by the
475 Governor under s. 252.36, the office may activate coverage by
476 order for the period of the emergency upon a finding by the
477 office that the emergency significantly affects the availability
478 of residential property insurance.

479 (p)1. The corporation shall file with the office quarterly
480 statements of financial condition, an annual statement of
481 financial condition, and audited financial statements in the
482 manner prescribed by law. In addition, the corporation shall

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483 report to the office monthly on the types, premium, exposure,
484 and distribution by county of its policies in force, and shall
485 submit other reports as the office requires to carry out its
486 oversight of the corporation.

487 2. The activities of the corporation shall be reviewed at
488 least annually by the office to determine whether coverage shall
489 be deactivated in an account, or in the Citizens account if
490 established by the corporation, on the basis that the conditions
491 giving rise to its activation no longer exist.

492 (q)1. The corporation shall certify to the office its
493 needs for annual assessments as to a particular calendar year,
494 and for any interim assessments that it deems to be necessary to
495 sustain operations as to a particular year pending the receipt
496 of annual assessments. Upon verification, the office shall
497 approve such certification, and the corporation shall levy such
498 annual or interim assessments. Such assessments shall be
499 prorated, if authority to levy exists, as provided in paragraph

500 (b). The corporation shall take all reasonable and prudent steps
501 necessary to collect the amount of assessments due from each
502 assessable insurer, including, if prudent, filing suit to
503 collect the assessments, and the office may provide such
504 assistance to the corporation it deems appropriate. If the
505 corporation is unable to collect an assessment from any
506 assessable insurer, the uncollected assessments shall be levied
507 as an additional assessment against the assessable insurers and

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508 any assessable insurer required to pay an additional assessment
509 as a result of such failure to pay shall have a cause of action
510 against such nonpaying assessable insurer. Assessments shall be
511 included as an appropriate factor in the making of rates. The
512 failure of a surplus lines agent to collect and remit any
513 regular or emergency assessment levied by the corporation is
514 considered to be a violation of s. 626.936 and subjects the
515 surplus lines agent to the penalties provided in that section.

516 2. The governing body of any unit of local government, any
517 residents of which are insured by the corporation, may issue
518 bonds as defined in s. 125.013 or s. 166.101 from time to time
519 to fund an assistance program, in conjunction with the
520 corporation, for the purpose of defraying deficits of the
521 corporation. In order to avoid needless and indiscriminate
522 proliferation, duplication, and fragmentation of such assistance
523 programs, any unit of local government, any residents of which
524 are insured by the corporation, may provide for the payment of
525 losses, regardless of whether or not the losses occurred within
526 or outside of the territorial jurisdiction of the local
527 government. Revenue bonds under this subparagraph may not be
528 issued until validated pursuant to chapter 75, unless a state of
529 emergency is declared by executive order or proclamation of the
530 Governor pursuant to s. 252.36 making such findings as are
531 necessary to determine that it is in the best interests of, and
532 necessary for, the protection of the public health, safety, and

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533 general welfare of residents of this state and declaring it an
534 essential public purpose to permit certain municipalities or
535 counties to issue such bonds as will permit relief to claimants
536 and policyholders of the corporation. Any such unit of local
537 government may enter into such contracts with the corporation
538 and with any other entity created pursuant to this subsection as
539 are necessary to carry out this paragraph. Any bonds issued
540 under this subparagraph shall be payable from and secured by
541 moneys received by the corporation from emergency assessments
542 under sub-subparagraph (b)3.e. ~~(b)3.d.~~, and assigned and pledged
543 to or on behalf of the unit of local government for the benefit
544 of the holders of such bonds. The funds, credit, property, and
545 taxing power of the state or of the unit of local government
546 shall not be pledged for the payment of such bonds.

547 3.a. The corporation shall adopt one or more programs
548 subject to approval by the office for the reduction of both new
549 and renewal writings in the corporation. Beginning January 1,
550 2008, any program the corporation adopts for the payment of
551 bonuses to an insurer for each risk the insurer removes from the
552 corporation shall comply with s. 627.3511(2) and may not exceed
553 the amount referenced in s. 627.3511(2) for each risk removed.
554 The corporation may consider any prudent and not unfairly
555 discriminatory approach to reducing corporation writings, and
556 may adopt a credit against assessment liability or other
557 liability that provides an incentive for insurers to take risks

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558 out of the corporation and to keep risks out of the corporation
559 by maintaining or increasing voluntary writings in counties or
560 areas in which corporation risks are highly concentrated and a
561 program to provide a formula under which an insurer voluntarily
562 taking risks out of the corporation by maintaining or increasing
563 voluntary writings will be relieved wholly or partially from
564 assessments under sub-subparagraph (b)3.a. However, any "take-
565 out bonus" or payment to an insurer must be conditioned on the
566 property being insured for at least 5 years by the insurer,
567 unless canceled or nonrenewed by the policyholder. If the policy
568 is canceled or nonrenewed by the policyholder before the end of
569 the 5-year period, the amount of the take-out bonus must be
570 prorated for the time period the policy was insured. When the
571 corporation enters into a contractual agreement for a take-out
572 plan, the producing agent of record of the corporation policy is
573 entitled to retain any unearned commission on such policy, and
574 the insurer shall either:

575 (I) Pay to the producing agent of record of the policy,
576 for the first year, an amount which is the greater of the
577 insurer's usual and customary commission for the type of policy
578 written or a policy fee equal to the usual and customary
579 commission of the corporation; or

580 (II) Offer to allow the producing agent of record of the
581 policy to continue servicing the policy for a period of not less
582 than 1 year and offer to pay the agent the insurer's usual and

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583 customary commission for the type of policy written. If the
584 producing agent is unwilling or unable to accept appointment by
585 the new insurer, the new insurer shall pay the agent in
586 accordance with sub-sub-subparagraph (I).

587 b. Any credit or exemption from regular assessments
588 adopted under this subparagraph shall last no longer than the 3
589 years following the cancellation or expiration of the policy by
590 the corporation. With the approval of the office, the board may
591 extend such credits for an additional year if the insurer
592 guarantees an additional year of renewability for all policies
593 removed from the corporation, or for 2 additional years if the
594 insurer guarantees 2 additional years of renewability for all
595 policies so removed.

596 c. There shall be no credit, limitation, exemption, or
597 deferment from emergency assessments to be collected from
598 policyholders pursuant to sub-subparagraph (b)3.e. or sub-
599 subparagraph (b)5.c. ~~(b)3.d.~~

600 4. The plan shall provide for the deferment, in whole or
601 in part, of the assessment of an assessable insurer, other than
602 an emergency assessment collected from policyholders pursuant to
603 sub-subparagraph (b)3.e. or sub-subparagraph (b)5.c. ~~(b)3.d.~~, if
604 the office finds that payment of the assessment would endanger
605 or impair the solvency of the insurer. In the event an
606 assessment against an assessable insurer is deferred in whole or
607 in part, the amount by which such assessment is deferred may be

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608 assessed against the other assessable insurers in a manner
609 consistent with the basis for assessments set forth in paragraph
610 (b).

611 5. Effective July 1, 2007, in order to evaluate the costs
612 and benefits of approved take-out plans, if the corporation pays
613 a bonus or other payment to an insurer for an approved take-out
614 plan, it shall maintain a record of the address or such other
615 identifying information on the property or risk removed in order
616 to track if and when the property or risk is later insured by
617 the corporation.

618 6. Any policy taken out, assumed, or removed from the
619 corporation is, as of the effective date of the take-out,
620 assumption, or removal, direct insurance issued by the insurer
621 and not by the corporation, even if the corporation continues to
622 service the policies. This subparagraph applies to policies of
623 the corporation and not policies taken out, assumed, or removed
624 from any other entity.

625 7. For a policy taken out, assumed, or removed from the
626 corporation, the insurer may, for a period of no more than 3
627 years, continue to use any of the corporation's policy forms or
628 endorsements that apply to the policy taken out, removed, or
629 assumed without obtaining approval from the office for use of
630 such policy form or endorsement.

631 (v)1. Effective July 1, 2002, policies of the Residential
632 Property and Casualty Joint Underwriting Association become

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633 policies of the corporation. All obligations, rights, assets and
634 liabilities of the association, including bonds, note and debt
635 obligations, and the financing documents pertaining to them
636 become those of the corporation as of July 1, 2002. The
637 corporation is not required to issue endorsements or
638 certificates of assumption to insureds during the remaining term
639 of in-force transferred policies.

640 2. Effective July 1, 2002, policies of the Florida
641 Windstorm Underwriting Association are transferred to the
642 corporation and become policies of the corporation. All
643 obligations, rights, assets, and liabilities of the association,
644 including bonds, note and debt obligations, and the financing
645 documents pertaining to them are transferred to and assumed by
646 the corporation on July 1, 2002. The corporation is not required
647 to issue endorsements or certificates of assumption to insureds
648 during the remaining term of in-force transferred policies.

649 3. The Florida Windstorm Underwriting Association and the
650 Residential Property and Casualty Joint Underwriting Association
651 shall take all actions necessary to further evidence the
652 transfers and provide the documents and instruments of further
653 assurance as may reasonably be requested by the corporation for
654 that purpose. The corporation shall execute assumptions and
655 instruments as the trustees or other parties to the financing
656 documents of the Florida Windstorm Underwriting Association or
657 the Residential Property and Casualty Joint Underwriting

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658 Association may reasonably request to further evidence the
659 transfers and assumptions, which transfers and assumptions,
660 however, are effective on the date provided under this paragraph
661 whether or not, and regardless of the date on which, the
662 assumptions or instruments are executed by the corporation.
663 Subject to the relevant financing documents pertaining to their
664 outstanding bonds, notes, indebtedness, or other financing
665 obligations, the moneys, investments, receivables, choses in
666 action, and other intangibles of the Florida Windstorm
667 Underwriting Association shall be credited to the coastal
668 account of the corporation, and those of the personal lines
669 residential coverage account and the commercial lines
670 residential coverage account of the Residential Property and
671 Casualty Joint Underwriting Association shall be credited to the
672 personal lines account and the commercial lines account,
673 respectively, of the corporation.

674 4. Effective July 1, 2002, a new applicant for property
675 insurance coverage who would otherwise have been eligible for
676 coverage in the Florida Windstorm Underwriting Association is
677 eligible for coverage from the corporation as provided in this
678 subsection.

679 5. The transfer of all policies, obligations, rights,
680 assets, and liabilities from the Florida Windstorm Underwriting
681 Association to the corporation and the renaming of the
682 Residential Property and Casualty Joint Underwriting Association

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683 as the corporation does not affect the coverage with respect to
684 covered policies as defined in s. 215.555(2)(c) provided to
685 these entities by the Florida Hurricane Catastrophe Fund. The
686 coverage provided by the fund to the Florida Windstorm
687 Underwriting Association based on its exposures as of June 30,
688 2002, and each June 30 thereafter, unless the corporation has
689 established the Citizens account, shall be redesignated as
690 coverage for the coastal account of the corporation.
691 Notwithstanding any other provision of law, the coverage
692 provided by the fund to the Residential Property and Casualty
693 Joint Underwriting Association based on its exposures as of June
694 30, 2002, and each June 30 thereafter, unless the corporation
695 has established the Citizens account, shall be transferred to
696 the personal lines account and the commercial lines account of
697 the corporation. Notwithstanding any other provision of law, the
698 coastal account, unless the corporation has established the
699 Citizens account, shall be treated, for all Florida Hurricane
700 Catastrophe Fund purposes, as if it were a separate
701 participating insurer with its own exposures, reimbursement
702 premium, and loss reimbursement. Likewise, the personal lines
703 and commercial lines accounts, unless the corporation has
704 established the Citizens account, shall be viewed together, for
705 all fund purposes, as if the two accounts were one and represent
706 a single, separate participating insurer with its own exposures,
707 reimbursement premium, and loss reimbursement. The coverage

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708 provided by the fund to the corporation shall constitute and
709 operate as a full transfer of coverage from the Florida
710 Windstorm Underwriting Association and Residential Property and
711 Casualty Joint Underwriting Association to the corporation.

712 (w) Notwithstanding any other provision of law:

713 1. The pledge or sale of, the lien upon, and the security
714 interest in any rights, revenues, or other assets of the
715 corporation created or purported to be created pursuant to any
716 financing documents to secure any bonds or other indebtedness of
717 the corporation shall be and remain valid and enforceable,
718 notwithstanding the commencement of and during the continuation
719 of, and after, any rehabilitation, insolvency, liquidation,
720 bankruptcy, receivership, conservatorship, reorganization, or
721 similar proceeding against the corporation under the laws of
722 this state.

723 2. The proceeding does not relieve the corporation of its
724 obligation, or otherwise affect its ability to perform its
725 obligation, to continue to collect, or levy and collect,
726 assessments, policyholder surcharges or other surcharges under
727 sub-subparagraph (b) 3. j. ~~(b) 3. i.~~, or any other rights, revenues,
728 or other assets of the corporation pledged pursuant to any
729 financing documents.

730 3. Each such pledge or sale of, lien upon, and security
731 interest in, including the priority of such pledge, lien, or
732 security interest, any such assessments, policyholder surcharges

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733 or other surcharges, or other rights, revenues, or other assets
734 which are collected, or levied and collected, after the
735 commencement of and during the pendency of, or after, any such
736 proceeding shall continue unaffected by such proceeding. As used
737 in this subsection, the term "financing documents" means any
738 agreement or agreements, instrument or instruments, or other
739 document or documents now existing or hereafter created
740 evidencing any bonds or other indebtedness of the corporation or
741 pursuant to which any such bonds or other indebtedness has been
742 or may be issued and pursuant to which any rights, revenues, or
743 other assets of the corporation are pledged or sold to secure
744 the repayment of such bonds or indebtedness, together with the
745 payment of interest on such bonds or such indebtedness, or the
746 payment of any other obligation or financial product, as defined
747 in the plan of operation of the corporation related to such
748 bonds or indebtedness.

749 4. Any such pledge or sale of assessments, revenues,
750 contract rights, or other rights or assets of the corporation
751 shall constitute a lien and security interest, or sale, as the
752 case may be, that is immediately effective and attaches to such
753 assessments, revenues, or contract rights or other rights or
754 assets, whether or not imposed or collected at the time the
755 pledge or sale is made. Any such pledge or sale is effective,
756 valid, binding, and enforceable against the corporation or other
757 entity making such pledge or sale, and valid and binding against

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758 and superior to any competing claims or obligations owed to any
759 other person or entity, including policyholders in this state,
760 asserting rights in any such assessments, revenues, or contract
761 rights or other rights or assets to the extent set forth in and
762 in accordance with the terms of the pledge or sale contained in
763 the applicable financing documents, whether or not any such
764 person or entity has notice of such pledge or sale and without
765 the need for any physical delivery, recordation, filing, or
766 other action.

767 5. As long as the corporation has any bonds outstanding,
768 the corporation may not file a voluntary petition under chapter
769 9 of the federal Bankruptcy Code or such corresponding chapter
770 or sections as may be in effect, from time to time, and a public
771 officer or any organization, entity, or other person may not
772 authorize the corporation to be or become a debtor under chapter
773 9 of the federal Bankruptcy Code or such corresponding chapter
774 or sections as may be in effect, from time to time, during any
775 such period.

776 6. If ordered by a court of competent jurisdiction, the
777 corporation may assume policies or otherwise provide coverage
778 for policyholders of an insurer placed in liquidation under
779 chapter 631, under such forms, rates, terms, and conditions as
780 the corporation deems appropriate, subject to approval by the
781 office.

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782 (aa) Except as otherwise provided in this paragraph, the
783 corporation shall not require the securing and maintaining of
784 flood insurance as a condition of coverage of a personal lines
785 residential risk. if The insured or applicant must execute
786 ~~executes~~ a form approved by the office affirming that flood
787 insurance is not provided by the corporation and that if flood
788 insurance is not secured by the applicant or insured from an
789 insurer other than the corporation and in addition to coverage
790 by the corporation, the risk will not be eligible for coverage
791 by the corporation covered for flood damage. A corporation
792 ~~policyholder electing not to secure flood insurance and~~
793 ~~executing a form as provided herein making a claim for water~~
794 ~~damage against the corporation shall have the burden of proving~~
795 ~~the damage was not caused by flooding. Notwithstanding other~~
796 ~~provisions of this subsection,~~ The corporation may deny coverage
797 of a personal lines residential risk to an applicant or insured
798 who refuses to secure and maintain flood insurance ~~execute the~~
799 ~~form described herein. The requirement to purchase flood~~
800 insurance shall be implemented as follows:

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

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

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

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

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

812 2. All personal lines residential policyholders whose
813 property insured by the corporation is located within the
814 special flood hazard area defined by the Federal Emergency
815 Management Agency must have flood coverage in place:

816 a. At the time of initial policy issuance for all new
817 personal lines residential policies issued by the corporation on
818 or after April 1, 2023.

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

821 3. Policyholders whose policies issued by the corporation
822 do not provide coverage for the peril of wind are not required
823 to purchase flood insurance as a condition for maintaining their
824 policies with the corporation.

825
826 The flood insurance required under this paragraph must meet, at
827 a minimum, the coverage available from the National Flood
828 Insurance Program or the requirements of subparagraphs s.
829 627.715(1) (a)1., 2., and 3.

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

836 1. The corporation must publish a periodic schedule of
 837 cycles during which an insurer may identify, and notify the
 838 corporation of, policies that the insurer is requesting to take
 839 out. A request must include a description of the coverage
 840 offered and an estimated premium and must be submitted to the
 841 corporation in a form and manner prescribed by the corporation.

842 2. The corporation must maintain and make available to the
 843 agent of record a consolidated list of all insurers requesting
 844 to take out a policy. The list must include a description of the
 845 coverage offered and the estimated premium for each take-out
 846 request.

847 3. The corporation must provide written notice to the
 848

849 -----

850 **T I T L E A M E N D M E N T**

851 Remove lines 60-63 and insert:
 852 for the corporation's plan of operation; providing

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