

Amendment No.

CHAMBER ACTION

Senate

House

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Representative Bartleman offered the following:

Amendment (with title amendment)

Between lines 1531 and 1532, insert:

Section 22. Paragraph (a) of subsection (6) of section 627.351, Florida Statutes, is amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(a) The public purpose of this subsection is to ensure that there is an orderly market for property insurance for residents and businesses of this state.

1. The Legislature finds that private insurers are unwilling or unable to provide affordable property insurance

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14 coverage in this state to the extent sought and needed. The
15 absence of affordable property insurance threatens the public
16 health, safety, and welfare and likewise threatens the economic
17 health of the state. The state therefore has a compelling public
18 interest and a public purpose to assist in assuring that
19 property in the state is insured and that it is insured at
20 affordable rates so as to facilitate the remediation,
21 reconstruction, and replacement of damaged or destroyed property
22 in order to reduce or avoid the negative effects otherwise
23 resulting to the public health, safety, and welfare, to the
24 economy of the state, and to the revenues of the state and local
25 governments which are needed to provide for the public welfare.
26 It is necessary, therefore, to provide affordable property
27 insurance to applicants who are in good faith entitled to
28 procure insurance through the voluntary market but are unable to
29 do so. The Legislature intends, therefore, that affordable
30 property insurance be provided and that it continue to be
31 provided, as long as necessary, through Citizens Property
32 Insurance Corporation, a government entity that is an integral
33 part of the state, and that is not a private insurance company.
34 To that end, the corporation shall strive to increase the
35 availability of affordable property insurance in this state,
36 while achieving efficiencies and economies, and while providing
37 service to policyholders, applicants, and agents which is no
38 less than the quality generally provided in the voluntary

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39 market, for the achievement of the foregoing public purposes.
40 Because it is essential for this government entity to have the
41 maximum financial resources to pay claims following a
42 catastrophic hurricane, it is the intent of the Legislature that
43 the corporation continue to be an integral part of the state and
44 that the income of the corporation be exempt from federal income
45 taxation and that interest on the debt obligations issued by the
46 corporation be exempt from federal income taxation.

47 2. The Residential Property and Casualty Joint
48 Underwriting Association originally created by this statute
49 shall be known as the Citizens Property Insurance Corporation.
50 The corporation shall provide insurance for residential and
51 commercial property, for applicants who are entitled, but, in
52 good faith, are unable to procure insurance through the
53 voluntary market. The corporation shall operate pursuant to a
54 plan of operation approved by order of the Financial Services
55 Commission. The plan is subject to continuous review by the
56 commission. The commission may, by order, withdraw approval of
57 all or part of a plan if the commission determines that
58 conditions have changed since approval was granted and that the
59 purposes of the plan require changes in the plan. For the
60 purposes of this subsection, residential coverage includes both
61 personal lines residential coverage, which consists of the type
62 of coverage provided by homeowner, mobile home owner, dwelling,
63 tenant, condominium unit owner, and similar policies; and

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64 commercial lines residential coverage, which consists of the
65 type of coverage provided by condominium association, apartment
66 building, and similar policies.

67 3. With respect to coverage for personal lines residential
68 structures:

69 a. Effective January 1, 2014, a structure that has a
70 dwelling replacement cost of \$1 million or more, or a single
71 condominium unit that has a combined dwelling and contents
72 replacement cost of \$1 million or more, is not eligible for
73 coverage by the corporation. Such dwellings insured by the
74 corporation on December 31, 2013, may continue to be covered by
75 the corporation until the end of the policy term. The office
76 shall approve the method used by the corporation for valuing the
77 dwelling replacement cost for the purposes of this subparagraph.
78 If a policyholder is insured by the corporation before being
79 determined to be ineligible pursuant to this subparagraph and
80 such policyholder files a lawsuit challenging the determination,
81 the policyholder may remain insured by the corporation until the
82 conclusion of the litigation.

83 b. Effective January 1, 2015, a structure that has a
84 dwelling replacement cost of \$900,000 or more, or a single
85 condominium unit that has a combined dwelling and contents
86 replacement cost of \$900,000 or more, is not eligible for
87 coverage by the corporation. Such dwellings insured by the

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88 corporation on December 31, 2014, may continue to be covered by
89 the corporation only until the end of the policy term.

90 c. Effective January 1, 2016, a structure that has a
91 dwelling replacement cost of \$800,000 or more, or a single
92 condominium unit that has a combined dwelling and contents
93 replacement cost of \$800,000 or more, is not eligible for
94 coverage by the corporation. Such dwellings insured by the
95 corporation on December 31, 2015, may continue to be covered by
96 the corporation until the end of the policy term.

97 d. Effective January 1, 2017, a structure that has a
98 dwelling replacement cost of \$700,000 or more, or a single
99 condominium unit that has a combined dwelling and contents
100 replacement cost of \$700,000 or more, is not eligible for
101 coverage by the corporation. Such dwellings insured by the
102 corporation on December 31, 2016, may continue to be covered by
103 the corporation until the end of the policy term.

104
105 The requirements of sub-subparagraphs b.-d. do not apply in
106 counties having a population of more than 1 million where the
107 office determines, after having conducted a study on the current
108 insurance market in each such county and the adjoining counties,
109 that there is not a reasonable degree of competition in the
110 studied counties. In such counties, a personal lines residential
111 structure that has a dwelling replacement cost of less than \$1
112 million, or a single condominium unit that has a combined

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113 dwelling and contents replacement cost of less than \$1 million,
114 is eligible for coverage by the corporation. The office shall
115 submit a report of its findings of each such county to the
116 Governor, the Chief Financial Officer, the President of the
117 Senate, and the Speaker of the House of Representatives within
118 90 days after the commencement of the study.

119 4. It is the intent of the Legislature that policyholders,
120 applicants, and agents of the corporation receive service and
121 treatment of the highest possible level but never less than that
122 generally provided in the voluntary market. It is also intended
123 that the corporation be held to service standards no less than
124 those applied to insurers in the voluntary market by the office
125 with respect to responsiveness, timeliness, customer courtesy,
126 and overall dealings with policyholders, applicants, or agents
127 of the corporation.

128 5.a. Effective January 1, 2009, a personal lines
129 residential structure that is located in the "wind-borne debris
130 region," as defined in s. 1609.2, International Building Code
131 (2006), and that has an insured value on the structure of
132 \$750,000 or more is not eligible for coverage by the corporation
133 unless the structure has opening protections as required under
134 the Florida Building Code for a newly constructed residential
135 structure in that area. A residential structure is deemed to
136 comply with this sub-subparagraph if it has shutters or opening
137 protections on all openings and if such opening protections

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138 complied with the Florida Building Code at the time they were
139 installed.

140 b. Any major structure, as defined in s. 161.54(6)(a),
141 that is newly constructed, or rebuilt, repaired, restored, or
142 remodeled to increase the total square footage of finished area
143 by more than 25 percent, pursuant to a permit applied for after
144 July 1, 2015, is not eligible for coverage by the corporation if
145 the structure is seaward of the coastal construction control
146 line established pursuant to s. 161.053 or is within the Coastal
147 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
148 3510.

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

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

157 Between lines 164 and 165, insert:
158 amending s. 627.351, F.S.; providing nonapplicability
159 of specified replacement cost thresholds for coverage
160 by Citizens Property Insurance Corporation to
161 specified counties under certain circumstances;

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162 | requiring specified studies for such counties;
163 | providing reporting requirements;

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