

Amendment No.

CHAMBER ACTION

Senate

House

.

1 Representative Bartleman offered the following:

2
3 **Amendment (with title amendment)**

4 Between lines 712 and 713, insert:

5 Section 12. Effective July 1, 2022 ,paragraph (a) of
6 subsection (6) of section 627.351, Florida Statutes, is amended
7 to read:

8 627.351 Insurance risk apportionment plans.—

9 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

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13 1. The Legislature finds that private insurers are
14 unwilling or unable to provide affordable property insurance
15 coverage in this state to the extent sought and needed. The
16 absence of affordable property insurance threatens the public
17 health, safety, and welfare and likewise threatens the economic
18 health of the state. The state therefore has a compelling public
19 interest and a public purpose to assist in assuring that
20 property in the state is insured and that it is insured at
21 affordable rates so as to facilitate the remediation,
22 reconstruction, and replacement of damaged or destroyed property
23 in order to reduce or avoid the negative effects otherwise
24 resulting to the public health, safety, and welfare, to the
25 economy of the state, and to the revenues of the state and local
26 governments which are needed to provide for the public welfare.
27 It is necessary, therefore, to provide affordable property
28 insurance to applicants who are in good faith entitled to
29 procure insurance through the voluntary market but are unable to
30 do so. The Legislature intends, therefore, that affordable
31 property insurance be provided and that it continue to be
32 provided, as long as necessary, through Citizens Property
33 Insurance Corporation, a government entity that is an integral
34 part of the state, and that is not a private insurance company.
35 To that end, the corporation shall strive to increase the
36 availability of affordable property insurance in this state,
37 while achieving efficiencies and economies, and while providing

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38 service to policyholders, applicants, and agents which is no
39 less than the quality generally provided in the voluntary
40 market, for the achievement of the foregoing public purposes.
41 Because it is essential for this government entity to have the
42 maximum financial resources to pay claims following a
43 catastrophic hurricane, it is the intent of the Legislature that
44 the corporation continue to be an integral part of the state and
45 that the income of the corporation be exempt from federal income
46 taxation and that interest on the debt obligations issued by the
47 corporation be exempt from federal income taxation.

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

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63 of coverage provided by homeowner, mobile home owner, dwelling,
64 tenant, condominium unit owner, and similar policies; and
65 commercial lines residential coverage, which consists of the
66 type of coverage provided by condominium association, apartment
67 building, and similar policies.

68 3. With respect to coverage for personal lines residential
69 structures, effective January 1, 2023, 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.÷

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

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88 ~~b. Effective January 1, 2015, a structure that has a~~
89 ~~dwelling replacement cost of \$900,000 or more, or a single~~
90 ~~condominium unit that has a combined dwelling and contents~~
91 ~~replacement cost of \$900,000 or more, is not eligible for~~
92 ~~coverage by the corporation. Such dwellings insured by the~~
93 ~~corporation on December 31, 2014, may continue to be covered by~~
94 ~~the corporation only until the end of the policy term.~~

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

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

109
110 ~~The requirements of sub-subparagraphs b.-d. do not apply in~~
111 ~~counties where the office determines there is not a reasonable~~
112 ~~degree of competition. In such counties a personal lines~~

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113 ~~residential structure that has a dwelling replacement cost of~~
114 ~~less than \$1 million, or a single condominium unit that has a~~
115 ~~combined dwelling and contents replacement cost of less than \$1-~~
116 ~~million, is eligible for coverage by the corporation.~~

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

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

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

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

152
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154 **T I T L E A M E N D M E N T**

155 Between lines 90 and 91, insert:
 156 627.351, F.S.; increasing the replacement cost limit
 157 to be eligible for coverage by the Citizens Property
 158 Insurance Corporation; deleting obsolete language;
 159 amending s.

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