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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/31/2023	.	
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The Committee on Community Affairs (Martin) recommended the following:

Senate Amendment (with directory and title amendments)

Delete line 37

and insert:

Section 2. Paragraphs (n) and (aa) of subsection (6) of section 627.351, Florida Statutes, are amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(n)1. Rates for coverage provided by the corporation must be actuarially sound pursuant to s. 627.062 and not competitive



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11 with approved rates charged in the admitted voluntary market so
12 that the corporation functions as a residual market mechanism to
13 provide insurance only when insurance cannot be procured in the
14 voluntary market, except as otherwise provided in this
15 paragraph. The office shall provide the corporation such
16 information as would be necessary to determine whether rates are
17 competitive. The corporation shall file its recommended rates
18 with the office at least annually. The corporation shall provide
19 any additional information regarding the rates which the office
20 requires. The office shall consider the recommendations of the
21 board and issue a final order establishing the rates for the
22 corporation within 45 days after the recommended rates are
23 filed. The corporation may not pursue an administrative
24 challenge or judicial review of the final order of the office.

25 2. In addition to the rates otherwise determined pursuant
26 to this paragraph, the corporation shall impose and collect an
27 amount equal to the premium tax provided in s. 624.509 to
28 augment the financial resources of the corporation.

29 3. After the public hurricane loss-projection model under
30 s. 627.06281 has been found to be accurate and reliable by the
31 Florida Commission on Hurricane Loss Projection Methodology, the
32 model shall be considered when establishing the windstorm
33 portion of the corporation's rates. The corporation may use the
34 public model results in combination with the results of private
35 models to calculate rates for the windstorm portion of the
36 corporation's rates. This subparagraph does not require or allow
37 the corporation to adopt rates lower than the rates otherwise
38 required or allowed by this paragraph.

39 4. The corporation must make a recommended actuarially



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40 sound rate filing for each personal and commercial line of
41 business it writes.

42 5. Notwithstanding the board's recommended rates and the
43 office's final order regarding the corporation's filed rates
44 under subparagraph 1., the corporation shall annually implement
45 a rate increase which, except for sinkhole coverage, does not
46 exceed the following for any single policy issued by the
47 corporation, excluding coverage changes and surcharges:

- 48 a. Twelve percent for 2023.
- 49 b. Thirteen percent for 2024.
- 50 c. Fourteen percent for 2025.
- 51 d. Fifteen percent for 2026 and all subsequent years.

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

55 7. The corporation's implementation of rates as prescribed
56 in subparagraphs 5. and 8. shall cease for any line of business
57 written by the corporation upon the corporation's implementation
58 of actuarially sound rates. Thereafter, the corporation shall
59 annually make a recommended actuarially sound rate filing that
60 is not competitive with approved rates in the admitted voluntary
61 market for each commercial and personal line of business the
62 corporation writes.

63 8. The following ~~For any~~ new or renewal personal lines
64 policies ~~policy~~ written on or after November 1, 2023, are ~~which~~
65 ~~does not cover a primary residence, the rate to be applied in~~
66 ~~calculating premium is~~ not subject to the rate increase
67 limitations in subparagraph 5., but ~~However, the policyholder~~
68 may not be charged more than 50 percent above, and may not be



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69 charged less than, the established rate for the corporation
70 which was in effect 1 year before the date of the application:
71 a. Policies that do not cover a primary residence; or
72 b. Policies where coverage for the insured risk, prior to
73 the date of application with the corporation, was last provided
74 by an insurer determined by the office to be unsound or an
75 insurer placed in receivership under chapter 631.

76 9. As used in this paragraph, the term "primary residence"
77 means the dwelling that is the policyholder's primary home or is
78 a rental property that is the primary home of the tenant, and
79 which the policyholder or tenant occupies for more than 9 months
80 of each year.

81 (aa) Except as otherwise provided in this paragraph, the
82 corporation shall require the securing and maintaining of flood
83 insurance as a condition of coverage of a personal lines
84 residential risk. The insured or applicant must execute a form
85 approved by the office affirming that flood insurance is not
86 provided by the corporation and that if flood insurance is not
87 secured by the applicant or insured from an insurer other than
88 the corporation and in addition to coverage by the corporation,
89 the risk will not be eligible for coverage by the corporation.
90 The corporation may deny coverage of a personal lines
91 residential risk to an applicant or insured who refuses to
92 secure and maintain flood insurance. The requirement to purchase
93 flood insurance shall be implemented as follows:

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

97 a. January 1, 2024, for a structure that has a dwelling



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98 replacement cost of property valued at \$600,000 or more.

99 b. January 1, 2025, for a structure that has a dwelling
100 replacement cost of property valued at \$500,000 or more.

101 c. January 1, 2026, for a structure that has a dwelling
102 replacement cost of property valued at \$400,000 or more.

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

105 2. All personal lines residential policyholders whose
106 property insured by the corporation is located within the
107 special flood hazard area defined by the Federal Emergency
108 Management Agency must have flood coverage in place:

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

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

114 3. Policyholders ~~whose policies issued by the corporation~~
115 ~~do not provide coverage for the peril of wind~~ are not required
116 to purchase flood insurance as a condition for maintaining the
117 following their policies issued by with the corporation:

118 a. Policies that do not provide coverage for the peril of
119 wind.

120 b. Policies that provide coverage under a condominium unit
121 owners form.

122

123 The flood insurance required under this paragraph must meet, at
124 a minimum, the coverage available from the National Flood
125 Insurance Program or the requirements of subparagraphs s.
126 627.715(1)(a)1., 2., and 3.



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127 Section 3. Except as otherwise expressly provided in this
128 act, this act shall take effect upon becoming a law.

129
130 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

131 And the directory clause is amended as follows:

132 Delete line 12

133 and insert:

134 Section 1. Effective July 1, 2023, subsection (1) of
135 section 627.0629, Florida

136
137 ===== T I T L E A M E N D M E N T =====

138 And the title is amended as follows:

139 Delete lines 2 - 8

140 and insert:

141 An act relating to property insurance; amending s.
142 627.0629, F.S.; adding wind uplift prevention to a
143 list of fixtures or construction techniques for which
144 a residential property insurance rate filing must
145 include actuarially reasonable rate differentials or
146 appropriate deductible reductions; amending s.
147 627.351, F.S.; revising rate change limitations for
148 specified policies written by the Citizens Property
149 Insurance Corporation; revising the applicability of
150 flood coverage requirements for personal lines
151 residential policyholders of the corporation;
152 providing effective dates.