

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

1 Committee/Subcommittee hearing bill: Commerce Committee
 2 Representative Stevenson offered the following:

Amendment (with title amendment)

Remove lines 175-1255 and insert:

6 (10) (a) By January 1, 2025, and by the first of each month
 7 thereafter, each insurer or insurer group doing business in this
 8 state shall file on a monthly ~~quarterly~~ basis ~~in conjunction~~
 9 ~~with financial reports required by paragraph (1) (a)~~ a
 10 supplemental report on an individual and group basis on a form
 11 prescribed by the commission with information on personal lines
 12 and commercial lines residential property insurance policies in
 13 this state. The supplemental report must ~~shall~~ include separate
 14 information for personal lines property policies and for
 15 commercial lines property policies and totals for each item
 16 specified, including premiums written for each of the property

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17 lines of business as described in ss. 215.555(2) (c) and
18 627.351(6) (a). The report must ~~shall~~ include the following
19 information for each zip code county ~~on a monthly basis~~:

- 20 1. Total number of policies in force at the end of each
21 month.
- 22 2. Total number of policies canceled.
- 23 3. Total number of policies nonrenewed.
- 24 4. Number of policies canceled due to hurricane risk.
- 25 5. Number of policies nonrenewed due to hurricane risk.
- 26 6. Number of new policies written.
- 27 7. Total dollar value of structure exposure under policies
28 that include wind coverage.
- 29 8. Number of policies that exclude wind coverage.
- 30 9. Number of claims open each month.
- 31 10. Number of claims closed each month.
- 32 11. Number of claims pending each month.
- 33 12. Number of claims in which either the insurer or
34 insured invoked any form of alternative dispute resolution, and
35 specifying which form of alternative dispute resolution was
36 used.

37 Section 3. Section 624.4305, Florida Statutes, is amended
38 to read:

39 624.4305 Nonrenewal of residential property insurance
40 policies.—Any insurer planning to nonrenew more than 10,000
41 residential property insurance policies in this state within a

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42 12-month period shall give notice in writing to the Office of
43 Insurance Regulation for informational purposes 90 days before
44 the issuance of any notices of nonrenewal. The notice provided
45 to the office must set forth the insurer's reasons for such
46 action, the effective dates of nonrenewal, and any arrangements
47 made for other insurers to offer coverage to affected
48 policyholders. The commission may adopt rules to administer this
49 section.

50 Section 4. Effective upon this act becoming a law,
51 paragraph (d) of subsection (1) of section 624.46226, Florida
52 Statutes, is amended to read:

53 624.46226 Public housing authorities self-insurance funds;
54 exemption for taxation and assessments.—

55 (1) Notwithstanding any other provision of law, any two or
56 more public housing authorities in the state as defined in
57 chapter 421 may form a self-insurance fund for the purpose of
58 pooling and spreading liabilities of its members as to any one
59 or combination of casualty risk or real or personal property
60 risk of every kind and every interest in such property against
61 loss or damage from any hazard or cause and against any loss
62 consequential to such loss or damage, provided the self-
63 insurance fund that is created:

64 (d) Maintains a continuing program of excess insurance
65 coverage and reinsurance ~~reserve evaluation~~ to protect the
66 financial stability of the fund ~~in an amount and manner~~

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67 ~~determined by a qualified and independent actuary. The program~~
68 ~~must, at a minimum, this program must:~~

69 1. Include a net retention in an amount and manner
70 selected by the administrator, ratified by the governing body,
71 and certified by a qualified actuary;

72 2. Include reinsurance or ~~Purchase~~ excess insurance from
73 authorized insurance carriers or eligible surplus lines
74 insurers; and-

75 3. Be certified by a qualified actuary as to the program's
76 adequacy. This certification must be submitted simultaneously
77 with the certifications required under paragraphs (b) and (c).

78 ~~2. Retain a per-loss occurrence that does not exceed~~
79 ~~\$350,000.~~

80
81 A for-profit or not-for-profit corporation, limited liability
82 company, or other similar business entity in which a public
83 housing authority holds an ownership interest or participates in
84 its governance under s. 421.08(8) may join a self-insurance fund
85 formed under this section in which such public housing authority
86 participates. Such for-profit or not-for-profit corporation,
87 limited liability company, or other similar business entity may
88 join the self-insurance fund solely to insure risks related to
89 public housing.

90 Section 5. Subsection (2) of section 626.9201, Florida
91 Statutes, is amended to read:

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92 626.9201 Notice of cancellation or nonrenewal.—

93 (2) An insurer issuing a policy providing coverage for
94 property, casualty, surety, or marine insurance must give the
95 named insured written notice of cancellation or termination
96 other than nonrenewal at least 45 days before the effective date
97 of the cancellation or termination, including in the written
98 notice the reasons for the cancellation or termination, except
99 that:

100 (a) If cancellation is for nonpayment of premium, at least
101 10 days' written notice of cancellation accompanied by the
102 reason for cancellation must be given. As used in this
103 paragraph, the term "nonpayment of premium" means the failure of
104 the named insured to discharge when due any of his or her
105 obligations in connection with the payment of premiums on a
106 policy or an installment of such a premium, whether the premium
107 or installment is payable directly to the insurer or its agent
108 or indirectly under any plan for financing premiums or extension
109 of credit or the failure of the named insured to maintain
110 membership in an organization if such membership is a condition
111 precedent to insurance coverage. The term also includes the
112 failure of a financial institution to honor the check of an
113 applicant for insurance which was delivered to a licensed agent
114 for payment of a premium, even if the agent previously delivered
115 or transferred the premium to the insurer. If a correctly
116 dishonored check represents payment of the initial premium, the

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117 contract and all contractual obligations are void ab initio
118 unless the nonpayment is cured within the earlier of 5 days
119 after actual notice by certified mail is received by the
120 applicant or 15 days after notice is sent to the applicant by
121 certified mail or registered mail, and, if the contract is void,
122 any premium received by the insurer from a third party must
123 ~~shall~~ be refunded to that party in full; ~~and~~

124 (b) If cancellation or termination occurs during the first
125 90 days during which the insurance is in force and if the
126 insurance is canceled or terminated for reasons other than
127 nonpayment, at least 20 days' written notice of cancellation or
128 termination accompanied by the reason for cancellation or
129 termination must be given, except if there has been a material
130 misstatement or misrepresentation or failure to comply with the
131 underwriting requirements established by the insurer; ~~and-~~

132 (c)1. Notwithstanding subparagraph 2., an insurer may not
133 cancel or nonrenew a personal residential or commercial
134 residential property insurance policy covering a dwelling or
135 residential property located in this state which has been
136 damaged by a covered peril until the earlier of the completion
137 of repairs or the expiration of one subsequent renewal of the
138 policy that was in force at the time of the loss.

139 2. An insurer or agent may cancel or nonrenew such a
140 policy prior to the repair of the dwelling or residential
141 property:

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- 142 a. Upon 10 days' notice:
143 (I) For nonpayment of premium; or
144 (II) If the named insured no longer has an insurable
145 interest in the property; or
146 b. Upon 45 days' notice:
147 (I) For a material misstatement or fraud related to the
148 claim;
149 (II) If the insurer or its agent has made a reasonable
150 written inquiry to the insured as to the status of the repair
151 and the insured has failed within 30 calendar days to provide
152 information that is responsive to the inquiry to the address or
153 e-mail account designated by the insurer or its agent; or
154 (III) If the insurer has paid policy limits under a
155 personal residential property insurance policy for a loss to the
156 insured dwelling that was damaged, or policy limits under a
157 commercial residential property insurance policy for a loss to
158 each insured structure that was damaged.
159 3. If the insurer elects to nonrenew a policy after the
160 expiration of the time in subparagraph 1., the insurer must
161 provide notice in accordance with subsection (1).
162 4. This paragraph does not prevent the insurer from
163 canceling or nonrenewing the policy after the repair is
164 completed for the same reasons the insurer would otherwise have
165 canceled or nonrenewed the policy but for subparagraph 1.
166 5. For purposes of this paragraph:

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167 a. A structure is deemed to be repaired when substantially
168 completed and restored to the extent that it is insurable by:

169 (I) Another authorized insurer writing policies in this
170 state if the structure is currently insured by an authorized
171 insurer; or

172 (II) Another authorized or eligible surplus lines insurer
173 writing policies in this state if the structure is currently
174 insured by an eligible surplus lines insurer.

175 b. The term "insurer" means an authorized insurer or an
176 eligible surplus lines insurer.

177 c. The term "damage" includes, but is not limited to,
178 flood damage related to a hurricane if flood is a covered peril
179 under the personal residential or commercial residential
180 property insurance policy.

181 6. The commission may adopt rules, and the Commissioner of
182 Insurance Regulation may issue orders, necessary to implement
183 this paragraph.

184 7. In the event of wide-spread significant flooding, as
185 determined by the Commissioner of Insurance Regulation, caused
186 by a hurricane or other natural event, the Commissioner of
187 Insurance Regulation may issue an order preventing insurers from
188 canceling or nonrenewing personal residential or commercial
189 residential property insurance policies covering dwellings or
190 residential properties located within zip codes, as determined
191 by the Commissioner of Insurance Regulation, directly affected

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192 by such flooding. If a claim is made while such an order is in
193 effect, the insurer may not cancel or nonrenew personal
194 residential or commercial residential property insurance
195 policies covering dwellings or residential properties until the
196 earlier of the completion of repairs or the expiration of one
197 subsequent renewal of the policy that was in force at the time
198 of the loss, even if the personal residential or commercial
199 residential property insurance policies do not cover the peril
200 of flood. An order issued pursuant to this subparagraph may
201 remain in effect for an initial period of 90 days and may be
202 renewed for subsequent 90-day periods, not to exceed a total of
203 270 days. The subparagraph only applies to coverage periods and
204 does not alter coverage otherwise provided by any insurance
205 policy.

206 Section 6. Paragraph (j) of subsection (2) of section
207 627.062, Florida Statutes, is amended to read:

208 627.062 Rate standards.—

209 (2) As to all such classes of insurance:

210 (j) With respect to residential property insurance rate
211 filings, the rate filing:

212 1. Must account for mitigation measures undertaken by
213 policyholders to reduce hurricane losses and windstorm losses.

214 2. May use a modeling indication that is the weighted or
215 straight average of two or more hurricane loss projection models
216 found by the Florida Commission on Hurricane Loss Projection

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217 Methodology to be accurate or reliable pursuant to s. 627.0628.
218 If an averaged model is used under this section, the same
219 averaged model must be used throughout this state. If a weighted
220 average is used, the insurer must provide the office with an
221 actuarial justification for using the weighted average which
222 shows that the weighted average results in a rate that is
223 reasonable, adequate, and fair.

224

225 The provisions of this subsection do not apply to workers'
226 compensation, employer's liability insurance, and motor vehicle
227 insurance.

228 Section 7. Paragraph (n) of subsection (6) of section
229 627.351, Florida Statutes, is amended to read:

230 627.351 Insurance risk apportionment plans.—

231 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

232 (n)1. Rates for coverage provided by the corporation must
233 be actuarially sound pursuant to s. 627.062 and not competitive
234 with approved rates charged in the admitted voluntary market so
235 that the corporation functions as a residual market mechanism to
236 provide insurance only when insurance cannot be procured in the
237 voluntary market, except as otherwise provided in this
238 paragraph. The office shall provide the corporation such
239 information as would be necessary to determine whether rates are
240 competitive. The corporation shall file its recommended rates
241 with the office at least annually. The corporation shall provide

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242 any additional information regarding the rates which the office
243 requires. The office shall consider the recommendations of the
244 board and issue a final order establishing the rates for the
245 corporation within 45 days after the recommended rates are
246 filed. The corporation may not pursue an administrative
247 challenge or judicial review of the final order of the office.

248 2. In addition to the rates otherwise determined pursuant
249 to this paragraph, the corporation shall impose and collect an
250 amount equal to the premium tax provided in s. 624.509 to
251 augment the financial resources of the corporation.

252 3. After the public hurricane loss-projection model under
253 s. 627.06281 has been found to be accurate and reliable by the
254 Florida Commission on Hurricane Loss Projection Methodology, the
255 model shall be considered when establishing the windstorm
256 portion of the corporation's rates. The corporation may use the
257 public model results in combination with the results of private
258 models to calculate rates for the windstorm portion of the
259 corporation's rates. This subparagraph does not require or allow
260 the corporation to adopt rates lower than the rates otherwise
261 required or allowed by this paragraph.

262 4. The corporation must make a recommended actuarially
263 sound rate filing for each personal and commercial line of
264 business it writes.

265 5. Notwithstanding the board's recommended rates and the
266 office's final order regarding the corporation's filed rates

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267 | under subparagraph 1., the corporation shall annually implement
268 | a rate increase which, except for sinkhole coverage, does not
269 | exceed the following for any single policy issued by the
270 | corporation, excluding coverage changes and surcharges:

- 271 | a. Twelve percent for 2023.
- 272 | b. Thirteen percent for 2024.
- 273 | c. Fourteen percent for 2025.
- 274 | d. Fifteen percent for 2026 and all subsequent years.

275 | 6. The corporation may also implement an increase to
276 | reflect the effect on the corporation of the cash buildup factor
277 | pursuant to s. 215.555(5) (b) .

278 | 7. The corporation's implementation of rates as prescribed
279 | in subparagraphs 5. and 8. shall cease for any line of business
280 | written by the corporation upon the corporation's implementation
281 | of actuarially sound rates. Thereafter, the corporation shall
282 | annually make a recommended actuarially sound rate filing that
283 | is not competitive with approved rates in the admitted voluntary
284 | market for each commercial and personal line of business the
285 | corporation writes.

286 | 8. ~~The following~~ New or renewal personal lines policies
287 | that do not cover a primary residence ~~written on or after~~
288 | ~~November 1, 2023,~~ are not subject to the rate increase
289 | limitations in subparagraph 5., but may not be charged more than
290 | 50 percent above, nor less than, the prior year's established
291 | rate for the corporation.

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292 ~~a. Policies that do not cover a primary residence;~~
293 ~~b. New policies under which the coverage for the insured~~
294 ~~risk, before the date of application with the corporation, was~~
295 ~~last provided by an insurer determined by the office to be~~
296 ~~unsound or an insurer placed in receivership under chapter 631;~~
297 ~~or~~
298 ~~e. Subsequent renewals of those policies, including the~~
299 ~~new policies in sub-subparagraph b., under which the coverage~~
300 ~~for the insured risk, before the date of application with the~~
301 ~~corporation, was last provided by an insurer determined by the~~
302 ~~office to be unsound or an insurer placed in receivership under~~
303 ~~chapter 631.~~

304 9. As used in this paragraph, the term "primary residence"
305 means the dwelling that is the policyholder's primary home or is
306 a rental property that is the primary home of the tenant, and
307 which the policyholder or tenant occupies for more than 9 months
308 of each year.

309 Section 8. Paragraph (e) of subsection (2) of section
310 627.4133, Florida Statutes, is amended to read:

311 627.4133 Notice of cancellation, nonrenewal, or renewal
312 premium.—

313 (2) With respect to any personal lines or commercial
314 residential property insurance policy, including, but not
315 limited to, any homeowner, mobile home owner, farmowner,
316 condominium association, condominium unit owner, apartment

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317 building, or other policy covering a residential structure or
318 its contents:

319 (e)1. Notwithstanding subparagraph 2., an insurer may not
320 cancel or nonrenew a personal residential or commercial
321 residential property insurance policy covering a dwelling or
322 residential property located in this state which has been
323 damaged by a covered peril until the earlier of the completion
324 of repairs or the expiration of one subsequent renewal of the
325 policy that was in force at the time of the loss. An authorized
326 ~~insurer may not cancel or nonrenew a personal residential or~~
327 ~~commercial residential property insurance policy covering a~~
328 ~~dwelling or residential property located in this state:~~

329 a. ~~For a period of 90 days after the dwelling or~~
330 ~~residential property has been repaired, if such property has~~
331 ~~been damaged as a result of a hurricane or wind loss that is the~~
332 ~~subject of the declaration of emergency pursuant to s. 252.36~~
333 ~~and the filing of an order by the Commissioner of Insurance~~
334 ~~Regulation.~~

335 b. ~~Until the earlier of when the dwelling or residential~~
336 ~~property has been repaired or 1 year after the insurer issues~~
337 ~~the final claim payment, if such property was damaged by any~~
338 ~~covered peril and sub-subparagraph a. does not apply.~~

339 2. ~~However,~~ An insurer or agent may cancel or nonrenew
340 such a policy prior to the repair of the dwelling or residential
341 property:

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- 342 a. Upon 10 days' notice:
- 343 (I) For nonpayment of premium; or
- 344 (II) If the named insured no longer has an insurable
- 345 interest in the property; or
- 346 b. Upon 45 days' notice:
- 347 (I) For a material misstatement or fraud related to the
- 348 claim;
- 349 (II) If the insurer or its agent has made a reasonable
- 350 written inquiry to the insured as to the status of the repair
- 351 and the insured has failed within 30 calendar days to provide
- 352 information that is responsive to the inquiry to the address or
- 353 e-mail account designated by the insurer or its agent ~~If the~~
- 354 ~~insurer determines that the insured has unreasonably caused a~~
- 355 ~~delay in the repair of the dwelling; or~~
- 356 (III) If the insurer has paid policy limits under a
- 357 personal residential property insurance policy for a loss to the
- 358 insured dwelling that was damaged, or policy limits under a
- 359 commercial residential property insurance policy for a loss to
- 360 each insured structure that was damaged.
- 361 3. If the insurer elects to nonrenew a policy after the
- 362 expiration of the time in subparagraph 1., the insurer must
- 363 provide notice in accordance with subsection (2) ~~covering a~~
- 364 ~~property that has been damaged, the insurer shall provide at~~
- 365 ~~least 90 days' notice to the insured that the insurer intends to~~

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366 ~~nonrenew the policy 90 days after the dwelling or residential~~
367 ~~property has been repaired.~~

368 ~~4. Nothing in~~ This paragraph ~~does not shall~~ prevent the
369 insurer from canceling or nonrenewing the policy after the
370 repair is completed ~~90 days after the repairs are complete~~ for
371 the same reasons the insurer would otherwise have canceled or
372 nonrenewed the policy but for ~~the limitations of~~ subparagraph 1.
373 ~~The Financial Services Commission may adopt rules, and the~~
374 ~~Commissioner of Insurance Regulation may issue orders, necessary~~
375 ~~to implement this paragraph.~~

376 ~~5.4.~~ This paragraph shall also apply to personal
377 residential and commercial residential policies covering
378 property that was damaged as the result of Hurricane Ian or
379 Hurricane Nicole.

380 ~~6. 5.~~ For purposes of this paragraph:

381 a. A structure is deemed to be repaired when substantially
382 completed and restored to the extent that it is insurable by:

383 (I) Another authorized insurer writing policies in this
384 state if the structure is currently insured by an authorized
385 insurer; or

386 (II) Another authorized or eligible surplus lines insurer
387 writing policies in this state if the structure is currently
388 insured by an eligible surplus lines insurer.

389 b. The term "insurer" means an authorized insurer or an
390 eligible surplus lines insurer.

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391 c. Except for subparagraph 5., the term "damage" includes,
392 but is not limited to, flood damage related to a hurricane if
393 flood is a covered peril under the personal residential or
394 commercial residential property insurance policy.

395 7. In the event of wide-spread significant flooding, as
396 determined by the Commissioner of Insurance Regulation, caused
397 by a hurricane or other natural event, the Commissioner of
398 Insurance Regulation may issue an order preventing insurers from
399 canceling or nonrenewing personal residential or commercial
400 residential property insurance policies covering dwellings or
401 residential properties located within zip codes, as determined
402 by the Commissioner of Insurance Regulation, directly affected
403 by such flooding. If a claim is made while such an order is in
404 effect, the insurer may not cancel or nonrenew personal
405 residential or commercial residential property insurance
406 policies covering dwellings or residential properties until the
407 earlier of the completion of repairs or the expiration of one
408 subsequent renewal of the policy that was in force at the time
409 of the loss, even if the personal residential or commercial
410 residential property insurance policies do not cover the peril
411 of flood. An order issued pursuant to this subparagraph may
412 remain in effect for an initial period of 90 days and may be
413 renewed for subsequent 90-day periods, not to exceed a total of
414 270 days. The subparagraph only applies to coverage periods and

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415 does not alter coverage otherwise provided by any insurance
416 policy.

417 7. The commission may adopt rules, and the Commissioner of
418 Insurance Regulation may issue orders, necessary to implement
419 this paragraph.

420 Section 9. Paragraph (a) of subsection (5) of section
421 627.7011, Florida Statutes, is amended to read:

422 627.7011 Homeowners' policies; offer of replacement cost
423 coverage and law and ordinance coverage.—

424 (5)(a) As used in this subsection, the term "authorized
425 inspector" means an inspector who is approved by the insurer and
426 who is:

- 427 1. A home inspector licensed under s. 468.8314;
- 428 2. A building code inspector certified under s. 468.607;
- 429 3. A general, building, or residential contractor licensed
430 under s. 489.111 or a roofing contractor;
- 431 4. A professional engineer licensed under s. 471.015;
- 432 5. A professional architect licensed under s. 481.213; or
- 433 6. Any other individual or entity recognized by the
434 insurer as possessing the necessary qualifications to properly
435 complete a general inspection of a residential structure insured
436 with a homeowner's insurance policy.

437 Section 10. Section 628.011, Florida Statutes, is amended
438 to read:

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439 628.011 Scope of part.—This part applies only to domestic
440 ~~stock~~ insurers, mutual insurers, and captive insurers, except
441 that s. 628.341(2) applies also as to foreign and alien
442 insurers.

443 Section 11. Section 628.061, Florida Statutes, is amended
444 to read:

445 628.061 Investigation of proposed organization.—In
446 connection with any proposal to organize or incorporate a
447 domestic insurer, the office shall make an investigation of:

448 (1) The character, reputation, financial standing, and
449 motives of the organizers, incorporators, and subscribers
450 organizing the proposed insurer or any attorney in fact.

451 (2) The character, financial responsibility, insurance
452 experience, and business qualifications of its proposed
453 officers, members of its subscribers' advisory committee, or
454 officers of its attorney in fact.

455 (3) The character, financial responsibility, business
456 experience, and standing of the proposed stockholders and
457 directors, including the stockholders and directors of any
458 attorney in fact.

459 Section 12. Subsections (1), (2), and (5) of section
460 628.801, Florida Statutes, are amended to read:

461 628.801 Insurance holding companies; registration;
462 regulation.—

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463 (1) An insurer that is authorized to do business in this
464 state and that is a member of an insurance holding company
465 shall, on or before April 1 of each year, register with the
466 office and file a registration statement and be subject to
467 regulation with respect to its relationship to the holding
468 company as provided by law or rule. The commission shall adopt
469 rules establishing the information and statement form required
470 for registration and the manner in which registered insurers and
471 their affiliates are regulated. The rules apply to domestic
472 insurers, foreign insurers, and commercially domiciled insurers,
473 except for foreign insurers domiciled in states that are
474 currently accredited by the NAIC. Except to the extent of any
475 conflict with this code, the rules must include all requirements
476 and standards of the Insurance Holding Company System Model
477 Regulation and ss. 4 and 5 of the Insurance Holding Company
478 System Regulatory Act ~~and the Insurance Holding Company System~~
479 ~~Model Regulation~~ of the NAIC, as adopted in December 2020 ~~2010~~.
480 The commission may adopt subsequent amendments thereto if the
481 methodology remains substantially consistent. The rules may
482 include a prohibition on oral contracts between affiliated
483 entities. Material transactions between an insurer and its
484 affiliates must ~~shall~~ be filed with the office as provided by
485 rule.

486 (2) ~~Effective January 1, 2015,~~ The ultimate controlling
487 person of every insurer subject to registration shall also file

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488 an annual enterprise risk report on or before April 1. As used
489 in this subsection, the term "ultimate controlling person" means
490 a person who is not controlled by any other person. The report
491 must, to the best of the ultimate controlling person's knowledge
492 and belief, ~~must~~ identify the material risks within the
493 insurance holding company system that could pose enterprise risk
494 to the insurer. The report must ~~shall~~ be filed with the lead
495 state office of the insurance holding company system as
496 determined by the procedures within the Financial Analysis
497 Handbook adopted by the NAIC and is confidential and exempt from
498 public disclosure as provided in s. 624.4212.

499 (a) An insurer may satisfy this requirement by providing
500 the office with the most recently filed parent corporation
501 reports that have been filed with the Securities and Exchange
502 Commission which provide the appropriate enterprise risk
503 information.

504 (b) The term "enterprise risk" means an activity,
505 circumstance, event, or series of events involving one or more
506 affiliates of an insurer which, if not remedied promptly, are
507 likely to have a materially adverse effect upon the financial
508 condition or liquidity of the insurer or its insurance holding
509 company system as a whole, including anything that would cause
510 the insurer's risk-based capital to fall into company action
511 level as set forth in s. 624.4085 or would cause the insurer to
512 be in a hazardous financial condition.

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513 (c) The office may adopt rules for filing the annual
514 enterprise risk report in accordance with the Insurance Holding
515 Company System Regulatory Act and the Insurance Holding Company
516 System Model Regulation of the NAIC, as adopted in December
517 2020.

518 ~~(5) Effective January 1, 2015,~~ The failure to file a
519 registration statement, or a summary of the registration
520 statement, or the enterprise risk filing report required by this
521 section within the time specified for filing is a violation of
522 this section.

523 Section 13. Section 629.011, Florida Statutes, is amended
524 to read:

525 629.011 Definitions ~~"Reciprocal insurance" defined.~~ As
526 used in this part, the term:

527 (1) "Affiliated person" of another person means any of the
528 following:

529 (a) The spouse of the other person.

530 (b)1. The parents of the other person or their lineal
531 descendants.

532 2. The parents of the other person's spouse or their
533 lineal descendants.

534 (c) A person who directly or indirectly owns or controls,
535 or holds with the power to vote, 10 percent or more of the
536 outstanding voting securities of the other person.

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537 (d) A person who directly or indirectly owns 10 percent or
538 more of the outstanding voting securities that are directly or
539 indirectly owned or controlled, or held with the power to vote,
540 by the other person.

541 (e) A person or group of persons who directly or
542 indirectly control, are controlled by, or are under common
543 control with the other person.

544 (f) A director, officer, trustee, partner, owner, manager,
545 joint venturer, or employee, or another person who is performing
546 duties similar to those of persons in such positions, of the
547 other person.

548 (g) If the other person is an investment company, any
549 investment adviser of such company or any member of an advisory
550 board of such company.

551 (h) If the other person is an unincorporated investment
552 company not having a board of directors, the depositor of such
553 company.

554 (i) A person who has entered into an agreement, written or
555 unwritten, to act in concert with the other person in acquiring,
556 or limiting the disposition of:

557 1. Securities of an attorney in fact or controlling
558 company that is a stock corporation; or

559 2. An ownership interest of an attorney in fact or
560 controlling company that is not a stock corporation.

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561 (2) "Attorney in fact" or "attorney" means the attorney in
562 fact of a reciprocal insurer. The attorney in fact may be an
563 individual, a corporation, or another person.

564 (3) "Controlling company" means a person, corporation,
565 trust, limited liability company, association, or other entity
566 owning, directly or indirectly, 10 percent or more of the voting
567 securities of one or more attorneys in fact that are stock
568 corporations, or 10 percent or more of the ownership interest of
569 one or more attorneys in fact that are not stock corporations.

570 (4) "Reciprocal insurance" ~~means is that resulting from~~ an
571 interexchange among persons, known as "subscribers," of
572 reciprocal agreements of indemnity, the interexchange being
573 effectuated through an "attorney in fact" common to all such
574 persons.

575 (5) "Reciprocal insurer" means an unincorporated
576 aggregation of subscribers operating individually and
577 collectively through an attorney in fact to provide reciprocal
578 insurance among themselves.

579 Section 14. Section 629.021, Florida Statutes, is
580 repealed.

581 Section 15. Section 629.061, Florida Statutes, is
582 repealed.

583 Section 16. Section 629.081, Florida Statutes, is amended
584 to read:

585 629.081 Organization of reciprocal insurer.—

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586 (1) Twenty-five or more persons domiciled in this state
587 may organize a domestic reciprocal insurer by applying and make
588 ~~application~~ to the office for a permit to do so. A domestic
589 reciprocal insurer may not be formed unless the persons so
590 proposing have first received a permit from the office a
591 ~~certificate of authority to transact insurance.~~

592 (2) The permit application, to be filed by the organizers
593 or the proposed attorney in fact, must be in writing and made in
594 accordance with forms prescribed by the commission. In addition
595 to any applicable requirements of s. 628.051 and other relevant
596 statutes, the application must include all of the following
597 ~~shall fulfill the requirements of and shall execute and file~~
598 ~~with the office, when applying for a certificate of authority, a~~
599 ~~declaration setting forth:~~

600 (a) The name of the proposed reciprocal insurer, which
601 must be in accordance with s. 629.051.†

602 (b) The location of the insurer's principal office, which
603 must shall be the same as that of the proposed attorney in fact
604 and must shall be maintained within this state.†

605 (c) The kinds of insurance proposed to be transacted.†

606 (d) The names and addresses of the original 25 or more
607 subscribers.†

608 (e) The proposed designation and appointment of the
609 proposed attorney in fact and a copy of the proposed power of
610 attorney.†

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611 (f) The names and addresses of the officers and directors
612 of the proposed attorney in fact, if a corporation, or of its
613 members, if other than a corporation.†

614 (g) The background information as specified in s. 629.227
615 for all officers, directors, managers, and those in equivalent
616 positions of the proposed attorney in fact as well as for any
617 person with an ownership interest of 10 percent or more in the
618 proposed attorney in fact.

619 (h) The articles of incorporation and bylaws, or
620 equivalent documents, of the proposed attorney in fact, dated
621 within the last year and appropriately certified.

622 (i) The proposed charter powers of the subscribers'
623 advisory committee, and the names and terms of office of the
624 members thereof, as well as the background information as
625 specified in s. 629.227 for each proposed member.†

626 ~~(h) That all moneys paid to the reciprocal shall, after~~
627 ~~deducting therefrom any sum payable to the attorney, be held in~~
628 ~~the name of the insurer and for the purposes specified in the~~
629 ~~subscribers' agreement.†~~

630 (j)-(i) A copy of the proposed subscribers' agreement.†

631 ~~(j) A statement that each of the original subscribers has~~
632 ~~in good faith applied for insurance of a kind proposed to be~~
633 ~~transacted, and that the insurer has received from each such~~
634 ~~subscriber the full premium or premium deposit required for the~~

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635 ~~policy applied for, for a term of not less than 6 months at an~~
636 ~~adequate rate theretofore filed with and approved by the office;~~

637 ~~(k) A statement of the financial condition of the insurer,~~
638 ~~a schedule of its assets, and a statement that the surplus as~~
639 ~~required by s. 629.071 is on hand; and~~

640 ~~(l) A copy of each policy, endorsement, and application~~
641 ~~form it then proposes to issue or use.~~

642 (1) Any other pertinent information and documents as
643 reasonably requested by the office.

644 (3) The filing must be accompanied by the application fee
645 required by s. 624.501(1) (a).

646 (4) The office shall evaluate and grant or deny the permit
647 application in accordance with ss. 628.061, 628.071, and other
648 relevant provisions of the code.

649
650 ~~Such declaration shall be acknowledged by the attorney before an~~
651 ~~officer authorized to take acknowledgments.~~

652 Section 17. Section 629.091, Florida Statutes, is amended
653 to read:

654 629.091 Reciprocal certificate of authority.-

655 (1) A domestic reciprocal insurer may seek a certificate
656 of authority only after obtaining a permit.

657 (2) To apply for a certificate of authority as a domestic
658 reciprocal insurer, the attorney in fact of an applicant who has
659 previously received a permit from the office may file an

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660 application for a certificate of authority in accordance with
661 forms prescribed by the commission which, in addition to
662 applicable requirements of ss. 624.404, 624.411, 624.413, and
663 other relevant statutes, consists of all of the following:

664 (a) Executed copies of any proposed or draft documents
665 required as part of the permit application.

666 (b) A statement affirming that all moneys paid to the
667 reciprocal insurer shall, after deducting therefrom any sum
668 payable to the attorney in fact, be held in the name of the
669 insurer and for the purposes specified in the subscribers'
670 agreement.

671 (c) A statement that each of the original subscribers has
672 in good faith applied for insurance of a kind proposed to be
673 transacted, and that the insurer has received from each such
674 subscriber the full premium or premium deposit required for the
675 policy applied for, for a term of not less than 6 months at an
676 adequate rate that was filed with and approved by the office.

677 (d) A copy of the bond required under s. 629.121.

678 (e) A statement of the financial condition of the insurer,
679 a schedule of its assets, and a statement that the surplus as
680 required by s. 629.071 is on hand.

681 (f) Such other pertinent information or documents as
682 reasonably requested by the office.

683 (3) If the reciprocal insurer intends to issue
684 nonassessable policies upon receipt of a certificate of

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685 authority and if the office determines that the reciprocal
686 insurer meets the legal requirements to issue nonassessable
687 policies, including the surplus requirements, the office shall
688 grant the authorization to issue nonassessable policies.

689 (4) The certificate of authority must of a reciprocal
690 insurer shall be issued to its attorney in the name of the
691 reciprocal insurer to its attorney in fact.

692 Section 18. Section 629.094, Florida Statutes, is created
693 to read:

694 629.094 Continued eligibility for certificate of
695 authority.-In order to maintain its eligibility for a
696 certificate of authority, a domestic reciprocal insurer must
697 continue to meet all applicable conditions required for
698 receiving the initial permit and certificate of authority under
699 the insurance code and the rules adopted thereunder.

700 Section 19. Section 629.101, Florida Statutes, is amended
701 to read:

702 629.101 Power of attorney.-

703 (1) The rights and powers of the attorney in fact of a
704 reciprocal insurer are ~~shall be~~ as provided in the power of
705 attorney given it by the subscribers.

706 (2) The power of attorney must set forth all of the
707 following:

708 (a) The powers of the attorney in fact.†

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709 (b) That the attorney in fact is empowered to accept
710 service of process on behalf of the insurer in actions against
711 the insurer upon contracts exchanged.†

712 (c) The place where the office of the attorney in fact is
713 maintained.

714 (d)~~(e)~~ The general services to be performed by the
715 attorney in fact.†

716 (e) That the attorney in fact has a fiduciary duty to the
717 subscribers of the reciprocal insurer.

718 (f)~~(d)~~ The maximum amount to be deducted from advance
719 premiums or deposits to be paid to the attorney in fact and the
720 general items of expense in addition to losses,† to be paid by
721 the insurer.†~~and~~

722 (g)~~(e)~~ Except as to nonassessable policies, a provision
723 for a contingent several liability of each subscriber in a
724 specified amount, which amount may ~~shall be~~ not be less than 5
725 nor more than 10 times the premium or premium deposit stated in
726 the policy.

727 (3) The power of attorney may:

728 (a) Provide for the right of substitution of the attorney
729 in fact and revocation of the power of attorney and rights
730 thereunder.†

731 (b) Impose such restrictions upon the exercise of the
732 power as are agreed upon by the subscribers.†

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733 (c) Provide for the exercise of any right reserved to the
734 subscribers directly or through their advisory committee ~~;~~ and

735 ~~(4)-(d)~~ The power of attorney must contain other lawful
736 provisions deemed advisable.

737 ~~(5)-(4)~~ The terms of any power of attorney or agreement
738 collateral thereto must ~~shall~~ be reasonable and equitable, and
739 ~~no~~ such power or agreement may not ~~shall~~ be used or be effective
740 in this state unless filed with the office.

741 Section 20. Section 629.225, Florida Statutes, is created
742 to read:

743 629.225 Acquisitions.-

744 (1) A person may not, individually or in conjunction with
745 an affiliated person of such person, directly or indirectly,
746 conclude a tender offer or exchange offer for, enter into any
747 agreement to exchange securities for, or otherwise finally
748 acquire 10 percent or more of the outstanding voting securities
749 of an attorney in fact that is a stock corporation or of a
750 controlling company of an attorney in fact that is a stock
751 corporation; or conclude an acquisition of, or otherwise finally
752 acquire, 10 percent or more of the ownership interest of an
753 attorney in fact that is not a stock corporation or of a
754 controlling company of an attorney in fact that is not a stock
755 corporation, unless all of the following conditions are met:

756 (a)1. The person or affiliated person has filed with the
757 office and sent to the principal office of the attorney in fact,

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758 any controlling company of the attorney in fact, the
759 subscribers' advisory committee, and the domestic reciprocal
760 insurer a letter of notification regarding the transaction or
761 proposed transaction no later than 5 days after any form of
762 tender offer or exchange offer is proposed, or no later than 5
763 days after the acquisition of the securities or ownership
764 interest if a tender offer or exchange offer is not involved.
765 The notification must be provided on forms prescribed by the
766 commission containing information determined necessary to
767 understand the transaction and identify all purchasers and
768 owners involved.

769 2. The subscribers' advisory committee must provide the
770 notification to the subscribers of the reciprocal insurer within
771 3 business days. Such notification must be provided on a form
772 prescribed by the commission explaining what the notification is
773 and letting the subscribers know of the filing deadlines for
774 objecting to the acquisition.

775 (b) The person or affiliated person has filed with the
776 office an application, signed under oath and prepared on forms
777 prescribed by the commission, which contains the information
778 specified in subsection (3). The application must be completed
779 and filed within 30 days after any form of tender offer or
780 exchange offer is proposed, or after the acquisition of the
781 securities if a tender offer or exchange offer is not involved.

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782 (c) The office has approved the tender offer or exchange
783 offer, or acquisition if a tender offer or exchange offer is not
784 involved.

785 (2) The person or affiliated person filing the notice
786 required in paragraph (1) (a) may additionally request the office
787 to waive the requirements of paragraph (1) (b), provided that
788 there is no change in the ultimate controlling shareholders and
789 no change in the ownership percentages of the ultimate
790 controlling shareholders, and no unaffiliated parties acquire
791 any direct or indirect interest in the attorney in fact. The
792 office may waive the filing required in paragraph (1) (b) if it
793 determines that in fact there is no change in the ultimate
794 controlling shareholders and no change in the ownership
795 percentages of the ultimate controlling shareholders, and no
796 unaffiliated parties will acquire any direct or indirect
797 interest in the attorney in fact.

798 (3) The application to be filed with the office and
799 furnished to the attorney in fact must contain all of the
800 following information and any additional information as the
801 office deems necessary to determine the character, experience,
802 ability, and other qualifications of the person or affiliated
803 person of such person for the protection of the reciprocal
804 insurer's subscribers and of the public:

805 (a) The identity and background information specified in
806 s. 629.227 of:

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- 807 1. Each person by whom, or on whose behalf, the
808 acquisition is to be made; and
- 809 2. Any person who controls, directly or indirectly, such
810 other person, including each director, officer, trustee,
811 partner, owner, manager, or joint venturer, or another person
812 performing duties similar to those of persons in such positions,
813 for the person.
- 814 (b) The source and amount of the funds or other
815 consideration used, or to be used, in making the acquisition.
- 816 (c) Any plans or proposals that such persons may have made
817 to liquidate the attorney in fact or controlling company, to
818 sell any of their assets or merge or consolidate them with any
819 person, or to make any other major change in their business or
820 corporate structure or management.
- 821 (d) The nature and the extent of the controlling interest
822 which the person or affiliated person of such person proposes to
823 acquire, the terms of the proposed acquisition, and the manner
824 in which the controlling interest is to be acquired of an
825 attorney in fact or controlling company which is not a stock
826 corporation.
- 827 (e) The number of shares or other securities that the
828 person or affiliated person of such person proposes to acquire,
829 the terms of the proposed acquisition, and the manner in which
830 the securities are to be acquired.

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831 (f) Information as to any contract, arrangement, or
832 understanding with any party with respect to any of the
833 securities of the attorney in fact or controlling company,
834 including, but not limited to, information relating to the
835 transfer of any of the securities, option arrangements, puts or
836 calls, or the giving or withholding of proxies, which
837 information names the party with whom the contract, arrangement,
838 or understanding has been entered into and gives the details
839 thereof.

840 (4) The filing must be accompanied by the fee required
841 under s. 624.501(1)(a).

842 (5) If any material change occurs in the facts provided in
843 the application filed with the office pursuant to this section,
844 or the background information required under s. 629.227, an
845 amendment specifying such changes must be filed immediately with
846 the office, and a copy of the amendment must be sent to the
847 principal office of the attorney in fact and to the principal
848 office of the controlling company.

849 (6)(a) The acquisition application must be reviewed in
850 accordance with chapter 120. The office may, on its own
851 initiative, or, if requested to do so in writing by a
852 substantially affected person, shall conduct a proceeding to
853 consider the appropriateness of the proposed filing. Time
854 periods for purposes of chapter 120 are tolled during the
855 pendency of the proceeding. Any written request for a proceeding

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856 must be filed with the office within 10 days after the date on
857 which notice of the filing is given, or 10 days after the date
858 on which notice of the filing is sent to the subscribers by the
859 subscribers' advisory committee, whichever is later. During the
860 pendency of the proceeding or review period by the office, any
861 person or affiliated person complying with the filing
862 requirements of this section may proceed and take all steps
863 necessary to conclude the acquisition as long as the
864 acquisition's becoming final is conditioned upon obtaining
865 office approval. However, at any time that the office finds that
866 an immediate danger to the public health, safety, and welfare of
867 the reciprocal insurer's subscribers exists, the office shall
868 immediately order, pursuant to s. 120.569(2)(n), the proposed
869 acquisition disapproved and any further steps to conclude the
870 acquisition ceased.

871 (b) During the pendency of the office's review of any
872 acquisition subject to this section, the acquiring person may
873 not make any material change in the operation of the attorney in
874 fact or controlling company unless the office has specifically
875 approved the change, and the acquiring person may not make any
876 material change in the management of the attorney in fact unless
877 advance written notice of the change in management is furnished
878 to the office. As used in this paragraph, the term "material
879 change in the operation of the attorney in fact" means a
880 transaction that disposes of or obligates 5 percent or more of

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881 the capital and surplus of the attorney in fact or of any
882 domestic reciprocal insurer. The term "material change in the
883 management of the attorney in fact" means any change in
884 management involving officers or directors of the attorney in
885 fact or any person of the attorney in fact or controlling
886 company having authority to dispose of or obligate 5 percent or
887 more of the attorney in fact's capital or surplus. The office
888 must approve a material change in operations if it finds the
889 applicable provisions of subsection (7) have been met. The
890 office may disapprove a material change in management if it
891 finds that the applicable provisions of subsection (7) have not
892 been met, and, in such case, the attorney in fact shall promptly
893 change management as acceptable to the office.

894 (c) If a request for a proceeding is filed, the proceeding
895 must be conducted within 60 days after the date the written
896 request for a proceeding is received by the office. A
897 recommended order must be issued within 20 days after the date
898 of the close of the proceedings. A final order must be issued
899 within 20 days after the date of the recommended order or, if
900 exceptions to the recommended order are filed, within 20 days
901 after the date the exceptions are filed.

902 (7) The office may disapprove any acquisition subject to
903 this section by any person, or any affiliated person of such
904 person, who:

905 (a) Willfully violates this section;

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906 (b) In violation of an order issued by the office pursuant
907 to subsection (12), fails to divest himself or herself of any
908 stock or ownership interest obtained in violation of this
909 section or fails to divest himself or herself of any direct or
910 indirect control of such stock or ownership interest, within 25
911 days after such order; or

912 (c) In violation of an order issued by the office pursuant
913 to subsection (12), acquires an additional stock or ownership
914 interest in an attorney in fact or controlling company or direct
915 or indirect control of such stock or ownership interest, without
916 complying with this section.

917 (8) The person filing the application required by this
918 section has the burden of proof. The office must approve any
919 such acquisition if it finds, on the basis of the record made
920 during any proceeding or on the basis of the filed application
921 if no proceeding is conducted, that:

922 (a) The financial condition of the acquiring person will
923 not jeopardize the financial stability of the attorney in fact
924 or prejudice the interests of the reciprocal insurer's
925 subscribers or the public.

926 (b) Any plan or proposal that the acquiring person has
927 made:

928 1. To liquidate the attorney in fact, sell its assets, or
929 merge or consolidate it with any person, or to make any other

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930 major change in its business or corporate structure or
931 management; or

932 2. To liquidate any controlling company, sell its assets,
933 or merge or consolidate it with any person, or to make any major
934 change in its business or corporate structure or management
935 which would have an effect upon the attorney in fact,
936 is fair and free of prejudice to the reciprocal insurer's
937 subscribers or to the public.

938 (c) The competence, experience, and integrity of those
939 persons who will control directly or indirectly the operation of
940 the attorney in fact indicate that the acquisition is in the
941 best interest of the reciprocal insurer's subscribers and in the
942 public interest.

943 (d) The natural persons for whom background information is
944 required to be furnished pursuant to this section have such
945 backgrounds as to indicate that it is in the best interests of
946 the reciprocal insurer's subscribers and in the public interest
947 to permit such persons to exercise control over the attorney in
948 fact.

949 (e) The directors and officers, if such attorney in fact
950 or controlling company is a stock corporation, or the trustees,
951 partners, owners, managers, joint venturers, or other persons
952 performing duties similar to those of persons in such positions,
953 if such attorney in fact or controlling company is not a stock
954 corporation, to be employed after the acquisition have

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955 sufficient insurance experience and ability to ensure reasonable
956 promise of successful operation.

957 (f) The management of the attorney in fact after the
958 acquisition will be competent and trustworthy and will possess
959 sufficient managerial experience so as to make the proposed
960 operation of the attorney in fact not hazardous to the
961 insurance-buying public.

962 (g) The management of the attorney in fact after the
963 acquisition will not include any person who has directly or
964 indirectly through ownership, control, reinsurance transactions,
965 or other insurance or business relations unlawfully manipulated
966 the assets, accounts, finances, or books of any insurer or
967 otherwise acted in bad faith with respect thereto.

968 (h) The acquisition is not likely to be hazardous or
969 prejudicial to the reciprocal insurer's subscribers or to the
970 public.

971 (i) The effect of the acquisition would not substantially
972 lessen competition in the line of insurance for which the
973 reciprocal insurer is licensed or certified in this state or
974 would not tend to create a monopoly therein.

975 (9) A vote by the stockholder of record, or by any other
976 person, of any security acquired in contravention of this
977 section is not valid. Any acquisition contrary to this section
978 is void. Upon the petition of the attorney in fact, the
979 controlling company, or the reciprocal insurer, the circuit

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980 court for the county in which the principal office of the
981 attorney in fact is located may, without limiting the generality
982 of its authority, order the issuance or entry of an injunction
983 or other order to enforce this section. There is a private right
984 of action in favor of the attorney in fact or controlling
985 company to enforce this section. A demand upon the office that
986 it perform its functions is not required as a prerequisite to
987 any suit by the attorney in fact or controlling company against
988 another person, and in no case is the office deemed a necessary
989 party to any action by the attorney in fact or controlling
990 company to enforce this section. Any person who makes or
991 proposes an acquisition requiring the filing of an application
992 pursuant to this section, or who files such an application, is
993 deemed thereby to have designated the Chief Financial Officer,
994 or his or her assistant or deputy or another person in charge of
995 his or her office, as such person's agent for service of process
996 under this section and is deemed thereby to have submitted
997 himself or herself to the administrative jurisdiction of the
998 office and to the jurisdiction of the circuit court.

999 (10) Any approval by the office under this section does
1000 not constitute a recommendation by the office of the tender
1001 offer or exchange offer, or the acquisition if a tender offer or
1002 exchange offer is not involved. It is unlawful for a person to
1003 represent that the office's approval constitutes a
1004 recommendation. A person who violates this subsection commits a

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1005 felony of the third degree, punishable as provided in s.
1006 775.082, s. 775.083, or s. 775.084. The statute-of-limitations
1007 period for the prosecution of an offense committed under this
1008 subsection is 5 years.

1009 (11) A person may rebut a presumption of control by filing
1010 a disclaimer of control with the office on a form prescribed by
1011 the commission. The disclaimer must fully disclose all material
1012 relationships and bases for affiliation between the person and
1013 the attorney in fact as well as the basis for disclaiming the
1014 affiliation. In lieu of such form, a person or acquiring party
1015 may file with the office a copy of a Schedule 13G filed with the
1016 Securities and Exchange Commission pursuant to Rule 13d-1(b) or
1017 (c), 17 C.F.R. s. 240.13d-1, under the Securities Exchange Act
1018 of 1934, as amended. After a disclaimer has been filed, the
1019 attorney in fact is relieved of any duty to register or report
1020 under this section which may arise out of the attorney in fact's
1021 relationship with the person unless the office disallows the
1022 disclaimer.

1023 (12) If the office determines that any person or any
1024 affiliated person of such person has acquired 10 percent or more
1025 of the outstanding voting securities of an attorney in fact or
1026 controlling company that is a stock corporation, or 10 percent
1027 or more of the ownership interest of an attorney in fact or
1028 controlling company that is not a stock corporation, without
1029 complying with this section, the office may order that the

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1030 person and any affiliated person of such person cease
1031 acquisition of the attorney in fact or controlling company and,
1032 if appropriate, divest itself of any stock or ownership interest
1033 acquired in violation of this section.

1034 (13) (a) The office shall, if necessary to protect the
1035 public interest, suspend or revoke the certificate of authority
1036 of the reciprocal insurer whose attorney in fact or controlling
1037 company is acquired in violation of this section.

1038 (b) If a reciprocal insurer is subject to suspension or
1039 revocation pursuant to paragraph (a), any other reciprocal
1040 insurer using the same attorney in fact is also subject to
1041 suspension or revocation. In such case, the office may offer any
1042 affected reciprocal insurer, through its subscriber
1043 representatives, the ability to cure any suspension or
1044 revocation by procuring another attorney in fact acceptable to
1045 the office or by taking any other action agreed to by the
1046 office.

1047 (14) This section applies to domestic reciprocal insurers
1048 and the attorney in fact of domestic reciprocal insurers. This
1049 section does not apply to any acquisition of voting securities
1050 or ownership interest of an attorney in fact or of a controlling
1051 company by any person who is the owner of a majority of the
1052 voting securities or ownership interest with the approval of the
1053 office under this section or s. 629.091.

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1054 Section 21. Section 629.227, Florida Statutes, is created
1055 to read:

1056 629.227 Background information.—The information as to the
1057 background and identity of each person about whom information is
1058 required to be furnished pursuant to s. 629.081 or s. 629.225
1059 must include, but need not be limited to, all of the following:

1060 (1) A sworn biographical statement, on forms adopted by
1061 the commission, which must include, but need not be limited to,
1062 the following information:

1063 (a) Occupations, positions of employment, and offices held
1064 during the past 20 years, including the principal business and
1065 address of any business, corporation, or organization where each
1066 occupation, position of employment, or office occurred.

1067 (b) Whether, at any time during such 20-year period, the
1068 person was convicted of any crime other than a traffic
1069 violation.

1070 (c) Whether, during such 20-year period, the person has
1071 been the subject of any proceeding for the revocation of any
1072 license and, if so, the nature of the proceeding and the
1073 disposition of the proceeding.

1074 (d) Whether, during such 20-year period, the person has
1075 been the subject of any proceeding under the federal Bankruptcy
1076 Act.

1077 (e) Whether, during such 20-year period, any person or
1078 other business or organization in which the person was a

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1079 director, officer, trustee, partner, owner, manager, or other
1080 official has been the subject of any proceeding under the
1081 federal Bankruptcy Act, either during the time of that person's
1082 tenure with the business or organization or within 12 months
1083 thereafter.

1084 (f) Whether, during such 20-year period, the person has
1085 been enjoined, either temporarily or permanently, by a court of
1086 competent jurisdiction from violating any federal or state law
1087 regulating the business of insurance, securities, or banking, or
1088 from carrying out any particular practice or practices in the
1089 course of the business of insurance, securities, or banking,
1090 together with details as to any such event.

1091 (g) Whether, during such 20-year period, the person has
1092 served as the attorney in fact, a subscribers' advisory
1093 committee member, or any other manager or officer of a
1094 reciprocal insurer or insurer that became insolvent or had its
1095 certificate of authority suspended or revoked.

1096 (2) A full set of fingerprints of each person, which must
1097 be submitted to the department or to a vendor, entity, or agency
1098 authorized by s. 943.053(13). The department, vendor, entity, or
1099 agency shall forward the fingerprints to the Department of Law
1100 Enforcement for state processing, and the Department of Law
1101 Enforcement shall forward the fingerprints to the Federal Bureau
1102 of Investigation for national processing as described in s.
1103 624.34. Fees for state and federal fingerprint processing shall

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1104 be borne by the person. The state cost for fingerprint
1105 processing shall be as provided in s. 943.053(3)(e).

1106 (3) An authorization for release of information in regard
1107 to the investigation of such person's background.

1108 (4) Any additional information that the office deems
1109 necessary to determine the character, experience, ability, and
1110 other qualifications of the person, or affiliated person of such
1111 person, for the protection of the reciprocal insurer's
1112 subscribers and of the public.

1113 Section 22. Section 629.229, Florida Statutes, is created
1114 to read:

1115 629.229 Attorneys in fact, officers, and directors of
1116 insolvent reciprocal insurers or other insurers.—A person who
1117 served as an attorney in fact, or as an officer, director, or
1118 manager of an attorney in fact, a member of a subscribers'
1119 advisory committee of a reciprocal insurer doing business in
1120 this state, or an officer or director of any other insurer doing
1121 business in this state, and who served in that capacity within
1122 the 2-year period before the date the insurer or reciprocal
1123 insurer became insolvent, for an insolvency that occurs on or
1124 after July 1, 2024, may not thereafter:

1125 (1) Serve as an attorney in fact, or as an officer,
1126 director, or manager of an attorney in fact; a member of a
1127 subscribers' advisory committee of a reciprocal insurer doing

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1128 business in this state; or an officer or director of any other
1129 insurer doing business in this state; or
1130 (2) Have direct or indirect control over the selection or
1131 appointment of an attorney in fact, or of an officer, director,
1132 or manager of an attorney in fact; or a member of the
1133 subscribers' advisory committee of a reciprocal insurer doing
1134 business in this state; or an officer or director of any insurer
1135 doing business in this state, through contract or trust or by
1136 operation of law,
1137
1138 unless the person demonstrates that his or her personal actions
1139 or omissions were not a significant contributing cause to the
1140 insolvency.

1141 Section 23. Section 629.261, Florida Statutes, is amended
1142 to read:

1143 629.261 Nonassessable policies.—Upon the impairment of the
1144 surplus of a nonassessable reciprocal insurer, the office shall
1145 revoke the authorization issued under s. 629.091(3) or s.
1146 629.291(5). Upon the revocation of the authority to issue
1147 nonassessable policies, the reciprocal insurer may no longer
1148 issue or renew nonassessable policies or convert assessable
1149 policies to nonassessable policies and the provisions of s.
1150 629.301 apply.

1151 ~~(1) If a reciprocal insurer has a surplus as to~~
1152 ~~policyholders required of a domestic stock insurer authorized to~~

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1153 ~~transact like kinds of insurance, upon application of the~~
1154 ~~attorney and as approved by the subscribers' advisory committee~~
1155 ~~the office shall issue its certificate authorizing the insurer~~
1156 ~~to extinguish the contingent liability of subscribers under its~~
1157 ~~policies then in force in this state and to omit provisions~~
1158 ~~imposing contingent liability in all policies delivered or~~
1159 ~~issued for delivery in this state for so long as all such~~
1160 ~~surplus remains unimpaired.~~

1161 ~~(2) Upon impairment of such surplus, the office shall~~
1162 ~~forthwith revoke the certificate.~~ Such revocation shall not
1163 render subject to contingent liability any policy then in force
1164 and for the remainder of the period for which the premium has
1165 theretofore been paid; but, after such revocation, no policy
1166 shall be issued or renewed without providing for contingent
1167 assessment liability of the subscriber.

1168 ~~(3) The office shall not authorize a domestic reciprocal~~
1169 ~~insurer so to extinguish the contingent liability of any of its~~
1170 ~~subscribers or in any of its policies to be issued, unless it~~
1171 ~~qualifies to and does extinguish such liability of all its~~
1172 ~~subscribers and in all such policies for all kinds of insurance~~
1173 ~~transacted by it; except that, if required by the laws of~~
1174 ~~another state in which the insurer is transacting insurance as~~
1175 ~~an authorized insurer, the insurer may issue policies providing~~
1176 ~~for the contingent liability of such of its subscribers as may~~
1177 ~~acquire such policies in such state, and need not extinguish the~~

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1178 ~~contingent liability applicable to policies theretofore in force~~
1179 ~~in such state.~~

1180 Section 24. Subsections (1), (2), and (4) of section
1181 629.291, Florida Statutes, are amended, and subsection (5) is
1182 added to that section, to read:

1183 629.291 Merger or conversion.—

1184 (1) A ~~domestic~~ reciprocal insurer, upon affirmative vote
1185 of not less than two-thirds of its subscribers who vote on such
1186 merger pursuant to due notice, and subject to the approval by ~~of~~
1187 the office of the terms therefor, may merge with another
1188 reciprocal insurer or be converted to a stock or mutual insurer,
1189 to be thereafter governed by the applicable sections of the
1190 Florida Insurance Code. However, a domestic stock insurer may
1191 not convert to a reciprocal insurer.

1192 (2) A plan to merge a reciprocal insurer with another
1193 reciprocal insurer or for conversion of the reciprocal insurer
1194 to a stock or mutual insurer must be filed with the office on
1195 forms adopted by the office and must contain such information as
1196 the office reasonable requires to evaluate the transaction ~~Such~~
1197 ~~a stock or mutual insurer shall be subject to the same capital~~
1198 ~~or surplus requirements and shall have the same rights as a like~~
1199 ~~domestic insurer transacting like kinds of insurance.~~

1200 (4) Reinsurance of all or substantially all of the
1201 insurance in force of a domestic reciprocal insurer in another

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1202 insurer ~~is shall~~ be deemed to be a merger for the purposes of
1203 this section.

1204 (5) (a) An assessable reciprocal insurer may convert to a
1205 nonassessable reciprocal insurer if:

1206 1. The subscribers' advisory committee approves the
1207 conversion;

1208 2. The attorney in fact submits the application for
1209 conversion on the required application form; and

1210 3. The office finds that the application for conversion
1211 meets the minimum statutory requirements.

1212 (b) If the office approves the application for conversion,
1213 the assessable reciprocal insurer may convert to a nonassessable
1214 reciprocal insurer by:

1215 1. Extinguishing the contingent liability of subscribers
1216 under all policies then in force in this state;

1217 2. Omitting contingent liability provisions in all
1218 policies delivered or issued in this state after the conversion;
1219 and

1220 3. Otherwise extinguishing the contingent liability of all
1221 of its subscribers. However, if the reciprocal insurer is
1222 transacting insurance as an authorized insurer in another state
1223 and that state's laws require the insurer to issue policies with
1224 contingent liability provisions, the insurer may issue
1225 contingent liability policies in that other state.

1226 Section 25. 629.525, Florida Statutes, is created to read:

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1227 629.525 Rulemaking authority.—The commission shall adopt,
1228 amend, or repeal rules pursuant to chapter 120 which are
1229 necessary to implement this chapter.

1230 Section 26. Paragraph (h) of subsection (3) of section
1231 163.01, Florida Statutes, is amended to read:

1232 163.01 Florida Interlocal Cooperation Act of 1969.—

1233 (3) As used in this section:

1234 (h) "Local government liability pool" means a reciprocal
1235 insurer as defined in s. 629.011 ~~s. 629.021~~ or any self-
1236 insurance program created pursuant to s. 768.28(16), formed and
1237 controlled by counties or municipalities of this state to
1238 provide liability insurance coverage for counties,
1239 municipalities, or other public agencies of this state, which
1240 pool may contract with other parties for the purpose of
1241 providing claims administration, processing, accounting, and
1242 other administrative facilities.

1243 Section 27. Subsection (3) of section 626.9531, Florida
1244 Statutes, is amended to read:

1245 626.9531 Identification of insurers, agents, and insurance
1246 contracts.—

1247 (3) For the purposes of this section, the term "risk
1248 bearing entity" means a reciprocal insurer as defined in s.
1249 629.011 ~~s. 629.021~~, a commercial self-insurance fund as defined
1250 in s. 624.462, a group self-insurance fund as defined in s.
1251 624.4621, a local government self-insurance fund as defined in

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1252 s. 624.4622, a self-insured public utility as defined in s.
1253 624.46225, or an independent educational institution self-
1254 insurance fund as defined in s. 624.4623. For the purposes of
1255 this section, the term "risk bearing entity" does not include an
1256 authorized insurer as defined in s. 624.09.

1257 Section 28. Except as otherwise expressly provided in this
1258 act and except for this section, which shall take effect upon
1259 this act becoming a law, this act shall take effect July 1,
1260 2024.

1261

1262

1263

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

1264

Remove lines 14-154 and insert:

1265

authority self-insurance funds; amending s. 626.9201,

1266

F.S.; prohibiting eligible surplus lines insurers from

1267

canceling and nonrenewing policies covering dwellings

1268

and residential properties damaged by hurricanes and

1269

wind losses within certain timeframes; providing

1270

exceptions to prohibitions against insurers' policy

1271

cancellations and nonrenewals within certain

1272

timeframes; providing definitions; authorizing the

1273

Financial Services Commission to adopt rules and the

1274

Commissioner of Insurance Regulation to issue orders;

1275

amending s. 627.062, F.S.; specifying requirements for

1276

rate filings if certain models are used; amending s.

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1277 627.351, F.S.; revising requirements for certain
1278 policies that are not subject to certain rate increase
1279 limitations; amending s. 627.4133, F.S.; prohibiting
1280 insurers from canceling and nonrenewing policies
1281 covering dwellings and residential properties damaged
1282 by covered perils within certain timeframes; revising
1283 exceptions to prohibitions against insurers' policy
1284 cancellations and nonrenewals within certain
1285 timeframes; revising conditions under which a
1286 structure is deemed to be repaired; revising the
1287 definition of the term "insurer" to include eligible
1288 surplus lines insurers; defining the term "damage";
1289 amending s. 627.7011, F.S.; revising the definition of
1290 the term "authorized inspector" to include licensed
1291 roofing contractors for the purpose of homeowners'
1292 insurance policies; amending ss. 628.011 and 628.061,
1293 F.S.; conforming provisions to changes made by the
1294 act; amending s. 628.801, F.S.; revising requirements
1295 for rules adopted for insurers that are members of an
1296 insurance holding company; deleting an obsolete date;
1297 authorizing the office to adopt rules; amending s.
1298 629.011, F.S.; defining terms; repealing s. 629.021,
1299 F.S., relating to the definition of the term
1300 "reciprocal insurer"; repealing s. 629.061, F.S.,
1301 relating to attorney; amending s. 629.081, F.S.;

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1302 revising the procedure for persons to organize as a
1303 domestic reciprocal insurer; specifying requirements
1304 for the permit application; requiring that the
1305 application be accompanied by a specified fee;
1306 requiring that the office evaluate and grant or deny
1307 the permit application in accordance with specified
1308 provisions; removing the requirement that a specified
1309 declaration be acknowledged by an attorney; amending
1310 s. 629.091, F.S.; providing requirements for the
1311 application for a certificate of authority to operate
1312 as a domestic reciprocal insurer; requiring the office
1313 to grant the authorization for reciprocal insurers to
1314 issue nonassessable policies under certain
1315 circumstances; requiring that certificates of
1316 authority be issued in the name of the reciprocal
1317 insurer to its attorney in fact; creating s. 629.094,
1318 F.S.; requiring a domestic reciprocal insurer to meet
1319 certain requirements to maintain its eligibility for a
1320 certificate of authority; amending s. 629.101, F.S.;

1321 revising requirements for the power of attorney given
1322 by subscribers of a domestic reciprocal insurer to the
1323 attorney in fact; conforming provisions to changes
1324 made by the act; creating s. 629.225, F.S.;

1325 prohibiting persons from acquiring certain securities
1326 or ownership interests of certain attorneys in fact

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1327 and controlling companies of certain attorneys in
1328 fact; providing an exception; authorizing certain
1329 persons to request that the office waive certain
1330 requirements; providing that the office may waive
1331 certain requirements if specified determinations are
1332 made; specifying the requirements of an application to
1333 the office relating to certain acquisitions; requiring
1334 that such application be accompanied by a specified
1335 fee; requiring that amendments be filed with the
1336 office under certain circumstances; specifying the
1337 manner in which the acquisition application must be
1338 reviewed; authorizing the office, and requiring the
1339 office if a request for a proceeding is filed, to
1340 conduct a proceeding within a specified timeframe to
1341 consider the appropriateness of such application;
1342 requiring that certain time periods be tolled;
1343 requiring that written requests for a proceeding be
1344 filed within a certain timeframe; authorizing certain
1345 persons to take all steps to conclude the acquisition
1346 during the pendency of the proceeding or review
1347 period; requiring the office to order a proposed
1348 acquisition disapproved and that actions to conclude
1349 the acquisition be ceased under certain circumstances;
1350 prohibiting certain persons from making certain
1351 changes during the pendency of the office's review of

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1352 an acquisition; providing an exception; defining the
1353 terms "material change in the operation of the
1354 attorney in fact" and "material change in the
1355 management of the attorney in fact"; requiring the
1356 office to approve or disapprove certain changes upon
1357 making certain findings; requiring that a proceeding
1358 be conducted within a certain timeframe; requiring
1359 that recommended orders and final orders be issued
1360 within a certain timeframe; specifying the
1361 circumstances under which the office may disapprove an
1362 acquisition; specifying that certain persons have the
1363 burden of proof; requiring the office to approve an
1364 acquisition upon certain findings; specifying that
1365 certain votes are not valid and that certain
1366 acquisitions are void; specifying that certain
1367 provisions may be enforced by an injunction; creating
1368 a private right of action in favor of the attorney in
1369 fact or the controlling company to enforce certain
1370 provisions; providing that a certain demand upon the
1371 office is not required before certain legal actions;
1372 providing that the office is not a necessary party to
1373 certain actions; specifying the persons who are deemed
1374 designated for service of process and who have
1375 submitted to the administrative jurisdiction of the
1376 office; providing that approval by the office does not

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1377 constitute a certain recommendation; providing that
1378 certain actions are unlawful; providing criminal
1379 penalties; providing a statute of limitations;
1380 authorizing a person to rebut a presumption of control
1381 by filing certain disclaimers; specifying the contents
1382 of such disclaimer; specifying that, after a
1383 disclaimer is filed, the attorney in fact is relieved
1384 of a certain duty; authorizing the office to order
1385 certain persons to cease acquisition of the attorney
1386 in fact or controlling company and divest themselves
1387 of any stock or ownership interest under certain
1388 circumstances; requiring the office to suspend or
1389 revoke the reciprocal certificate of authority under
1390 certain circumstances; specifying that the attorney in
1391 fact is deemed to be hazardous to its policyholders if
1392 the reciprocal insurer is subject to suspension or
1393 revocation; authorizing the office to offer the
1394 reciprocal insurer the ability to cure any suspension
1395 or revocation under certain circumstances; providing
1396 applicability; creating s. 629.227, F.S.; specifying
1397 the information as to the background and identity of
1398 certain persons which must be furnished by such
1399 persons; creating s. 629.229, F.S.; prohibiting
1400 certain persons from serving in specified positions of
1401 reciprocal insurers or insurers under certain

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1402 circumstances; amending s. 629.261, F.S.; removing
1403 provisions relating to certain authorizations for
1404 reciprocal insurers; prohibiting reciprocal insurers
1405 from issuing or renewing nonassessable policies or
1406 converting assessable policies to nonassessable
1407 policies under certain circumstances; providing
1408 applicability; amending s. 629.291, F.S.; providing
1409 that certain insurers that merge are governed by the
1410 insurance code; prohibiting domestic stock insurers
1411 from converting to reciprocal insurers; requiring that
1412 specified plans be filed with the office and that such
1413 plans contain certain information; authorizing the
1414 conversion of assessable reciprocal insurers to
1415 nonassessable reciprocal insurers under certain
1416 circumstances; providing certain procedures when
1417 certain reciprocal insurers convert; authorizing
1418 reciprocal insurers to issue contingent liability
1419 policies in another state under certain circumstances;
1420 creating s. 629.525, F.S.; requiring the commission to
1421 adopt, amend, or repeal certain rules; amending ss.
1422 163.01 and 626.9531, F.S.; conforming provisions to
1423 changes made by the act; providing effective dates.