

Amendment No.

CHAMBER ACTION

Senate

House

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Representative Stevenson offered the following:

**Amendment (with title amendment)**

Remove lines 204-1485 and insert:

(10) (a) By January 1, 2025, and each month thereafter,  
each insurer or insurer group doing business in this state shall  
file on a monthly ~~quarterly~~ basis ~~in conjunction with financial~~  
~~reports required by paragraph (1) (a)~~ a supplemental report on an  
individual and group basis on a form prescribed by the  
commission with information on personal lines and commercial  
lines residential property insurance policies in this state. The  
supplemental report must ~~shall~~ include separate information for  
personal lines property policies and for commercial lines

685857

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Amendment No.

14 property policies and totals for each item specified, including  
15 premiums written for each of the property lines of business as  
16 described in ss. 215.555(2)(c) and 627.351(6)(a). The report  
17 must ~~shall~~ include the following information for each zip code  
18 ~~county on a monthly basis~~:

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

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

685857

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Amendment No.

38           624.4305 Nonrenewal of residential property insurance  
39 policies.—Any insurer planning to nonrenew more than 10,000  
40 residential property insurance policies in this state within a  
41 12-month period shall give notice in writing to the Office of  
42 Insurance Regulation for informational purposes 90 days before  
43 the issuance of any notices of nonrenewal. The notice provided  
44 to the office must set forth the insurer's reasons for such  
45 action, the effective dates of nonrenewal, and any arrangements  
46 made for other insurers to offer coverage to affected  
47 policyholders. The commission may adopt rules to administer this  
48 section.

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

52           624.46226 Public housing authorities self-insurance funds;  
53 exemption for taxation and assessments.—

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

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

63 (d) Maintains a continuing program of excess insurance  
64 coverage and reinsurance ~~reserve evaluation~~ to protect the  
65 financial stability of the fund ~~in an amount and manner~~  
66 ~~determined by a qualified and independent actuary. The program~~  
67 must, at a minimum, ~~this program must:~~

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

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

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

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

79  
80 A for-profit or not-for-profit corporation, limited liability  
81 company, or other similar business entity in which a public  
82 housing authority holds an ownership interest or participates in  
83 its governance under s. 421.08(8) may join a self-insurance fund  
84 formed under this section in which such public housing authority  
85 participates. Such for-profit or not-for-profit corporation,  
86 limited liability company, or other similar business entity may

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

87 | join the self-insurance fund solely to insure risks related to  
88 | public housing.

89 |       Section 5. Subsection (2) of section 626.9201, Florida  
90 | Statutes, is amended, and subsection (1) of that section is  
91 | republished, to read:

92 |       626.9201 Notice of cancellation or nonrenewal.—

93 |       (1) An insurer issuing a policy providing coverage for  
94 | property, casualty, surety, or marine insurance must give the  
95 | first named insured at least 45 days' advance written notice of  
96 | nonrenewal. If the policy is not to be renewed, the written  
97 | notice shall state the reasons as to why the policy is not to be  
98 | renewed. This subsection does not apply:

99 |       (a) If the insurer has manifested its willingness to  
100 | renew, and the offer is not rescinded prior to expiration of the  
101 | policy; or

102 |       (b) If a notice of cancellation for nonpayment of premium  
103 | is provided under subsection (2).

104 |       (2) An insurer issuing a policy providing coverage for  
105 | property, casualty, surety, or marine insurance must give the  
106 | named insured written notice of cancellation or termination  
107 | other than nonrenewal at least 45 days before the effective date  
108 | of the cancellation or termination, including in the written  
109 | notice the reasons for the cancellation or termination, except  
110 | that:

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

111 (a) If cancellation is for nonpayment of premium, at least  
112 10 days' written notice of cancellation accompanied by the  
113 reason for cancellation must be given. As used in this  
114 paragraph, the term "nonpayment of premium" means the failure of  
115 the named insured to discharge when due any of his or her  
116 obligations in connection with the payment of premiums on a  
117 policy or an installment of such a premium, whether the premium  
118 or installment is payable directly to the insurer or its agent  
119 or indirectly under any plan for financing premiums or extension  
120 of credit or the failure of the named insured to maintain  
121 membership in an organization if such membership is a condition  
122 precedent to insurance coverage. The term also includes the  
123 failure of a financial institution to honor the check of an  
124 applicant for insurance which was delivered to a licensed agent  
125 for payment of a premium, even if the agent previously delivered  
126 or transferred the premium to the insurer. If a correctly  
127 dishonored check represents payment of the initial premium, the  
128 contract and all contractual obligations are void ab initio  
129 unless the nonpayment is cured within the earlier of 5 days  
130 after actual notice by certified mail is received by the  
131 applicant or 15 days after notice is sent to the applicant by  
132 certified mail or registered mail, and, if the contract is void,  
133 any premium received by the insurer from a third party must  
134 ~~shall~~ be refunded to that party in full; ~~and~~

685857

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Amendment No.

135 (b) If cancellation or termination occurs during the first  
136 90 days during which the insurance is in force and if the  
137 insurance is canceled or terminated for reasons other than  
138 nonpayment, at least 20 days' written notice of cancellation or  
139 termination accompanied by the reason for cancellation or  
140 termination must be given, except if there has been a material  
141 misstatement or misrepresentation or failure to comply with the  
142 underwriting requirements established by the insurer; and-

143 (c)1. Upon a declaration of an emergency pursuant to s.  
144 252.36 and the filing of an order by the Commissioner of  
145 Insurance Regulation, an insurer may not cancel or nonrenew a  
146 personal residential or commercial residential property  
147 insurance policy covering a dwelling or residential property  
148 located in this state which has been damaged as a result of a  
149 hurricane or wind loss that is the subject of the declaration of  
150 emergency for 90 days after the dwelling or residential property  
151 has been repaired. A dwelling or residential property is deemed  
152 to be repaired when substantially completed and restored to the  
153 extent that the dwelling or residential property is insurable by  
154 another insurer that is writing policies in this state.

155 2. An insurer or agent may cancel or nonrenew such a  
156 policy before the repair of the dwelling or residential  
157 property:

158 a. Upon 10 days' notice for nonpayment of premium; or

159 b. Upon 45 days' notice:

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

160 (I) For a material misstatement or fraud related to the  
161 claim;

162 (II) If the insurer determines that the insured has  
163 unreasonably caused a delay in the repair of the dwelling or  
164 residential property;

165 (III) If the insurer or its agent has made a reasonable  
166 written inquiry to the insured as to the status of the repair,  
167 sent by certified mail, return receipt requested, and the  
168 insured has failed within 30 calendar days to provide  
169 information that is responsive to the inquiry to either the  
170 address or e-mail account designated by the insurer or its  
171 agent; or

172 (IV) If the insurer has paid policy limits.

173 3. If the insurer elects to nonrenew a policy covering a  
174 dwelling or residential property that has been damaged, the  
175 insurer must provide at least 90 days' notice to the insured  
176 that the insurer intends to nonrenew the policy 90 days after  
177 the property has been repaired.

178 4. This paragraph does not prevent the insurer from  
179 canceling or nonrenewing the policy 90 days after the repair is  
180 completed for the same reasons the insurer would otherwise have  
181 canceled or nonrenewed the policy but for the limitations  
182 imposed in subparagraph 1.

685857

Approved For Filing: 2/28/2024 3:29:18 PM



Amendment No.

183        5. The commission may adopt rules, and the Commissioner of  
184 Insurance Regulation may issue orders, necessary to implement  
185 this paragraph.

186        Section 6. Paragraph (j) of subsection (2) of section  
187 627.062, Florida Statutes, is amended to read:

188        627.062 Rate standards.—

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

190        (j) With respect to residential property insurance rate  
191 filings, the rate filing:

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

194        2. May use a modeling indication that is the weighted or  
195 straight average of two or more hurricane loss projection models  
196 found by the Florida Commission on Hurricane Loss Projection  
197 Methodology to be accurate or reliable pursuant to s. 627.0628.

198 If an averaged model is used under this section, the same  
199 averaged model must be used throughout this state. If a weighted  
200 average is used, the insurer must provide the office with an  
201 actuarial justification for using the weighted average which  
202 shows that the weighted average results in a rate that is  
203 reasonable, adequate, and fair.

204  
205 The provisions of this subsection do not apply to workers'  
206 compensation, employer's liability insurance, and motor vehicle  
207 insurance.

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

208 Section 7. Paragraph (n) of subsection (6) of section  
209 627.351, Florida Statutes, is amended to read:  
210 627.351 Insurance risk apportionment plans.—  
211 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—  
212 (n)1. Rates for coverage provided by the corporation must  
213 be actuarially sound pursuant to s. 627.062 and not competitive  
214 with approved rates charged in the admitted voluntary market so  
215 that the corporation functions as a residual market mechanism to  
216 provide insurance only when insurance cannot be procured in the  
217 voluntary market, except as otherwise provided in this  
218 paragraph. The office shall provide the corporation such  
219 information as would be necessary to determine whether rates are  
220 competitive. The corporation shall file its recommended rates  
221 with the office at least annually. The corporation shall provide  
222 any additional information regarding the rates which the office  
223 requires. The office shall consider the recommendations of the  
224 board and issue a final order establishing the rates for the  
225 corporation within 45 days after the recommended rates are  
226 filed. The corporation may not pursue an administrative  
227 challenge or judicial review of the final order of the office.  
228 2. In addition to the rates otherwise determined pursuant  
229 to this paragraph, the corporation shall impose and collect an  
230 amount equal to the premium tax provided in s. 624.509 to  
231 augment the financial resources of the corporation.

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

232           3. After the public hurricane loss-projection model under  
233 s. 627.06281 has been found to be accurate and reliable by the  
234 Florida Commission on Hurricane Loss Projection Methodology, the  
235 model shall be considered when establishing the windstorm  
236 portion of the corporation's rates. The corporation may use the  
237 public model results in combination with the results of private  
238 models to calculate rates for the windstorm portion of the  
239 corporation's rates. This subparagraph does not require or allow  
240 the corporation to adopt rates lower than the rates otherwise  
241 required or allowed by this paragraph.

242           4. The corporation must make a recommended actuarially  
243 sound rate filing for each personal and commercial line of  
244 business it writes.

245           5. Notwithstanding the board's recommended rates and the  
246 office's final order regarding the corporation's filed rates  
247 under subparagraph 1., the corporation shall annually implement  
248 a rate increase which, except for sinkhole coverage, does not  
249 exceed the following for any single policy issued by the  
250 corporation, excluding coverage changes and surcharges:

- 251           a. Twelve percent for 2023.
- 252           b. Thirteen percent for 2024.
- 253           c. Fourteen percent for 2025.
- 254           d. Fifteen percent for 2026 and all subsequent years.

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

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

258 7. The corporation's implementation of rates as prescribed  
259 in subparagraphs 5. and 8. shall cease for any line of business  
260 written by the corporation upon the corporation's implementation  
261 of actuarially sound rates. Thereafter, the corporation shall  
262 annually make a recommended actuarially sound rate filing that  
263 is not competitive with approved rates in the admitted voluntary  
264 market for each commercial and personal line of business the  
265 corporation writes.

266 8. ~~The following~~ New or renewal personal lines policies  
267 that do not cover a primary residence ~~written on or after~~  
268 ~~November 1, 2023,~~ are not subject to the rate increase  
269 limitations in subparagraph 5., but may not be charged more than  
270 50 percent above, nor less than, the prior year's established  
271 rate for the corporation.

272 ~~a. Policies that do not cover a primary residence;~~

273 ~~b. New policies under which the coverage for the insured~~  
274 ~~risk, before the date of application with the corporation, was~~  
275 ~~last provided by an insurer determined by the office to be~~  
276 ~~unsound or an insurer placed in receivership under chapter 631;~~  
277 ~~or~~

278 ~~e. Subsequent renewals of those policies, including the~~  
279 ~~new policies in sub-subparagraph b., under which the coverage~~

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

280 ~~for the insured risk, before the date of application with the~~  
281 ~~corporation, was last provided by an insurer determined by the~~  
282 ~~office to be unsound or an insurer placed in receivership under~~  
283 ~~chapter 631.~~

284 9. As used in this paragraph, the term "primary residence"  
285 means the dwelling that is the policyholder's primary home or is  
286 a rental property that is the primary home of the tenant, and  
287 which the policyholder or tenant occupies for more than 9 months  
288 of each year.

289 Section 8. Paragraph (a) of subsection (5) of section  
290 627.7011, Florida Statutes, is amended to read:

291 627.7011 Homeowners' policies; offer of replacement cost  
292 coverage and law and ordinance coverage.—

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

- 296 1. A home inspector licensed under s. 468.8314;
- 297 2. A building code inspector certified under s. 468.607;
- 298 3. A general, building, or residential contractor licensed  
299 under s. 489.111 or a roofing contractor;
- 300 4. A professional engineer licensed under s. 471.015;
- 301 5. A professional architect licensed under s. 481.213; or
- 302 6. Any other individual or entity recognized by the  
303 insurer as possessing the necessary qualifications to properly

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

304 complete a general inspection of a residential structure insured  
305 with a homeowner's insurance policy.

306 Section 9. Section 628.011, Florida Statutes, is amended  
307 to read:

308 628.011 Scope of part.—This part applies only to domestic  
309 ~~stock~~ insurers, mutual insurers, and captive insurers, except  
310 that s. 628.341(2) applies also as to foreign and alien  
311 insurers.

312 Section 10. Section 628.061, Florida Statutes, is amended  
313 to read:

314 628.061 Investigation of proposed organization.—In  
315 connection with any proposal to organize or incorporate a  
316 domestic insurer, the office shall make an investigation of:

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

320 (2) The character, financial responsibility, insurance  
321 experience, and business qualifications of its proposed  
322 officers, members of its subscribers' advisory committee, or  
323 officers of its attorney in fact.

324 (3) The character, financial responsibility, business  
325 experience, and standing of the proposed stockholders and  
326 directors, including the stockholders and directors of any  
327 attorney in fact.

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

328 Section 11. Subsections (1), (2), and (5) of section  
329 628.801, Florida Statutes, are amended to read:

330 628.801 Insurance holding companies; registration;  
331 regulation.—

332 (1) An insurer that is authorized to do business in this  
333 state and that is a member of an insurance holding company  
334 shall, on or before April 1 of each year, register with the  
335 office and file a registration statement and be subject to  
336 regulation with respect to its relationship to the holding  
337 company as provided by law or rule. The commission shall adopt  
338 rules establishing the information and statement form required  
339 for registration and the manner in which registered insurers and  
340 their affiliates are regulated. The rules apply to domestic  
341 insurers, foreign insurers, and commercially domiciled insurers,  
342 except for foreign insurers domiciled in states that are  
343 currently accredited by the NAIC. Except to the extent of any  
344 conflict with this code, the rules must include all requirements  
345 and standards of the Insurance Holding Company System Model  
346 Regulation and ss. 4 and 5 of the Insurance Holding Company  
347 System Regulatory Act ~~and the Insurance Holding Company System~~  
348 ~~Model Regulation~~ of the NAIC, as adopted in December 2020 ~~2010~~.  
349 The commission may adopt subsequent amendments thereto if the  
350 methodology remains substantially consistent. The rules may  
351 include a prohibition on oral contracts between affiliated  
352 entities. Material transactions between an insurer and its

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

353 affiliates must ~~shall~~ be filed with the office as provided by  
354 rule.

355 (2) ~~Effective January 1, 2015,~~ The ultimate controlling  
356 person of every insurer subject to registration shall also file  
357 an annual enterprise risk report on or before April 1. As used  
358 in this subsection, the term "ultimate controlling person" means  
359 a person who is not controlled by any other person. The report  
360 must, to the best of the ultimate controlling person's knowledge  
361 and belief, ~~must~~ identify the material risks within the  
362 insurance holding company system that could pose enterprise risk  
363 to the insurer. The report must ~~shall~~ be filed with the lead  
364 state office of the insurance holding company system as  
365 determined by the procedures within the Financial Analysis  
366 Handbook adopted by the NAIC and is confidential and exempt from  
367 public disclosure as provided in s. 624.4212.

368 (a) An insurer may satisfy this requirement by providing  
369 the office with the most recently filed parent corporation  
370 reports that have been filed with the Securities and Exchange  
371 Commission which provide the appropriate enterprise risk  
372 information.

373 (b) The term "enterprise risk" means an activity,  
374 circumstance, event, or series of events involving one or more  
375 affiliates of an insurer which, if not remedied promptly, are  
376 likely to have a materially adverse effect upon the financial  
377 condition or liquidity of the insurer or its insurance holding

685857

Approved For Filing: 2/28/2024 3:29:18 PM



Amendment No.

378 company system as a whole, including anything that would cause  
379 the insurer's risk-based capital to fall into company action  
380 level as set forth in s. 624.4085 or would cause the insurer to  
381 be in a hazardous financial condition.

382 (c) The office may adopt rules for filing the annual  
383 enterprise risk report in accordance with the Insurance Holding  
384 Company System Regulatory Act and the Insurance Holding Company  
385 System Model Regulation of the NAIC, as adopted in December  
386 2020.

387 (5) ~~Effective January 1, 2015,~~ The failure to file a  
388 registration statement, or a summary of the registration  
389 statement, or the enterprise risk filing report required by this  
390 section within the time specified for filing is a violation of  
391 this section.

392 Section 12. Section 629.011, Florida Statutes, is amended  
393 to read:

394 629.011 Definitions "Reciprocal insurance" defined.-As  
395 used in this part, the term:

396 (1) "Affiliated person" of another person means any of the  
397 following:

398 (a) The spouse of the other person.

399 (b)1. The parents of the other person or their lineal  
400 descendants.

401 2. The parents of the other person's spouse or their  
402 lineal descendants.

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

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

406 (d) A person who directly or indirectly owns 10 percent or  
407 more of the outstanding voting securities that are directly or  
408 indirectly owned or controlled, or held with the power to vote,  
409 by the other person.

410 (e) A person or group of persons who directly or  
411 indirectly control, are controlled by, or are under common  
412 control with the other person.

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

417 (g) If the other person is an investment company, any  
418 investment adviser of such company or any member of an advisory  
419 board of such company.

420 (h) If the other person is an unincorporated investment  
421 company not having a board of directors, the depositor of such  
422 company.

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

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

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

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

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

433 (3) "Controlling company" means a person, corporation,  
434 trust, limited liability company, association, or other entity  
435 owning, directly or indirectly, 10 percent or more of the voting  
436 securities of one or more attorneys in fact that are stock  
437 corporations, or 10 percent or more of the ownership interest of  
438 one or more attorneys in fact that are not stock corporations.

439 (4) "Reciprocal insurance" ~~means is that resulting from~~ an  
440 interexchange among persons, known as "subscribers," of  
441 reciprocal agreements of indemnity, the interexchange being  
442 effectuated through an "attorney in fact" common to all such  
443 persons.

444 (5) "Reciprocal insurer" means an unincorporated  
445 aggregation of subscribers operating individually and  
446 collectively through an attorney in fact to provide reciprocal  
447 insurance among themselves.

448 Section 13. Section 629.021, Florida Statutes, is  
449 repealed.

450 Section 14. Section 629.061, Florida Statutes, is  
451 repealed.

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

452 Section 15. Section 629.081, Florida Statutes, is amended  
453 to read:

454 629.081 Organization of reciprocal insurer.—

455 (1) Twenty-five or more persons domiciled in this state  
456 may organize a domestic reciprocal insurer by applying and make  
457 application to the office for a permit to do so. A domestic  
458 reciprocal insurer may not be formed unless the persons so  
459 proposing have first received a permit from the office a  
460 certificate of authority to transact insurance.

461 (2) The permit application, to be filed by the organizers  
462 or the proposed attorney in fact, must be in writing and made in  
463 accordance with forms prescribed by the commission. In addition  
464 to any applicable requirements of s. 628.051 and other relevant  
465 statutes, the application must include all of the following  
466 shall fulfill the requirements of and shall execute and file  
467 with the office, when applying for a certificate of authority, a  
468 declaration setting forth:

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

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

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

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

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

477 (e) The proposed designation and appointment of the  
478 proposed attorney in fact and a copy of the proposed power of  
479 attorney.†

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

483 (g) The background information as specified in s. 629.227  
484 for all officers, directors, managers, and those in equivalent  
485 positions of the proposed attorney in fact as well as for any  
486 person with an ownership interest of 10 percent or more in the  
487 proposed attorney in fact.

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

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

495 ~~(h) That all moneys paid to the reciprocal shall, after~~  
496 ~~deducting therefrom any sum payable to the attorney, be held in~~  
497 ~~the name of the insurer and for the purposes specified in the~~  
498 ~~subscribers' agreement;~~

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

500 ~~(j) A statement that each of the original subscribers has~~  
501 ~~in good faith applied for insurance of a kind proposed to be~~

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

502 ~~transacted, and that the insurer has received from each such~~  
503 ~~subscriber the full premium or premium deposit required for the~~  
504 ~~policy applied for, for a term of not less than 6 months at an~~  
505 ~~adequate rate theretofore filed with and approved by the office;~~

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

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

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

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

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

518  
519 ~~Such declaration shall be acknowledged by the attorney before an~~  
520 ~~officer authorized to take acknowledgments.~~

521 Section 16. Section 629.091, Florida Statutes, is amended  
522 to read:

523 629.091 Reciprocal certificate of authority.—

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

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

526 (2) To apply for a certificate of authority as a domestic  
527 reciprocal insurer, the attorney in fact of an applicant who has  
528 previously received a permit from the office may file an  
529 application for a certificate of authority in accordance with  
530 forms prescribed by the commission which, in addition to  
531 applicable requirements of ss. 624.404, 624.411, 624.413, and  
532 other relevant statutes, consists of all of the following:

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

535 (b) A statement affirming that all moneys paid to the  
536 reciprocal insurer shall, after deducting therefrom any sum  
537 payable to the attorney in fact, be held in the name of the  
538 insurer and for the purposes specified in the subscribers'  
539 agreement.

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

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

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

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

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

552        (3) If the reciprocal insurer intends to issue  
553 nonassessable policies upon receipt of a certificate of  
554 authority and if the office determines that the reciprocal  
555 insurer meets the legal requirements to issue nonassessable  
556 policies, including the surplus requirements, the office shall  
557 grant the authorization to issue nonassessable policies.

558        (4) The certificate of authority ~~must~~ of a reciprocal  
559 ~~insurer shall~~ be issued ~~to its attorney~~ in the name of the  
560 reciprocal insurer to its attorney in fact.

561        Section 17. Section 629.094, Florida Statutes, is created  
562 to read:

563        629.094 Continued eligibility for certificate of  
564 authority.-In order to maintain its eligibility for a  
565 certificate of authority, a domestic reciprocal insurer must  
566 continue to meet all applicable conditions required for  
567 receiving the initial permit and certificate of authority under  
568 the insurance code and the rules adopted thereunder.

569        Section 18. Section 629.101, Florida Statutes, is amended  
570 to read:

571        629.101 Power of attorney.-

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

685857

Approved For Filing: 2/28/2024 3:29:18 PM



Amendment No.

575 (2) The power of attorney must set forth all of the  
576 following:

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

578 (b) That the attorney in fact is empowered to accept  
579 service of process on behalf of the insurer in actions against  
580 the insurer upon contracts exchanged.

581 (c) The place where the office of the attorney in fact is  
582 maintained.†

583 (d)(e) The general services to be performed by the  
584 attorney in fact.†

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

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

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

596 (3) The power of attorney may:

597 (a) Provide for the right of substitution of the attorney  
598 in fact and revocation of the power of attorney and rights  
599 thereunder.†

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

600 (b) Impose such restrictions upon the exercise of the  
601 power as are agreed upon by the subscribers. ~~;~~

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

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

606 ~~(5)-(4)~~ The terms of any power of attorney or agreement  
607 collateral thereto must ~~shall~~ be reasonable and equitable, and  
608 ~~no~~ such power or agreement may not ~~shall~~ be used or be effective  
609 in this state unless filed with the office.

610 Section 19. Section 629.225, Florida Statutes, is created  
611 to read:

612 629.225 Acquisitions.-

613 (1) A person may not, individually or in conjunction with  
614 an affiliated person of such person, directly or indirectly,  
615 conclude a tender offer or exchange offer for, enter into any  
616 agreement to exchange securities for, or otherwise finally  
617 acquire 10 percent or more of the outstanding voting securities  
618 of an attorney in fact that is a stock corporation or of a  
619 controlling company of an attorney in fact that is a stock  
620 corporation; or conclude an acquisition of, or otherwise finally  
621 acquire, 10 percent or more of the ownership interest of an  
622 attorney in fact that is not a stock corporation or of a  
623 controlling company of an attorney in fact that is not a stock  
624 corporation, unless all of the following conditions are met:

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

625       (a)1. The person or affiliated person has filed with the  
626 office and sent to the principal office of the attorney in fact,  
627 any controlling company of the attorney in fact, the  
628 subscribers' advisory committee, and the domestic reciprocal  
629 insurer a letter of notification regarding the transaction or  
630 proposed transaction no later than 5 days after any form of  
631 tender offer or exchange offer is proposed, or no later than 5  
632 days after the acquisition of the securities or ownership  
633 interest if a tender offer or exchange offer is not involved.  
634 The notification must be provided on forms prescribed by the  
635 commission containing information determined necessary to  
636 understand the transaction and identify all purchasers and  
637 owners involved.

638       2. The subscribers' advisory committee must provide the  
639 notification to the subscribers of the reciprocal insurer within  
640 3 business days. Such notification must be provided on a form  
641 prescribed by the commission explaining what the notification is  
642 and letting the subscribers know of the filing deadlines for  
643 objecting to the acquisition.

644       (b) The person or affiliated person has filed with the  
645 office an application, signed under oath and prepared on forms  
646 prescribed by the commission, which contains the information  
647 specified in subsection (3). The application must be completed  
648 and filed within 30 days after any form of tender offer or

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

649 exchange offer is proposed, or after the acquisition of the  
650 securities if a tender offer or exchange offer is not involved.

651 (c) The office has approved the tender offer or exchange  
652 offer, or acquisition if a tender offer or exchange offer is not  
653 involved.

654 (2) The person or affiliated person filing the notice  
655 required in paragraph (1) (a) may additionally request the office  
656 to waive the requirements of paragraph (1) (b), provided that  
657 there is no change in the ultimate controlling shareholders and  
658 no change in the ownership percentages of the ultimate  
659 controlling shareholders, and no unaffiliated parties acquire  
660 any direct or indirect interest in the attorney in fact. The  
661 office may waive the filing required in paragraph (1) (b) if it  
662 determines that in fact there is no change in the ultimate  
663 controlling shareholders and no change in the ownership  
664 percentages of the ultimate controlling shareholders, and no  
665 unaffiliated parties will acquire any direct or indirect  
666 interest in the attorney in fact.

667 (3) The application to be filed with the office and  
668 furnished to the attorney in fact must contain all of the  
669 following information and any additional information as the  
670 office deems necessary to determine the character, experience,  
671 ability, and other qualifications of the person or affiliated  
672 person of such person for the protection of the reciprocal  
673 insurer's subscribers and of the public:

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

674 (a) The identity and background information specified in  
675 s. 629.227 of:

676 1. Each person by whom, or on whose behalf, the  
677 acquisition is to be made; and

678 2. Any person who controls, directly or indirectly, such  
679 other person, including each director, officer, trustee,  
680 partner, owner, manager, or joint venturer, or another person  
681 performing duties similar to those of persons in such positions,  
682 for the person.

683 (b) The source and amount of the funds or other  
684 consideration used, or to be used, in making the acquisition.

685 (c) Any plans or proposals that such persons may have made  
686 to liquidate the attorney in fact or controlling company, to  
687 sell any of their assets or merge or consolidate them with any  
688 person, or to make any other major change in their business or  
689 corporate structure or management.

690 (d) The nature and the extent of the controlling interest  
691 which the person or affiliated person of such person proposes to  
692 acquire, the terms of the proposed acquisition, and the manner  
693 in which the controlling interest is to be acquired of an  
694 attorney in fact or controlling company which is not a stock  
695 corporation.

696 (e) The number of shares or other securities that the  
697 person or affiliated person of such person proposes to acquire,

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

698 the terms of the proposed acquisition, and the manner in which  
699 the securities are to be acquired.

700 (f) Information as to any contract, arrangement, or  
701 understanding with any party with respect to any of the  
702 securities of the attorney in fact or controlling company,  
703 including, but not limited to, information relating to the  
704 transfer of any of the securities, option arrangements, puts or  
705 calls, or the giving or withholding of proxies, which  
706 information names the party with whom the contract, arrangement,  
707 or understanding has been entered into and gives the details  
708 thereof.

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

711 (5) If any material change occurs in the facts provided in  
712 the application filed with the office pursuant to this section,  
713 or the background information required under s. 629.227, an  
714 amendment specifying such changes must be filed immediately with  
715 the office, and a copy of the amendment must be sent to the  
716 principal office of the attorney in fact and to the principal  
717 office of the controlling company.

718 (6)(a) The acquisition application must be reviewed in  
719 accordance with chapter 120. The office may, on its own  
720 initiative, or, if requested to do so in writing by a  
721 substantially affected person, shall conduct a proceeding to  
722 consider the appropriateness of the proposed filing. Time

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

723 periods for purposes of chapter 120 are tolled during the  
724 pendency of the proceeding. Any written request for a proceeding  
725 must be filed with the office within 10 days after the date on  
726 which notice of the filing is given, or 10 days after the date  
727 on which notice of the filing is sent to the subscribers by the  
728 subscribers' advisory committee, whichever is later. During the  
729 pendency of the proceeding or review period by the office, any  
730 person or affiliated person complying with the filing  
731 requirements of this section may proceed and take all steps  
732 necessary to conclude the acquisition as long as the  
733 acquisition's becoming final is conditioned upon obtaining  
734 office approval. However, at any time that the office finds that  
735 an immediate danger to the public health, safety, and welfare of  
736 the reciprocal insurer's subscribers exists, the office shall  
737 immediately order, pursuant to s. 120.569(2)(n), the proposed  
738 acquisition disapproved and any further steps to conclude the  
739 acquisition ceased.

740 (b) During the pendency of the office's review of any  
741 acquisition subject to this section, the acquiring person may  
742 not make any material change in the operation of the attorney in  
743 fact or controlling company unless the office has specifically  
744 approved the change, and the acquiring person may not make any  
745 material change in the management of the attorney in fact unless  
746 advance written notice of the change in management is furnished  
747 to the office. As used in this paragraph, the term "material

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

748 change in the operation of the attorney in fact" means a  
749 transaction that disposes of or obligates 5 percent or more of  
750 the capital and surplus of the attorney in fact or of any  
751 domestic reciprocal insurer. The term "material change in the  
752 management of the attorney in fact" means any change in  
753 management involving officers or directors of the attorney in  
754 fact or any person of the attorney in fact or controlling  
755 company having authority to dispose of or obligate 5 percent or  
756 more of the attorney in fact's capital or surplus. The office  
757 must approve a material change in operations if it finds the  
758 applicable provisions of subsection (7) have been met. The  
759 office may disapprove a material change in management if it  
760 finds that the applicable provisions of subsection (7) have not  
761 been met, and, in such case, the attorney in fact shall promptly  
762 change management as acceptable to the office.

763 (c) If a request for a proceeding is filed, the proceeding  
764 must be conducted within 60 days after the date the written  
765 request for a proceeding is received by the office. A  
766 recommended order must be issued within 20 days after the date  
767 of the close of the proceedings. A final order must be issued  
768 within 20 days after the date of the recommended order or, if  
769 exceptions to the recommended order are filed, within 20 days  
770 after the date the exceptions are filed.

685857

Approved For Filing: 2/28/2024 3:29:18 PM



Amendment No.

771 (7) The office may disapprove any acquisition subject to  
772 this section by any person, or any affiliated person of such  
773 person, who:

774 (a) Willfully violates this section;

775 (b) In violation of an order issued by the office pursuant  
776 to subsection (12), fails to divest himself or herself of any  
777 stock or ownership interest obtained in violation of this  
778 section or fails to divest himself or herself of any direct or  
779 indirect control of such stock or ownership interest, within 25  
780 days after such order; or

781 (c) In violation of an order issued by the office pursuant  
782 to subsection (12), acquires an additional stock or ownership  
783 interest in an attorney in fact or controlling company or direct  
784 or indirect control of such stock or ownership interest, without  
785 complying with this section.

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

791 (a) The financial condition of the acquiring person will  
792 not jeopardize the financial stability of the attorney in fact  
793 or prejudice the interests of the reciprocal insurer's  
794 subscribers or the public.

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

795 (b) Any plan or proposal that the acquiring person has  
796 made:

797 1. To liquidate the attorney in fact, sell its assets, or  
798 merge or consolidate it with any person, or to make any other  
799 major change in its business or corporate structure or  
800 management; or

801 2. To liquidate any controlling company, sell its assets,  
802 or merge or consolidate it with any person, or to make any major  
803 change in its business or corporate structure or management  
804 which would have an effect upon the attorney in fact,

805  
806 is fair and free of prejudice to the reciprocal insurer's  
807 subscribers or to the public.

808 (c) The competence, experience, and integrity of those  
809 persons who will control directly or indirectly the operation of  
810 the attorney in fact indicate that the acquisition is in the  
811 best interest of the reciprocal insurer's subscribers and in the  
812 public interest.

813 (d) The natural persons for whom background information is  
814 required to be furnished pursuant to this section have such  
815 backgrounds as to indicate that it is in the best interests of  
816 the reciprocal insurer's subscribers and in the public interest  
817 to permit such persons to exercise control over the attorney in  
818 fact.

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

819 (e) The directors and officers, if such attorney in fact  
820 or controlling company is a stock corporation, or the trustees,  
821 partners, owners, managers, joint venturers, or other persons  
822 performing duties similar to those of persons in such positions,  
823 if such attorney in fact or controlling company is not a stock  
824 corporation, to be employed after the acquisition have  
825 sufficient insurance experience and ability to ensure reasonable  
826 promise of successful operation.

827 (f) The management of the attorney in fact after the  
828 acquisition will be competent and trustworthy and will possess  
829 sufficient managerial experience so as to make the proposed  
830 operation of the attorney in fact not hazardous to the  
831 insurance-buying public.

832 (g) The management of the attorney in fact after the  
833 acquisition will not include any person who has directly or  
834 indirectly through ownership, control, reinsurance transactions,  
835 or other insurance or business relations unlawfully manipulated  
836 the assets, accounts, finances, or books of any insurer or  
837 otherwise acted in bad faith with respect thereto.

838 (h) The acquisition is not likely to be hazardous or  
839 prejudicial to the reciprocal insurer's subscribers or to the  
840 public.

841 (i) The effect of the acquisition would not substantially  
842 lessen competition in the line of insurance for which the

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

843 reciprocal insurer is licensed or certified in this state or  
844 would not tend to create a monopoly therein.  
845 (9) A vote by the stockholder of record, or by any other  
846 person, of any security acquired in contravention of this  
847 section is not valid. Any acquisition contrary to this section  
848 is void. Upon the petition of the attorney in fact, the  
849 controlling company, or the reciprocal insurer, the circuit  
850 court for the county in which the principal office of the  
851 attorney in fact is located may, without limiting the generality  
852 of its authority, order the issuance or entry of an injunction  
853 or other order to enforce this section. There is a private right  
854 of action in favor of the attorney in fact or controlling  
855 company to enforce this section. A demand upon the office that  
856 it perform its functions is not required as a prerequisite to  
857 any suit by the attorney in fact or controlling company against  
858 another person, and in no case is the office deemed a necessary  
859 party to any action by the attorney in fact or controlling  
860 company to enforce this section. Any person who makes or  
861 proposes an acquisition requiring the filing of an application  
862 pursuant to this section, or who files such an application, is  
863 deemed thereby to have designated the Chief Financial Officer,  
864 or his or her assistant or deputy or another person in charge of  
865 his or her office, as such person's agent for service of process  
866 under this section and is deemed thereby to have submitted

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

867 himself or herself to the administrative jurisdiction of the  
868 office and to the jurisdiction of the circuit court.

869 (10) Any approval by the office under this section does  
870 not constitute a recommendation by the office of the tender  
871 offer or exchange offer, or the acquisition if a tender offer or  
872 exchange offer is not involved. It is unlawful for a person to  
873 represent that the office's approval constitutes a  
874 recommendation. A person who violates this subsection commits a  
875 felony of the third degree, punishable as provided in s.  
876 775.082, s. 775.083, or s. 775.084. The statute-of-limitations  
877 period for the prosecution of an offense committed under this  
878 subsection is 5 years.

879 (11) A person may rebut a presumption of control by filing  
880 a disclaimer of control with the office on a form prescribed by  
881 the commission. The disclaimer must fully disclose all material  
882 relationships and bases for affiliation between the person and  
883 the attorney in fact as well as the basis for disclaiming the  
884 affiliation. In lieu of such form, a person or acquiring party  
885 may file with the office a copy of a Schedule 13G filed with the  
886 Securities and Exchange Commission pursuant to Rule 13d-1(b) or  
887 (c), 17 C.F.R. s. 240.13d-1, under the Securities Exchange Act  
888 of 1934, as amended. After a disclaimer has been filed, the  
889 attorney in fact is relieved of any duty to register or report  
890 under this section which may arise out of the attorney in fact's

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

891 relationship with the person unless the office disallows the  
892 disclaimer.

893 (12) If the office determines that any person or any  
894 affiliated person of such person has acquired 10 percent or more  
895 of the outstanding voting securities of an attorney in fact or  
896 controlling company that is a stock corporation, or 10 percent  
897 or more of the ownership interest of an attorney in fact or  
898 controlling company that is not a stock corporation, without  
899 complying with this section, the office may order that the  
900 person and any affiliated person of such person cease  
901 acquisition of the attorney in fact or controlling company and,  
902 if appropriate, divest itself of any stock or ownership interest  
903 acquired in violation of this section.

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

908 (b) If a reciprocal insurer is subject to suspension or  
909 revocation pursuant to paragraph (a), any other reciprocal  
910 insurer using the same attorney in fact is also subject to  
911 suspension or revocation. In such case, the office may offer any  
912 affected reciprocal insurer, through its subscriber  
913 representatives, the ability to cure any suspension or  
914 revocation by procuring another attorney in fact acceptable to

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

915 the office or by taking any other action agreed to by the  
916 office.

917 (14) This section applies to domestic reciprocal insurers  
918 and the attorney in fact of domestic reciprocal insurers. This  
919 section does not apply to any acquisition of voting securities  
920 or ownership interest of an attorney in fact or of a controlling  
921 company by any person who is the owner of a majority of the  
922 voting securities or ownership interest with the approval of the  
923 office under this section or s. 629.091.

924 Section 20. Section 629.227, Florida Statutes, is created  
925 to read:

926 629.227 Background information.—The information as to the  
927 background and identity of each person about whom information is  
928 required to be furnished pursuant to s. 629.081 or s. 629.225  
929 must include, but need not be limited to, all of the following:

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

933 (a) Occupations, positions of employment, and offices held  
934 during the past 20 years, including the principal business and  
935 address of any business, corporation, or organization where each  
936 occupation, position of employment, or office occurred.

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

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

940 (c) Whether, during such 20-year period, the person has  
941 been the subject of any proceeding for the revocation of any  
942 license and, if so, the nature of the proceeding and the  
943 disposition of the proceeding.

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

947 (e) Whether, during such 20-year period, any person or  
948 other business or organization in which the person was a  
949 director, officer, trustee, partner, owner, manager, or other  
950 official has been the subject of any proceeding under the  
951 federal Bankruptcy Act, either during the time of that person's  
952 tenure with the business or organization or within 12 months  
953 thereafter.

954 (f) Whether, during such 20-year period, the person has  
955 been enjoined, either temporarily or permanently, by a court of  
956 competent jurisdiction from violating any federal or state law  
957 regulating the business of insurance, securities, or banking, or  
958 from carrying out any particular practice or practices in the  
959 course of the business of insurance, securities, or banking,  
960 together with details as to any such event.

961 (g) Whether, during such 20-year period, the person has  
962 served as the attorney in fact, a subscribers' advisory  
963 committee member, or any other manager or officer of a

685857

Approved For Filing: 2/28/2024 3:29:18 PM



Amendment No.

964 reciprocal insurer or insurer that became insolvent or had its  
965 certificate of authority suspended or revoked.

966 (2) A full set of fingerprints of each person, which must  
967 be submitted to the department or to a vendor, entity, or agency  
968 authorized by s. 943.053(13). The department, vendor, entity, or  
969 agency shall forward the fingerprints to the Department of Law  
970 Enforcement for state processing, and the Department of Law  
971 Enforcement shall forward the fingerprints to the Federal Bureau  
972 of Investigation for national processing as described in s.  
973 624.34. Fees for state and federal fingerprint processing shall  
974 be borne by the person. The state cost for fingerprint  
975 processing shall be as provided in s. 943.053(3)(e).

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

978 (4) Any additional information that the office deems  
979 necessary to determine the character, experience, ability, and  
980 other qualifications of the person, or affiliated person of such  
981 person, for the protection of the reciprocal insurer's  
982 subscribers and of the public.

983 Section 21. Section 629.229, Florida Statutes, is created  
984 to read:

985 629.229 Attorneys in fact, officers, and directors of  
986 insolvent reciprocal insurers or other insurers.—A person who  
987 served as an attorney in fact, or as an officer, director, or  
988 manager of an attorney in fact, a member of a subscribers'

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

989 advisory committee of a reciprocal insurer doing business in  
990 this state, or an officer or director of any other insurer doing  
991 business in this state, and who served in that capacity within  
992 the 2-year period before the date the insurer or reciprocal  
993 insurer became insolvent, for an insolvency that occurs on or  
994 after July 1, 2024, may not thereafter:

995 (1) Serve as an attorney in fact, or as an officer,  
996 director, or manager of an attorney in fact; a member of a  
997 subscribers' advisory committee of a reciprocal insurer doing  
998 business in this state; or an officer or director of any other  
999 insurer doing business in this state; or

1000 (2) Have direct or indirect control over the selection or  
1001 appointment of an attorney in fact, or of an officer, director,  
1002 or manager of an attorney in fact; or a member of the  
1003 subscribers' advisory committee of a reciprocal insurer doing  
1004 business in this state; or an officer or director of any insurer  
1005 doing business in this state, through contract or trust or by  
1006 operation of law,

1007  
1008 unless the person demonstrates that his or her personal actions  
1009 or omissions were not a significant contributing cause to the  
1010 insolvency.

1011 Section 22. Section 629.261, Florida Statutes, is amended  
1012 to read:

685857

Approved For Filing: 2/28/2024 3:29:18 PM

Amendment No.

1013           629.261 Nonassessable policies.—Upon the impairment of the  
1014 surplus of a nonassessable reciprocal insurer, the office shall  
1015 revoke the authorization issued under s. 629.091(3) or s.  
1016 629.291(5). Upon the revocation of the authority to issue  
1017 nonassessable policies, the reciprocal insurer may no longer  
1018 issue or renew nonassessable policies or convert assessable  
1019 policies to nonassessable policies and s. 629.301 applies.

1020           ~~(1) If a reciprocal insurer has a surplus as to~~  
1021 ~~policyholders required of a domestic stock insurer authorized to~~  
1022 ~~transact like kinds of insurance, upon application of the~~  
1023 ~~attorney and as approved by the subscribers' advisory committee~~  
1024 ~~the office shall issue its certificate authorizing the insurer~~  
1025 ~~to extinguish the contingent liability of subscribers under its~~  
1026 ~~policies then in force in this state and to omit provisions~~  
1027 ~~imposing contingent liability in all policies delivered or~~  
1028 ~~issued for delivery in this state for so long as all such~~  
1029 ~~surplus remains unimpaired.~~

1030           ~~(2) Upon impairment of such surplus, the office shall~~  
1031 ~~forthwith revoke the certificate. Such revocation may shall not~~  
1032 render subject to contingent liability any policy then in force  
1033 and for the remainder of the period for which the premium has  
1034 theretofore been paid; but, after such revocation, no policy  
1035 shall be issued or renewed without providing for contingent  
1036 assessment liability of the subscriber.

685857

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Amendment No.

1037 ~~(3) The office shall not authorize a domestic reciprocal~~  
1038 ~~insurer so to extinguish the contingent liability of any of its~~  
1039 ~~subscribers or in any of its policies to be issued, unless it~~  
1040 ~~qualifies to and does extinguish such liability of all its~~  
1041 ~~subscribers and in all such policies for all kinds of insurance~~  
1042 ~~transacted by it; except that, if required by the laws of~~  
1043 ~~another state in which the insurer is transacting insurance as~~  
1044 ~~an authorized insurer, the insurer may issue policies providing~~  
1045 ~~for the contingent liability of such of its subscribers as may~~  
1046 ~~acquire such policies in such state, and need not extinguish the~~  
1047 ~~contingent liability applicable to policies theretofore in force~~  
1048 ~~in such state.~~

1049 Section 23. Subsections (1), (2), and (4) of section  
1050 629.291, Florida Statutes, are amended, and subsection (5) is  
1051 added to that section, to read:

1052 629.291 Merger or conversion.—

1053 (1) A ~~domestic~~ reciprocal insurer, upon affirmative vote  
1054 of not less than two-thirds of its subscribers who vote on such  
1055 merger pursuant to due notice, and subject to the approval by ~~of~~  
1056 the office of the terms therefor, may merge with another  
1057 reciprocal insurer or be converted to a stock or mutual insurer,  
1058 to be thereafter governed by the applicable sections of the  
1059 Florida Insurance Code. However, a domestic stock insurer may  
1060 not convert to a reciprocal insurer.

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Amendment No.

1061 (2) A plan to merge a reciprocal insurer with another  
1062 reciprocal insurer or for conversion of the reciprocal insurer  
1063 to a stock or mutual insurer must be filed with the office on  
1064 forms adopted by the office and must contain such information as  
1065 the office reasonably requires to evaluate the transaction ~~Such~~  
1066

1067 -----  
1068 **T I T L E A M E N D M E N T**

1069 Remove lines 15-25 and insert:

1070 F.S.; prohibiting insurers from canceling and  
1071 nonrenewing policies covering dwellings and  
1072 residential properties damaged as a result hurricanes  
1073 or wind losses within certain timeframes; providing  
1074 exceptions to prohibitions against insurers' policy  
1075 cancellations and nonrenewals within certain  
1076 timeframes under certain circumstances; providing  
1077 construction; authorizing the Financial Services  
1078 Commission to adopt rules and the Commissioner of  
1079 Insurance Regulation to issue orders; amending s.  
1080 627.062, F.S.;

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