

1 A bill to be entitled
2 An act relating to insurance; amending s. 624.3161,
3 F.S.; revising the entities for which the Office of
4 Insurance Regulation is required to conduct market
5 conduct examinations; amending s. 624.424, F.S.;
6 requiring insurers and insurer groups to file a
7 specified supplemental report on a monthly basis;
8 requiring that such report include certain information
9 for each zip code; amending s. 624.4305, F.S.;
10 authorizing the Financial Services Commission to adopt
11 rules relating to notice of nonrenewal of residential
12 property insurance policies; amending s. 624.46226,
13 F.S.; revising the requirements for public housing
14 authority self-insurance funds; amending s. 626.9201,
15 F.S.; prohibiting authorized insurers and eligible
16 surplus lines insurers from canceling and nonrenewing
17 policies covering dwellings and residential properties
18 damaged by covered perils within certain timeframes;
19 providing exceptions to prohibitions against insurers'
20 policy cancellations and nonrenewals within certain
21 timeframes under certain circumstances; providing
22 construction; providing definitions; authorizing the
23 Financial Services Commission to adopt rules and the
24 Commissioner of Insurance Regulation to issue orders;
25 providing applicability; amending s. 627.062, F.S.;

26 specifying requirements for rate filings if certain
27 models are used; amending s. 627.351, F.S.; revising
28 requirements for certain policies issued by Citizens
29 Property Insurance Corporation which are not subject
30 to certain rate increase limitations; amending s.
31 627.4133, F.S.; prohibiting eligible surplus lines
32 insurers from canceling and nonrenewing policies
33 covering dwellings and residential properties damaged
34 by covered perils within certain timeframes; revising
35 circumstances and timeframes under which authorized
36 insurers are prohibited from canceling and nonrenewing
37 policies covering dwellings and residential properties
38 damaged by covered perils within certain timeframes;
39 providing exceptions to such prohibitions against
40 eligible surplus lines insurers within certain
41 timeframes; revising exceptions to such prohibitions
42 against authorized insurers within certain timeframes;
43 revising conditions under which a structure is deemed
44 to be repaired; revising the definition of the term
45 "insurer" to include eligible surplus lines insurers;
46 defining the term "damage"; authorizing the
47 commissioner to issue orders under certain
48 circumstances; providing applicability; amending s.
49 627.7011, F.S.; revising the definition of the term
50 "authorized inspector" to include licensed roofing

51 contractors for the purpose of homeowners' insurance
52 policies; amending ss. 628.011 and 628.061, F.S.;
53 conforming provisions to changes made by the act;
54 amending s. 628.801, F.S.; revising requirements for
55 rules adopted for insurers that are members of an
56 insurance holding company; deleting an obsolete date;
57 authorizing the office to adopt rules; amending s.
58 629.011, F.S.; defining terms; repealing s. 629.021,
59 F.S., relating to the definition of the term
60 "reciprocal insurer"; repealing s. 629.061, F.S.,
61 relating to attorney; amending s. 629.081, F.S.;
62 revising the procedure for persons to organize as a
63 domestic reciprocal insurer; specifying requirements
64 for the permit application; requiring that the
65 application be accompanied by a specified fee;
66 requiring that the office evaluate and grant or deny
67 the permit application in accordance with specified
68 provisions; removing the requirement that a specified
69 declaration be acknowledged by an attorney; amending
70 s. 629.091, F.S.; providing requirements for the
71 application for a certificate of authority to operate
72 as a domestic reciprocal insurer; requiring the office
73 to grant the authorization for reciprocal insurers to
74 issue nonassessable policies under certain
75 circumstances; requiring that certificates of

76 authority be issued in the name of the reciprocal
 77 insurer to its attorney in fact; creating s. 629.094,
 78 F.S.; requiring a domestic reciprocal insurer to meet
 79 certain requirements to maintain its eligibility for a
 80 certificate of authority; amending s. 629.101, F.S.;
 81 revising requirements for the power of attorney given
 82 by subscribers of a domestic reciprocal insurer to the
 83 attorney in fact; conforming provisions to changes
 84 made by the act; creating s. 629.225, F.S.;
 85 prohibiting persons from acquiring certain securities
 86 or ownership interests of certain attorneys in fact
 87 and controlling companies of certain attorneys in
 88 fact; providing an exception; authorizing certain
 89 persons to request that the office waive certain
 90 requirements; providing that the office may waive
 91 certain requirements if specified determinations are
 92 made; specifying the requirements of an application to
 93 the office relating to certain acquisitions; requiring
 94 that such application be accompanied by a specified
 95 fee; requiring that amendments be filed with the
 96 office under certain circumstances; specifying the
 97 manner in which the acquisition application must be
 98 reviewed; authorizing the office, and requiring the
 99 office if a request for a proceeding is filed, to
 100 conduct a proceeding within a specified timeframe to

101 consider the appropriateness of such application;
102 requiring that certain time periods be tolled;
103 requiring that written requests for a proceeding be
104 filed within a certain timeframe; authorizing certain
105 persons to take all steps to conclude the acquisition
106 during the pendency of the proceeding or review
107 period; requiring the office to order a proposed
108 acquisition disapproved and that actions to conclude
109 the acquisition be ceased under certain circumstances;
110 prohibiting certain persons from making certain
111 changes during the pendency of the office's review of
112 an acquisition; providing an exception; defining the
113 terms "material change in the operation of the
114 attorney in fact" and "material change in the
115 management of the attorney in fact"; requiring the
116 office to approve or disapprove certain changes upon
117 making certain findings; requiring that a proceeding
118 be conducted within a certain timeframe; requiring
119 that recommended orders and final orders be issued
120 within a certain timeframe; specifying the
121 circumstances under which the office may disapprove an
122 acquisition; specifying that certain persons have the
123 burden of proof; requiring the office to approve an
124 acquisition upon certain findings; specifying that
125 certain votes are not valid and that certain

126 acquisitions are void; specifying that certain
127 provisions may be enforced by an injunction; creating
128 a private right of action in favor of the attorney in
129 fact or the controlling company to enforce certain
130 provisions; providing that a certain demand upon the
131 office is not required before certain legal actions;
132 providing that the office is not a necessary party to
133 certain actions; specifying the persons who are deemed
134 designated for service of process and who have
135 submitted to the administrative jurisdiction of the
136 office; providing that approval by the office does not
137 constitute a certain recommendation; providing that
138 certain actions are unlawful; providing criminal
139 penalties; providing a statute of limitations;
140 authorizing a person to rebut a presumption of control
141 by filing certain disclaimers; specifying the contents
142 of such disclaimer; specifying that, after a
143 disclaimer is filed, the attorney in fact is relieved
144 of a certain duty; authorizing the office to order
145 certain persons to cease acquisition of the attorney
146 in fact or controlling company and divest themselves
147 of any stock or ownership interest under certain
148 circumstances; requiring the office to suspend or
149 revoke the reciprocal certificate of authority under
150 certain circumstances; specifying that the attorney in

151 fact is deemed to be hazardous to its policyholders if
152 the reciprocal insurer is subject to suspension or
153 revocation; authorizing the office to offer the
154 reciprocal insurer the ability to cure any suspension
155 or revocation under certain circumstances; providing
156 applicability; creating s. 629.227, F.S.; specifying
157 the information as to the background and identity of
158 certain persons which must be furnished by such
159 persons; creating s. 629.229, F.S.; prohibiting
160 certain persons from serving in specified positions of
161 reciprocal insurers or insurers under certain
162 circumstances; amending s. 629.261, F.S.; removing
163 provisions relating to certain authorizations for
164 reciprocal insurers; prohibiting reciprocal insurers
165 from issuing or renewing nonassessable policies or
166 converting assessable policies to nonassessable
167 policies under certain circumstances; providing
168 applicability; amending s. 629.291, F.S.; providing
169 that certain insurers that merge are governed by the
170 insurance code; prohibiting domestic stock insurers
171 from converting to reciprocal insurers; requiring that
172 specified plans be filed with the office and that such
173 plans contain certain information; authorizing the
174 conversion of assessable reciprocal insurers to
175 nonassessable reciprocal insurers under certain

176 | circumstances; providing certain procedures when
 177 | certain reciprocal insurers convert; authorizing
 178 | reciprocal insurers to issue contingent liability
 179 | policies in another state under certain circumstances;
 180 | creating s. 629.525, F.S.; requiring the commission to
 181 | adopt, amend, or repeal certain rules; amending ss.
 182 | 163.01 and 626.9531, F.S.; conforming provisions to
 183 | changes made by the act; providing effective dates.
 184 |

185 | Be It Enacted by the Legislature of the State of Florida:
 186 |

187 | Section 1. Subsection (1) of section 624.3161, Florida
 188 | Statutes, is amended to read:

189 | 624.3161 Market conduct examinations.—

190 | (1) As often as it deems necessary, the office shall
 191 | examine each licensed rating organization, each advisory
 192 | organization, each group, association, carrier, as defined in s.
 193 | 440.02, or other organization of insurers which engages in joint
 194 | underwriting or joint reinsurance, the attorney in fact of each
 195 | reciprocal insurer, and each authorized insurer transacting in
 196 | this state any class of insurance to which ~~the provisions of~~
 197 | chapter 627 is ~~are~~ applicable. The examination must ~~shall~~ be for
 198 | the purpose of ascertaining compliance by the person examined
 199 | with the applicable provisions of chapters 440, 624, 626, 627,
 200 | and 635.

201 Section 2. Paragraph (a) of subsection (10) of section
 202 624.424, Florida Statutes, is amended to read:
 203 624.424 Annual statement and other information.—
 204 (10) (a) By January 1, 2025, and by the first of each month
 205 thereafter, each insurer or insurer group doing business in this
 206 state shall file on a monthly ~~quarterly~~ basis ~~in conjunction~~
 207 ~~with financial reports required by paragraph (1)(a)~~ a
 208 supplemental report on an individual and group basis on a form
 209 prescribed by the commission with information on personal lines
 210 and commercial lines residential property insurance policies in
 211 this state. The supplemental report must ~~shall~~ include separate
 212 information for personal lines property policies and for
 213 commercial lines property policies and totals for each item
 214 specified, including premiums written for each of the property
 215 lines of business as described in ss. 215.555(2)(c) and
 216 627.351(6)(a). The report must ~~shall~~ include the following
 217 information for each zip code ~~county on a monthly basis~~:

- 218 1. Total number of policies in force at the end of each
- 219 month.
- 220 2. Total number of policies canceled.
- 221 3. Total number of policies nonrenewed.
- 222 4. Number of policies canceled due to hurricane risk.
- 223 5. Number of policies nonrenewed due to hurricane risk.
- 224 6. Number of new policies written.
- 225 7. Total dollar value of structure exposure under policies

226 | that include wind coverage.

227 | 8. Number of policies that exclude wind coverage.

228 | 9. Number of claims open each month.

229 | 10. Number of claims closed each month.

230 | 11. Number of claims pending each month.

231 | 12. Number of claims in which either the insurer or
232 | insured invoked any form of alternative dispute resolution, and
233 | specifying which form of alternative dispute resolution was
234 | used.

235 | Section 3. Section 624.4305, Florida Statutes, is amended
236 | to read:

237 | 624.4305 Nonrenewal of residential property insurance
238 | policies.—Any insurer planning to nonrenew more than 10,000
239 | residential property insurance policies in this state within a
240 | 12-month period shall give notice in writing to the Office of
241 | Insurance Regulation for informational purposes 90 days before
242 | the issuance of any notices of nonrenewal. The notice provided
243 | to the office must set forth the insurer's reasons for such
244 | action, the effective dates of nonrenewal, and any arrangements
245 | made for other insurers to offer coverage to affected
246 | policyholders. The commission may adopt rules to administer this
247 | section.

248 | Section 4. Effective upon this act becoming a law,
249 | paragraph (d) of subsection (1) of section 624.46226, Florida
250 | Statutes, is amended to read:

251 624.46226 Public housing authorities self-insurance funds;
 252 exemption for taxation and assessments.—

253 (1) Notwithstanding any other provision of law, any two or
 254 more public housing authorities in the state as defined in
 255 chapter 421 may form a self-insurance fund for the purpose of
 256 pooling and spreading liabilities of its members as to any one
 257 or combination of casualty risk or real or personal property
 258 risk of every kind and every interest in such property against
 259 loss or damage from any hazard or cause and against any loss
 260 consequential to such loss or damage, provided the self-
 261 insurance fund that is created:

262 (d) Maintains a continuing program of excess insurance
 263 coverage and reinsurance ~~reserve evaluation~~ to protect the
 264 financial stability of the fund ~~in an amount and manner~~
 265 ~~determined by a qualified and independent actuary. The program~~
 266 must, at a minimum, ~~this program must:~~

267 1. Include a net retention in an amount and manner
 268 selected by the administrator, ratified by the governing body,
 269 and certified by a qualified actuary;

270 2. Include reinsurance or ~~Purchase~~ excess insurance from
 271 authorized insurance carriers or eligible surplus lines
 272 insurers; and

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

276 ~~2. Retain a per-loss occurrence that does not exceed~~
 277 ~~\$350,000.~~

278
 279 A for-profit or not-for-profit corporation, limited liability
 280 company, or other similar business entity in which a public
 281 housing authority holds an ownership interest or participates in
 282 its governance under s. 421.08(8) may join a self-insurance fund
 283 formed under this section in which such public housing authority
 284 participates. Such for-profit or not-for-profit corporation,
 285 limited liability company, or other similar business entity may
 286 join the self-insurance fund solely to insure risks related to
 287 public housing.

288 Section 5. Subsection (2) of section 626.9201, Florida
 289 Statutes, is amended, and subsection (1) of that section is
 290 republished, to read:

291 626.9201 Notice of cancellation or nonrenewal.—

292 (1) An insurer issuing a policy providing coverage for
 293 property, casualty, surety, or marine insurance must give the
 294 first named insured at least 45 days' advance written notice of
 295 nonrenewal. If the policy is not to be renewed, the written
 296 notice shall state the reasons as to why the policy is not to be
 297 renewed. This subsection does not apply:

298 (a) If the insurer has manifested its willingness to
 299 renew, and the offer is not rescinded prior to expiration of the
 300 policy; or

301 (b) If a notice of cancellation for nonpayment of premium
 302 is provided under subsection (2).

303 (2) An insurer issuing a policy providing coverage for
 304 property, casualty, surety, or marine insurance must give the
 305 named insured written notice of cancellation or termination
 306 other than nonrenewal at least 45 days before the effective date
 307 of the cancellation or termination, including in the written
 308 notice the reasons for the cancellation or termination, except
 309 that:

310 (a) If cancellation is for nonpayment of premium, at least
 311 10 days' written notice of cancellation accompanied by the
 312 reason for cancellation must be given. As used in this
 313 paragraph, the term "nonpayment of premium" means the failure of
 314 the named insured to discharge when due any of his or her
 315 obligations in connection with the payment of premiums on a
 316 policy or an installment of such a premium, whether the premium
 317 or installment is payable directly to the insurer or its agent
 318 or indirectly under any plan for financing premiums or extension
 319 of credit or the failure of the named insured to maintain
 320 membership in an organization if such membership is a condition
 321 precedent to insurance coverage. The term also includes the
 322 failure of a financial institution to honor the check of an
 323 applicant for insurance which was delivered to a licensed agent
 324 for payment of a premium, even if the agent previously delivered
 325 or transferred the premium to the insurer. If a correctly

326 dishonored check represents payment of the initial premium, the
 327 contract and all contractual obligations are void ab initio
 328 unless the nonpayment is cured within the earlier of 5 days
 329 after actual notice by certified mail is received by the
 330 applicant or 15 days after notice is sent to the applicant by
 331 certified mail or registered mail, and, if the contract is void,
 332 any premium received by the insurer from a third party must
 333 ~~shall~~ be refunded to that party in full; ~~and~~

334 (b) If cancellation or termination occurs during the first
 335 90 days during which the insurance is in force and if the
 336 insurance is canceled or terminated for reasons other than
 337 nonpayment, at least 20 days' written notice of cancellation or
 338 termination accompanied by the reason for cancellation or
 339 termination must be given, except if there has been a material
 340 misstatement or misrepresentation or failure to comply with the
 341 underwriting requirements established by the insurer; and-

342 (c)1. Notwithstanding subparagraph 2., an insurer may not
 343 cancel or nonrenew a personal residential or commercial
 344 residential property insurance policy covering a dwelling or
 345 residential property located in this state which has been
 346 damaged by a covered peril until the earlier of the completion
 347 of repair or the expiration of one subsequent renewal of the
 348 policy that was in force at the time of the loss.

349 2. An insurer or agent may cancel or nonrenew such a
 350 policy prior to the repair of the dwelling or residential

351 property:

352 a. Upon 10 days' notice:

353 (I) For nonpayment of premium; or

354 (II) If the named insured no longer has an insurable

355 interest in the property; or

356 b. Upon 45 days' notice:

357 (I) For a material misstatement or fraud related to the

358 claim;

359 (II) If the insurer or its agent has made a reasonable

360 written inquiry to the insured as to the status of the repair

361 and the insured has failed within 30 calendar days to provide

362 information that is responsive to the inquiry to the address or

363 e-mail account designated by the insurer or its agent; or

364 (III) If the insurer has paid policy limits under a

365 personal residential property insurance policy for a loss to the

366 insured dwelling that was damaged, or policy limits under a

367 commercial residential property insurance policy for a loss to

368 each insured structure that was damaged.

369 3. If the insurer elects to nonrenew a policy after the

370 expiration of the time in subparagraph 1., the insurer must

371 provide notice in accordance with subsection (1).

372 4. This paragraph does not prevent the insurer from

373 canceling or nonrenewing the policy after the repair is

374 completed for the same reasons the insurer would otherwise have

375 canceled or nonrenewed the policy but for subparagraph 1.

376 5. For purposes of this paragraph:
 377 a. A structure is deemed to be repaired when substantially
 378 completed and restored to the extent that it is insurable by:
 379 (I) Another authorized insurer writing policies in this
 380 state if the structure is currently insured by an authorized
 381 insurer; or
 382 (II) Another authorized or eligible surplus lines insurer
 383 writing policies in this state if the structure is currently
 384 insured by an eligible surplus lines insurer.
 385 b. The term "insurer" means an authorized insurer or an
 386 eligible surplus lines insurer.
 387 c. The term "damage" includes, but is not limited to,
 388 flood damage related to a hurricane if flood is a covered peril
 389 under the personal residential or commercial residential
 390 property insurance policy.
 391 6. In the event of widespread, significant flooding, as
 392 determined by the Commissioner of Insurance Regulation, which is
 393 caused by a hurricane or other natural event, the commissioner
 394 may issue an order preventing insurers from canceling or
 395 nonrenewing personal residential or commercial residential
 396 property insurance policies covering dwellings or residential
 397 properties located within zip codes directly affected by such
 398 flooding, as determined by the commissioner. If a claim is made
 399 while such an order is in effect, an insurer may not cancel or
 400 nonrenew a personal residential or commercial residential

401 property insurance policy covering a dwelling or residential
 402 property until the earlier of the completion of repair or the
 403 expiration of one subsequent renewal of the policy that was in
 404 force at the time of the loss, even if the personal residential
 405 or commercial residential property insurance policy does not
 406 cover the peril of flood. An order issued pursuant to this
 407 subparagraph may remain in effect for an initial period of 90
 408 days and may be renewed for subsequent 90-day periods, not to
 409 exceed a total of 270 days. The subparagraph applies only to
 410 coverage periods and does not alter coverage otherwise provided
 411 by any insurance policy.

412 7. The commission may adopt rules, and the Commissioner of
 413 Insurance Regulation may issue orders, necessary to implement
 414 this paragraph.

415 Section 6. Paragraph (j) of subsection (2) of section
 416 627.062, Florida Statutes, is amended to read:

417 627.062 Rate standards.—

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

419 (j) With respect to residential property insurance rate
 420 filings, the rate filing:

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

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

426 Methodology to be accurate or reliable pursuant to s. 627.0628.
 427 If an averaged model is used under this section, the same
 428 averaged model must be used throughout this state. If a weighted
 429 average is used, the insurer must provide the office with an
 430 actuarial justification for using the weighted average which
 431 shows that the weighted average results in a rate that is
 432 reasonable, adequate, and fair.

433
 434 The provisions of this subsection do not apply to workers'
 435 compensation, employer's liability insurance, and motor vehicle
 436 insurance.

437 Section 7. Paragraph (n) of subsection (6) of section
 438 627.351, Florida Statutes, is amended to read:

439 627.351 Insurance risk apportionment plans.—

440 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

441 (n)1. Rates for coverage provided by the corporation must
 442 be actuarially sound pursuant to s. 627.062 and not competitive
 443 with approved rates charged in the admitted voluntary market so
 444 that the corporation functions as a residual market mechanism to
 445 provide insurance only when insurance cannot be procured in the
 446 voluntary market, except as otherwise provided in this
 447 paragraph. The office shall provide the corporation such
 448 information as would be necessary to determine whether rates are
 449 competitive. The corporation shall file its recommended rates
 450 with the office at least annually. The corporation shall provide

451 any additional information regarding the rates which the office
 452 requires. The office shall consider the recommendations of the
 453 board and issue a final order establishing the rates for the
 454 corporation within 45 days after the recommended rates are
 455 filed. The corporation may not pursue an administrative
 456 challenge or judicial review of the final order of the office.

457 2. In addition to the rates otherwise determined pursuant
 458 to this paragraph, the corporation shall impose and collect an
 459 amount equal to the premium tax provided in s. 624.509 to
 460 augment the financial resources of the corporation.

461 3. After the public hurricane loss-projection model under
 462 s. 627.06281 has been found to be accurate and reliable by the
 463 Florida Commission on Hurricane Loss Projection Methodology, the
 464 model shall be considered when establishing the windstorm
 465 portion of the corporation's rates. The corporation may use the
 466 public model results in combination with the results of private
 467 models to calculate rates for the windstorm portion of the
 468 corporation's rates. This subparagraph does not require or allow
 469 the corporation to adopt rates lower than the rates otherwise
 470 required or allowed by this paragraph.

471 4. The corporation must make a recommended actuarially
 472 sound rate filing for each personal and commercial line of
 473 business it writes.

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

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

- 480 | a. Twelve percent for 2023.
- 481 | b. Thirteen percent for 2024.
- 482 | c. Fourteen percent for 2025.
- 483 | d. Fifteen percent for 2026 and all subsequent years.
- 484 | 6. The corporation may also implement an increase to
 485 | reflect the effect on the corporation of the cash buildup factor
 486 | pursuant to s. 215.555(5)(b).

487 | 7. The corporation's implementation of rates as prescribed
 488 | in subparagraphs 5. and 8. shall cease for any line of business
 489 | written by the corporation upon the corporation's implementation
 490 | of actuarially sound rates. Thereafter, the corporation shall
 491 | annually make a recommended actuarially sound rate filing that
 492 | is not competitive with approved rates in the admitted voluntary
 493 | market for each commercial and personal line of business the
 494 | corporation writes.

495 | 8. ~~The following~~ New or renewal personal lines policies
 496 | that do not cover a primary residence ~~written on or after~~
 497 | ~~November 1, 2023,~~ are not subject to the rate increase
 498 | limitations in subparagraph 5., but may not be charged more than
 499 | 50 percent above, nor less than, the prior year's established
 500 | rate for the corporation.

501 ~~a. Policies that do not cover a primary residence;~~
 502 ~~b. New policies under which the coverage for the insured~~
 503 ~~risk, before the date of application with the corporation, was~~
 504 ~~last provided by an insurer determined by the office to be~~
 505 ~~unsound or an insurer placed in receivership under chapter 631;~~
 506 ~~or~~
 507 ~~e. Subsequent renewals of those policies, including the~~
 508 ~~new policies in sub-subparagraph b., under which the coverage~~
 509 ~~for the insured risk, before the date of application with the~~
 510 ~~corporation, was last provided by an insurer determined by the~~
 511 ~~office to be unsound or an insurer placed in receivership under~~
 512 ~~chapter 631.~~

513 9. As used in this paragraph, the term "primary residence"
 514 means the dwelling that is the policyholder's primary home or is
 515 a rental property that is the primary home of the tenant, and
 516 which the policyholder or tenant occupies for more than 9 months
 517 of each year.

518 Section 8. Paragraph (e) of subsection (2) of section
 519 627.4133, Florida Statutes, is amended, and subsection (1) is
 520 republished, to read:

521 627.4133 Notice of cancellation, nonrenewal, or renewal
 522 premium.—

523 (1) Except as provided in subsection (2):

524 (a) An insurer issuing a policy providing coverage for
 525 workers' compensation and employer's liability insurance,

526 | property, casualty, except mortgage guaranty, surety, or marine
 527 | insurance, other than motor vehicle insurance subject to s.
 528 | 627.728, shall give the first-named insured at least 45 days'
 529 | advance written notice of nonrenewal or of the renewal premium.
 530 | If the policy is not to be renewed, the written notice shall
 531 | state the reason or reasons as to why the policy is not to be
 532 | renewed. This requirement applies only if the insured has
 533 | furnished all of the necessary information so as to enable the
 534 | insurer to develop the renewal premium prior to the expiration
 535 | date of the policy to be renewed.

536 | (b) An insurer issuing a policy providing coverage for
 537 | property, casualty, except mortgage guaranty, surety, or marine
 538 | insurance, other than motor vehicle insurance subject to s.
 539 | 627.728 or s. 627.7281, shall give the first-named insured
 540 | written notice of cancellation or termination other than
 541 | nonrenewal at least 45 days prior to the effective date of the
 542 | cancellation or termination, including in the written notice the
 543 | reason or reasons for the cancellation or termination, except
 544 | that:

545 | 1. When cancellation is for nonpayment of premium, at
 546 | least 10 days' written notice of cancellation accompanied by the
 547 | reason therefor shall be given. As used in this subparagraph and
 548 | s. 440.42(3), the term "nonpayment of premium" means failure of
 549 | the named insured to discharge when due any of her or his
 550 | obligations in connection with the payment of premiums on a

551 policy or any installment of such premium, whether the premium
552 is payable directly to the insurer or its agent or indirectly
553 under any premium finance plan or extension of credit, or
554 failure to maintain membership in an organization if such
555 membership is a condition precedent to insurance coverage.
556 "Nonpayment of premium" also means the failure of a financial
557 institution to honor an insurance applicant's check after
558 delivery to a licensed agent for payment of a premium, even if
559 the agent has previously delivered or transferred the premium to
560 the insurer. If a dishonored check represents the initial
561 premium payment, the contract and all contractual obligations
562 shall be void ab initio unless the nonpayment is cured within
563 the earlier of 5 days after actual notice by certified mail is
564 received by the applicant or 15 days after notice is sent to the
565 applicant by certified mail or registered mail, and if the
566 contract is void, any premium received by the insurer from a
567 third party shall be refunded to that party in full; and
568 2. When such cancellation or termination occurs during the
569 first 60 days during which the insurance is in force and the
570 insurance is canceled or terminated for reasons other than
571 nonpayment of premium, at least 20 days' written notice of
572 cancellation or termination accompanied by the reason therefor
573 shall be given except where there has been a material
574 misstatement or misrepresentation or failure to comply with the
575 underwriting requirements established by the insurer.

576
577 After the policy has been in effect for 60 days, no such policy
578 shall be canceled by the insurer except when there has been a
579 material misstatement, a nonpayment of premium, a failure to
580 comply with underwriting requirements established by the insurer
581 within 60 days of the date of effectuation of coverage, or a
582 substantial change in the risk covered by the policy or when the
583 cancellation is for all insureds under such policies for a given
584 class of insureds. This subsection does not apply to
585 individually rated risks having a policy term of less than 90
586 days.

587 (c) If an insurer fails to provide the 45-day or 20-day
588 written notice required under this section, the coverage
589 provided to the named insured shall remain in effect until 45
590 days after the notice is given or until the effective date of
591 replacement coverage obtained by the named insured, whichever
592 occurs first. The premium for the coverage shall remain the same
593 during any such extension period except that, in the event of
594 failure to provide notice of nonrenewal, if the rate filing then
595 in effect would have resulted in a premium reduction, the
596 premium during such extension of coverage shall be calculated
597 based upon the later rate filing.

598 (d) Notwithstanding paragraph (b), Citizens Property
599 Insurance Corporation in underwriting risks that, prior to the
600 date of the application, were most recently insured by an

601 insurer that has been placed in receivership under chapter 631,
 602 may immediately cancel a policy insuring such risk that has been
 603 in effect for 90 days or less for material misrepresentation or
 604 failure to comply with underwriting requirements established
 605 before the effectuation of coverage.

606 (2) With respect to any personal lines or commercial
 607 residential property insurance policy, including, but not
 608 limited to, any homeowner, mobile home owner, farmowner,
 609 condominium association, condominium unit owner, apartment
 610 building, or other policy covering a residential structure or
 611 its contents:

612 (e)1. Notwithstanding subparagraph 2., an authorized
 613 insurer may not cancel or nonrenew a personal residential or
 614 commercial residential property insurance policy covering a
 615 dwelling or residential property located in this state which has
 616 been damaged by a covered peril until the earlier of the
 617 completion of repair or the expiration of one subsequent renewal
 618 of the policy that was in force at the time of the loss:

619 ~~a. For a period of 90 days after the dwelling or~~
 620 ~~residential property has been repaired, if such property has~~
 621 ~~been damaged as a result of a hurricane or wind loss that is the~~
 622 ~~subject of the declaration of emergency pursuant to s. 252.36~~
 623 ~~and the filing of an order by the Commissioner of Insurance~~
 624 ~~Regulation.~~

625 ~~b. Until the earlier of when the dwelling or residential~~

626 ~~property has been repaired or 1 year after the insurer issues~~
627 ~~the final claim payment, if such property was damaged by any~~
628 ~~covered peril and sub-subparagraph a. does not apply.~~

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

632 a. Upon 10 days' notice:

633 (I) For nonpayment of premium; or

634 (II) If the named insured no longer has an insurable
635 interest in the property; or

636 b. Upon 45 days' notice:

637 (I) For a material misstatement or fraud related to the
638 claim;

639 (II) If the insurer or its agent has made a reasonable
640 written inquiry to the insured as to the status of the repair
641 and the insured has failed within 30 calendar days to provide
642 information that is responsive to the inquiry to the address or
643 e-mail account designated by the insurer or its agent ~~If the~~
644 ~~insurer determines that the insured has unreasonably caused a~~
645 ~~delay in the repair of the dwelling; or~~

646 (III) If the insurer has paid policy limits under a
647 personal residential property insurance policy for a loss to the
648 insured dwelling that was damaged, or policy limits under a
649 commercial residential property insurance policy for a loss to
650 each insured structure that was damaged.

651 3. If the insurer elects to nonrenew a policy after the
 652 expiration of the time in subparagraph 1., the insurer must
 653 provide notice in accordance with subsection (1) ~~covering a~~
 654 ~~property that has been damaged, the insurer shall provide at~~
 655 ~~least 90 days' notice to the insured that the insurer intends to~~
 656 ~~nonrenew the policy 90 days after the dwelling or residential~~
 657 ~~property has been repaired.~~

658 4. ~~Nothing in~~ This paragraph does not shall prevent the
 659 insurer from canceling or nonrenewing the policy after the
 660 repair is completed ~~90 days after the repairs are complete~~ for
 661 the same reasons the insurer would otherwise have canceled or
 662 nonrenewed the policy but for ~~the limitations of~~ subparagraph 1.
 663 ~~The Financial Services Commission may adopt rules, and the~~
 664 ~~Commissioner of Insurance Regulation may issue orders, necessary~~
 665 ~~to implement this paragraph.~~

666 5.4. This paragraph ~~shall~~ also applies apply to personal
 667 residential and commercial residential policies covering
 668 property that was damaged as the result of Hurricane Ian or
 669 Hurricane Nicole.

670 6.5. For purposes of this paragraph:

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

673 (I) Another authorized insurer writing policies in this
 674 state if the structure is currently insured by an authorized
 675 insurer; or

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

679 b. The term "insurer" means an authorized insurer or an
 680 eligible surplus lines insurer.

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

685 7. In the event of widespread, significant flooding, as
 686 determined by the Commissioner of Insurance Regulation, which is
 687 caused by a hurricane or other natural event, the commissioner
 688 may issue an order preventing insurers from canceling or
 689 nonrenewing personal residential or commercial residential
 690 property insurance policies covering dwellings or residential
 691 properties located within zip codes directly affected by such
 692 flooding, as determined by the commissioner. If a claim is made
 693 while such an order is in effect, an insurer may not cancel or
 694 nonrenew a personal residential or commercial residential
 695 property insurance policy covering a dwelling or residential
 696 property until the earlier of the completion of repair or the
 697 expiration of one subsequent renewal of the policy that was in
 698 force at the time of the loss, even if the personal residential
 699 or commercial residential property insurance policy does not
 700 cover the peril of flood. An order issued pursuant to this

701 subparagraph may remain in effect for an initial period of 90
 702 days and may be renewed for subsequent 90-day periods, not to
 703 exceed a total of 270 days. This subparagraph applies only to
 704 coverage periods and does not alter coverage otherwise provided
 705 by any insurance policy.

706 8. The commission may adopt rules, and the Commissioner of
 707 Insurance Regulation may issue orders, necessary to implement
 708 this paragraph.

709 Section 9. Paragraph (a) of subsection (5) of section
 710 627.7011, Florida Statutes, is amended to read:

711 627.7011 Homeowners' policies; offer of replacement cost
 712 coverage and law and ordinance coverage.—

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

- 716 1. A home inspector licensed under s. 468.8314;
- 717 2. A building code inspector certified under s. 468.607;
- 718 3. A general, building, or residential contractor licensed
 719 under s. 489.111 or a roofing contractor;
- 720 4. A professional engineer licensed under s. 471.015;
- 721 5. A professional architect licensed under s. 481.213; or
- 722 6. Any other individual or entity recognized by the
 723 insurer as possessing the necessary qualifications to properly
 724 complete a general inspection of a residential structure insured
 725 with a homeowner's insurance policy.

726 Section 10. Section 628.011, Florida Statutes, is amended
 727 to read:

728 628.011 Scope of part.—This part applies only to domestic
 729 ~~stock~~ insurers, mutual insurers, and captive insurers, except
 730 that s. 628.341(2) applies also as to foreign and alien
 731 insurers.

732 Section 11. Section 628.061, Florida Statutes, is amended
 733 to read:

734 628.061 Investigation of proposed organization.—In
 735 connection with any proposal to organize or incorporate a
 736 domestic insurer, the office shall make an investigation of:

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

740 (2) The character, financial responsibility, insurance
 741 experience, and business qualifications of its proposed
 742 officers, members of its subscribers' advisory committee, or
 743 officers of its attorney in fact.

744 (3) The character, financial responsibility, business
 745 experience, and standing of the proposed stockholders and
 746 directors, including the stockholders and directors of any
 747 attorney in fact.

748 Section 12. Subsections (1), (2), and (5) of section
 749 628.801, Florida Statutes, are amended to read:

750 628.801 Insurance holding companies; registration;

751 regulation.—

752 (1) An insurer that is authorized to do business in this
 753 state and that is a member of an insurance holding company
 754 shall, on or before April 1 of each year, register with the
 755 office and file a registration statement and be subject to
 756 regulation with respect to its relationship to the holding
 757 company as provided by law or rule. The commission shall adopt
 758 rules establishing the information and statement form required
 759 for registration and the manner in which registered insurers and
 760 their affiliates are regulated. The rules apply to domestic
 761 insurers, foreign insurers, and commercially domiciled insurers,
 762 except for foreign insurers domiciled in states that are
 763 currently accredited by the NAIC. Except to the extent of any
 764 conflict with this code, the rules must include all requirements
 765 and standards of the Insurance Holding Company System Model
 766 Regulation and ss. 4 and 5 of the Insurance Holding Company
 767 System Regulatory Act ~~and the Insurance Holding Company System~~
 768 ~~Model Regulation~~ of the NAIC, as adopted in December 2020 ~~2010~~.
 769 The commission may adopt subsequent amendments thereto if the
 770 methodology remains substantially consistent. The rules may
 771 include a prohibition on oral contracts between affiliated
 772 entities. Material transactions between an insurer and its
 773 affiliates must ~~shall~~ be filed with the office as provided by
 774 rule.

775 (2) ~~Effective January 1, 2015,~~ The ultimate controlling

776 person of every insurer subject to registration shall also file
777 an annual enterprise risk report on or before April 1. As used
778 in this subsection, the term "ultimate controlling person" means
779 a person who is not controlled by any other person. The report
780 must, to the best of the ultimate controlling person's knowledge
781 and belief, ~~must~~ identify the material risks within the
782 insurance holding company system that could pose enterprise risk
783 to the insurer. The report must ~~shall~~ be filed with the lead
784 state office of the insurance holding company system as
785 determined by the procedures within the Financial Analysis
786 Handbook adopted by the NAIC and is confidential and exempt from
787 public disclosure as provided in s. 624.4212.

788 (a) An insurer may satisfy this requirement by providing
789 the office with the most recently filed parent corporation
790 reports that have been filed with the Securities and Exchange
791 Commission which provide the appropriate enterprise risk
792 information.

793 (b) The term "enterprise risk" means an activity,
794 circumstance, event, or series of events involving one or more
795 affiliates of an insurer which, if not remedied promptly, are
796 likely to have a materially adverse effect upon the financial
797 condition or liquidity of the insurer or its insurance holding
798 company system as a whole, including anything that would cause
799 the insurer's risk-based capital to fall into company action
800 level as set forth in s. 624.4085 or would cause the insurer to

801 be in a hazardous financial condition.

802 (c) The office may adopt rules for filing the annual
803 enterprise risk report in accordance with the Insurance Holding
804 Company System Regulatory Act and the Insurance Holding Company
805 System Model Regulation of the NAIC, as adopted in December
806 2020.

807 ~~(5) Effective January 1, 2015,~~ The failure to file a
808 registration statement, or a summary of the registration
809 statement, or the enterprise risk filing report required by this
810 section within the time specified for filing is a violation of
811 this section.

812 Section 13. Section 629.011, Florida Statutes, is amended
813 to read:

814 629.011 Definitions ~~"Reciprocal insurance" defined.~~ As
815 used in this part, the term:

816 (1) "Affiliated person" of another person means any of the
817 following:

818 (a) The spouse of the other person.

819 (b)1. The parents of the other person or their lineal
820 descendants.

821 2. The parents of the other person's spouse or their
822 lineal descendants.

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

826 (d) A person who directly or indirectly owns 10 percent or
827 more of the outstanding voting securities that are directly or
828 indirectly owned or controlled, or held with the power to vote,
829 by the other person.

830 (e) A person or group of persons who directly or
831 indirectly control, are controlled by, or are under common
832 control with the other person.

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

837 (g) If the other person is an investment company, any
838 investment adviser of such company or any member of an advisory
839 board of such company.

840 (h) If the other person is an unincorporated investment
841 company not having a board of directors, the depositor of such
842 company.

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

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

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

850 (2) "Attorney in fact" or "attorney" means the attorney in

851 fact of a reciprocal insurer. The attorney in fact may be an
 852 individual, a corporation, or another person.

853 (3) "Controlling company" means a person, corporation,
 854 trust, limited liability company, association, or other entity
 855 owning, directly or indirectly, 10 percent or more of the voting
 856 securities of one or more attorneys in fact that are stock
 857 corporations, or 10 percent or more of the ownership interest of
 858 one or more attorneys in fact that are not stock corporations.

859 (4) "Reciprocal insurance" means ~~is that resulting from~~ an
 860 interexchange among persons, known as "subscribers," of
 861 reciprocal agreements of indemnity, the interexchange being
 862 effectuated through an "attorney in fact" common to all such
 863 persons.

864 (5) "Reciprocal insurer" means an unincorporated
 865 aggregation of subscribers operating individually and
 866 collectively through an attorney in fact to provide reciprocal
 867 insurance among themselves.

868 Section 14. Section 629.021, Florida Statutes, is
 869 repealed.

870 Section 15. Section 629.061, Florida Statutes, is
 871 repealed.

872 Section 16. Section 629.081, Florida Statutes, is amended
 873 to read:

874 629.081 Organization of reciprocal insurer.—

875 (1) Twenty-five or more persons domiciled in this state

876 | may organize a domestic reciprocal insurer by applying and make
 877 | application to the office for a permit to do so. A domestic
 878 | reciprocal insurer may not be formed unless the persons so
 879 | proposing have first received a permit from the office a
 880 | certificate of authority to transact insurance.

881 | (2) The permit application, to be filed by the organizers
 882 | or the proposed attorney in fact, must be in writing and made in
 883 | accordance with forms prescribed by the commission. In addition
 884 | to any applicable requirements of s. 628.051 and other relevant
 885 | statutes, the application must include all of the following
 886 | shall fulfill the requirements of and shall execute and file
 887 | with the office, when applying for a certificate of authority, a
 888 | declaration setting forth:

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

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

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

895 | (d) The names and addresses of the original 25 or more
 896 | subscribers.†

897 | (e) The proposed designation and appointment of the
 898 | proposed attorney in fact and a copy of the proposed power of
 899 | attorney.†

900 | (f) The names and addresses of the officers and directors

901 of the proposed attorney in fact, if a corporation, or of its
 902 members, if other than a corporation.†

903 (g) The background information as specified in s. 629.227
 904 for all officers, directors, managers, and those in equivalent
 905 positions of the proposed attorney in fact as well as for any
 906 person with an ownership interest of 10 percent or more in the
 907 proposed attorney in fact.

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

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

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

919 ~~(j)(i)~~ A copy of the proposed subscribers' agreement.†

920 ~~(j) A statement that each of the original subscribers has~~
 921 ~~in good faith applied for insurance of a kind proposed to be~~
 922 ~~transacted, and that the insurer has received from each such~~
 923 ~~subscriber the full premium or premium deposit required for the~~
 924 ~~policy applied for, for a term of not less than 6 months at an~~
 925 ~~adequate rate theretofore filed with and approved by the office;~~

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

929 ~~(1)~~ A copy of each policy, endorsement, and application
 930 form it then proposes to issue or use.

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

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

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

938
 939 ~~Such declaration shall be acknowledged by the attorney before an~~
 940 ~~officer authorized to take acknowledgments.~~

941 Section 17. Section 629.091, Florida Statutes, is amended
 942 to read:

943 629.091 Reciprocal certificate of authority.-

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

946 (2) To apply for a certificate of authority as a domestic
 947 reciprocal insurer, the attorney in fact of an applicant who has
 948 previously received a permit from the office may file an
 949 application for a certificate of authority in accordance with
 950 forms prescribed by the commission which, in addition to

951 applicable requirements of ss. 624.404, 624.411, 624.413, and
952 other relevant statutes, consists of all of the following:

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

955 (b) A statement affirming that all moneys paid to the
956 reciprocal insurer shall, after deducting therefrom any sum
957 payable to the attorney in fact, be held in the name of the
958 insurer and for the purposes specified in the subscribers'
959 agreement.

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

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

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

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

972 (3) If the reciprocal insurer intends to issue
973 nonassessable policies upon receipt of a certificate of
974 authority and if the office determines that the reciprocal
975 insurer meets the legal requirements to issue nonassessable

976 policies, including the surplus requirements, the office shall
 977 grant the authorization to issue nonassessable policies.

978 (4) The certificate of authority must ~~of a reciprocal~~
 979 ~~insurer shall~~ be issued ~~to its attorney~~ in the name of the
 980 reciprocal insurer to its attorney in fact.

981 Section 18. Section 629.094, Florida Statutes, is created
 982 to read:

983 629.094 Continued eligibility for certificate of
 984 authority.-In order to maintain its eligibility for a
 985 certificate of authority, a domestic reciprocal insurer must
 986 continue to meet all applicable conditions required for
 987 receiving the initial permit and certificate of authority under
 988 the insurance code and the rules adopted thereunder.

989 Section 19. Section 629.101, Florida Statutes, is amended
 990 to read:

991 629.101 Power of attorney.-

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

995 (2) The power of attorney must set forth all of the
 996 following:

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

998 (b) That the attorney in fact is empowered to accept
 999 service of process on behalf of the insurer in actions against
 1000 the insurer upon contracts exchanged.

1001 (c) The place where the office of the attorney in fact is
 1002 maintained.†

1003 (d)-(e) The general services to be performed by the
 1004 attorney in fact.†

1005 (e) That the attorney in fact has a fiduciary duty to the
 1006 subscribers of the reciprocal insurer.

1007 (f)-(d) The maximum amount to be deducted from advance
 1008 premiums or deposits to be paid to the attorney in fact and the
 1009 general items of expense in addition to losses, to be paid by
 1010 the insurer.† ~~and~~

1011 (g)-(e) Except as to nonassessable policies, a provision
 1012 for a contingent several liability of each subscriber in a
 1013 specified amount, which amount may shall be not be less than 5
 1014 nor more than 10 times the premium or premium deposit stated in
 1015 the policy.

1016 (3) The power of attorney may:

1017 (a) Provide for the right of substitution of the attorney
 1018 in fact and revocation of the power of attorney and rights
 1019 thereunder.†

1020 (b) Impose such restrictions upon the exercise of the
 1021 power as are agreed upon by the subscribers.†

1022 (c) Provide for the exercise of any right reserved to the
 1023 subscribers directly or through their advisory committee.† ~~and~~

1024 (4)-(d) The power of attorney must contain other lawful
 1025 provisions deemed advisable.

1026 (5)~~(4)~~ The terms of any power of attorney or agreement
 1027 collateral thereto must ~~shall~~ be reasonable and equitable, and
 1028 ~~no~~ such power or agreement may not ~~shall~~ be used or be effective
 1029 in this state unless filed with the office.

1030 Section 20. Section 629.225, Florida Statutes, is created
 1031 to read:

1032 629.225 Acquisitions.-

1033 (1) A person may not, individually or in conjunction with
 1034 an affiliated person of such person, directly or indirectly,
 1035 conclude a tender offer or exchange offer for, enter into any
 1036 agreement to exchange securities for, or otherwise finally
 1037 acquire 10 percent or more of the outstanding voting securities
 1038 of an attorney in fact that is a stock corporation or of a
 1039 controlling company of an attorney in fact that is a stock
 1040 corporation; or conclude an acquisition of, or otherwise finally
 1041 acquire, 10 percent or more of the ownership interest of an
 1042 attorney in fact that is not a stock corporation or of a
 1043 controlling company of an attorney in fact that is not a stock
 1044 corporation, unless all of the following conditions are met:

1045 (a)1. The person or affiliated person has filed with the
 1046 office and sent to the principal office of the attorney in fact,
 1047 any controlling company of the attorney in fact, the
 1048 subscribers' advisory committee, and the domestic reciprocal
 1049 insurer a letter of notification regarding the transaction or
 1050 proposed transaction no later than 5 days after any form of

1051 tender offer or exchange offer is proposed, or no later than 5
1052 days after the acquisition of the securities or ownership
1053 interest if a tender offer or exchange offer is not involved.
1054 The notification must be provided on forms prescribed by the
1055 commission containing information determined necessary to
1056 understand the transaction and identify all purchasers and
1057 owners involved.

1058 2. The subscribers' advisory committee must provide the
1059 notification to the subscribers of the reciprocal insurer within
1060 3 business days. Such notification must be provided on a form
1061 prescribed by the commission explaining what the notification is
1062 and letting the subscribers know of the filing deadlines for
1063 objecting to the acquisition.

1064 (b) The person or affiliated person has filed with the
1065 office an application, signed under oath and prepared on forms
1066 prescribed by the commission, which contains the information
1067 specified in subsection (3). The application must be completed
1068 and filed within 30 days after any form of tender offer or
1069 exchange offer is proposed, or after the acquisition of the
1070 securities if a tender offer or exchange offer is not involved.

1071 (c) The office has approved the tender offer or exchange
1072 offer, or acquisition if a tender offer or exchange offer is not
1073 involved.

1074 (2) The person or affiliated person filing the notice
1075 required in paragraph (1) (a) may additionally request the office

1076 to waive the requirements of paragraph (1) (b), provided that
 1077 there is no change in the ultimate controlling shareholders and
 1078 no change in the ownership percentages of the ultimate
 1079 controlling shareholders, and no unaffiliated parties acquire
 1080 any direct or indirect interest in the attorney in fact. The
 1081 office may waive the filing required in paragraph (1) (b) if it
 1082 determines that in fact there is no change in the ultimate
 1083 controlling shareholders and no change in the ownership
 1084 percentages of the ultimate controlling shareholders, and no
 1085 unaffiliated parties will acquire any direct or indirect
 1086 interest in the attorney in fact.

1087 (3) The application to be filed with the office and
 1088 furnished to the attorney in fact must contain all of the
 1089 following information and any additional information as the
 1090 office deems necessary to determine the character, experience,
 1091 ability, and other qualifications of the person or affiliated
 1092 person of such person for the protection of the reciprocal
 1093 insurer's subscribers and of the public:

1094 (a) The identity and background information specified in
 1095 s. 629.227 of:

1096 1. Each person by whom, or on whose behalf, the
 1097 acquisition is to be made; and

1098 2. Any person who controls, directly or indirectly, such
 1099 other person, including each director, officer, trustee,
 1100 partner, owner, manager, or joint venturer, or another person

1101 performing duties similar to those of persons in such positions,
 1102 for the person.

1103 (b) The source and amount of the funds or other
 1104 consideration used, or to be used, in making the acquisition.

1105 (c) Any plans or proposals that such persons may have made
 1106 to liquidate the attorney in fact or controlling company, to
 1107 sell any of their assets or merge or consolidate them with any
 1108 person, or to make any other major change in their business or
 1109 corporate structure or management.

1110 (d) The nature and the extent of the controlling interest
 1111 which the person or affiliated person of such person proposes to
 1112 acquire, the terms of the proposed acquisition, and the manner
 1113 in which the controlling interest is to be acquired of an
 1114 attorney in fact or controlling company which is not a stock
 1115 corporation.

1116 (e) The number of shares or other securities that the
 1117 person or affiliated person of such person proposes to acquire,
 1118 the terms of the proposed acquisition, and the manner in which
 1119 the securities are to be acquired.

1120 (f) Information as to any contract, arrangement, or
 1121 understanding with any party with respect to any of the
 1122 securities of the attorney in fact or controlling company,
 1123 including, but not limited to, information relating to the
 1124 transfer of any of the securities, option arrangements, puts or
 1125 calls, or the giving or withholding of proxies, which

1126 information names the party with whom the contract, arrangement,
1127 or understanding has been entered into and gives the details
1128 thereof.

1129 (4) The filing must be accompanied by the fee required
1130 under s. 624.501(1)(a).

1131 (5) If any material change occurs in the facts provided in
1132 the application filed with the office pursuant to this section,
1133 or the background information required under s. 629.227, an
1134 amendment specifying such changes must be filed immediately with
1135 the office, and a copy of the amendment must be sent to the
1136 principal office of the attorney in fact and to the principal
1137 office of the controlling company.

1138 (6)(a) The acquisition application must be reviewed in
1139 accordance with chapter 120. The office may, on its own
1140 initiative, or, if requested to do so in writing by a
1141 substantially affected person, shall conduct a proceeding to
1142 consider the appropriateness of the proposed filing. Time
1143 periods for purposes of chapter 120 are tolled during the
1144 pendency of the proceeding. Any written request for a proceeding
1145 must be filed with the office within 10 days after the date on
1146 which notice of the filing is given, or 10 days after the date
1147 on which notice of the filing is sent to the subscribers by the
1148 subscribers' advisory committee, whichever is later. During the
1149 pendency of the proceeding or review period by the office, any
1150 person or affiliated person complying with the filing

1151 requirements of this section may proceed and take all steps
1152 necessary to conclude the acquisition as long as the
1153 acquisition's becoming final is conditioned upon obtaining
1154 office approval. However, at any time that the office finds that
1155 an immediate danger to the public health, safety, and welfare of
1156 the reciprocal insurer's subscribers exists, the office shall
1157 immediately order, pursuant to s. 120.569(2)(n), the proposed
1158 acquisition disapproved and any further steps to conclude the
1159 acquisition ceased.

1160 (b) During the pendency of the office's review of any
1161 acquisition subject to this section, the acquiring person may
1162 not make any material change in the operation of the attorney in
1163 fact or controlling company unless the office has specifically
1164 approved the change, and the acquiring person may not make any
1165 material change in the management of the attorney in fact unless
1166 advance written notice of the change in management is furnished
1167 to the office. As used in this paragraph, the term "material
1168 change in the operation of the attorney in fact" means a
1169 transaction that disposes of or obligates 5 percent or more of
1170 the capital and surplus of the attorney in fact or of any
1171 domestic reciprocal insurer. The term "material change in the
1172 management of the attorney in fact" means any change in
1173 management involving officers or directors of the attorney in
1174 fact or any person of the attorney in fact or controlling
1175 company having authority to dispose of or obligate 5 percent or

1176 more of the attorney in fact's capital or surplus. The office
1177 must approve a material change in operations if it finds the
1178 applicable provisions of subsection (7) have been met. The
1179 office may disapprove a material change in management if it
1180 finds that the applicable provisions of subsection (7) have not
1181 been met, and, in such case, the attorney in fact shall promptly
1182 change management as acceptable to the office.

1183 (c) If a request for a proceeding is filed, the proceeding
1184 must be conducted within 60 days after the date the written
1185 request for a proceeding is received by the office. A
1186 recommended order must be issued within 20 days after the date
1187 of the close of the proceedings. A final order must be issued
1188 within 20 days after the date of the recommended order or, if
1189 exceptions to the recommended order are filed, within 20 days
1190 after the date the exceptions are filed.

1191 (7) The office may disapprove any acquisition subject to
1192 this section by any person, or any affiliated person of such
1193 person, who:

1194 (a) Willfully violates this section;

1195 (b) In violation of an order issued by the office pursuant
1196 to subsection (12), fails to divest himself or herself of any
1197 stock or ownership interest obtained in violation of this
1198 section or fails to divest himself or herself of any direct or
1199 indirect control of such stock or ownership interest, within 25
1200 days after such order; or

1201 (c) In violation of an order issued by the office pursuant
 1202 to subsection (12), acquires an additional stock or ownership
 1203 interest in an attorney in fact or controlling company or direct
 1204 or indirect control of such stock or ownership interest, without
 1205 complying with this section.

1206 (8) The person filing the application required by this
 1207 section has the burden of proof. The office must approve any
 1208 such acquisition if it finds, on the basis of the record made
 1209 during any proceeding or on the basis of the filed application
 1210 if no proceeding is conducted, that:

1211 (a) The financial condition of the acquiring person will
 1212 not jeopardize the financial stability of the attorney in fact
 1213 or prejudice the interests of the reciprocal insurer's
 1214 subscribers or the public.

1215 (b) Any plan or proposal that the acquiring person has
 1216 made:

1217 1. To liquidate the attorney in fact, sell its assets, or
 1218 merge or consolidate it with any person, or to make any other
 1219 major change in its business or corporate structure or
 1220 management; or

1221 2. To liquidate any controlling company, sell its assets,
 1222 or merge or consolidate it with any person, or to make any major
 1223 change in its business or corporate structure or management
 1224 which would have an effect upon the attorney in fact,
 1225

1226 is fair and free of prejudice to the reciprocal insurer's
1227 subscribers or to the public.

1228 (c) The competence, experience, and integrity of those
1229 persons who will control directly or indirectly the operation of
1230 the attorney in fact indicate that the acquisition is in the
1231 best interest of the reciprocal insurer's subscribers and in the
1232 public interest.

1233 (d) The natural persons for whom background information is
1234 required to be furnished pursuant to this section have such
1235 backgrounds as to indicate that it is in the best interests of
1236 the reciprocal insurer's subscribers and in the public interest
1237 to permit such persons to exercise control over the attorney in
1238 fact.

1239 (e) The directors and officers, if such attorney in fact
1240 or controlling company is a stock corporation, or the trustees,
1241 partners, owners, managers, joint venturers, or other persons
1242 performing duties similar to those of persons in such positions,
1243 if such attorney in fact or controlling company is not a stock
1244 corporation, to be employed after the acquisition have
1245 sufficient insurance experience and ability to ensure reasonable
1246 promise of successful operation.

1247 (f) The management of the attorney in fact after the
1248 acquisition will be competent and trustworthy and will possess
1249 sufficient managerial experience so as to make the proposed
1250 operation of the attorney in fact not hazardous to the

1251 insurance-buying public.

1252 (g) The management of the attorney in fact after the
1253 acquisition will not include any person who has directly or
1254 indirectly through ownership, control, reinsurance transactions,
1255 or other insurance or business relations unlawfully manipulated
1256 the assets, accounts, finances, or books of any insurer or
1257 otherwise acted in bad faith with respect thereto.

1258 (h) The acquisition is not likely to be hazardous or
1259 prejudicial to the reciprocal insurer's subscribers or to the
1260 public.

1261 (i) The effect of the acquisition would not substantially
1262 lessen competition in the line of insurance for which the
1263 reciprocal insurer is licensed or certified in this state or
1264 would not tend to create a monopoly therein.

1265 (9) A vote by the stockholder of record, or by any other
1266 person, of any security acquired in contravention of this
1267 section is not valid. Any acquisition contrary to this section
1268 is void. Upon the petition of the attorney in fact, the
1269 controlling company, or the reciprocal insurer, the circuit
1270 court for the county in which the principal office of the
1271 attorney in fact is located may, without limiting the generality
1272 of its authority, order the issuance or entry of an injunction
1273 or other order to enforce this section. There is a private right
1274 of action in favor of the attorney in fact or controlling
1275 company to enforce this section. A demand upon the office that

1276 it perform its functions is not required as a prerequisite to
1277 any suit by the attorney in fact or controlling company against
1278 another person, and in no case is the office deemed a necessary
1279 party to any action by the attorney in fact or controlling
1280 company to enforce this section. Any person who makes or
1281 proposes an acquisition requiring the filing of an application
1282 pursuant to this section, or who files such an application, is
1283 deemed thereby to have designated the Chief Financial Officer,
1284 or his or her assistant or deputy or another person in charge of
1285 his or her office, as such person's agent for service of process
1286 under this section and is deemed thereby to have submitted
1287 himself or herself to the administrative jurisdiction of the
1288 office and to the jurisdiction of the circuit court.

1289 (10) Any approval by the office under this section does
1290 not constitute a recommendation by the office of the tender
1291 offer or exchange offer, or the acquisition if a tender offer or
1292 exchange offer is not involved. It is unlawful for a person to
1293 represent that the office's approval constitutes a
1294 recommendation. A person who violates this subsection commits a
1295 felony of the third degree, punishable as provided in s.
1296 775.082, s. 775.083, or s. 775.084. The statute-of-limitations
1297 period for the prosecution of an offense committed under this
1298 subsection is 5 years.

1299 (11) A person may rebut a presumption of control by filing
1300 a disclaimer of control with the office on a form prescribed by

1301 the commission. The disclaimer must fully disclose all material
1302 relationships and bases for affiliation between the person and
1303 the attorney in fact as well as the basis for disclaiming the
1304 affiliation. In lieu of such form, a person or acquiring party
1305 may file with the office a copy of a Schedule 13G filed with the
1306 Securities and Exchange Commission pursuant to Rule 13d-1(b) or
1307 (c), 17 C.F.R. s. 240.13d-1, under the Securities Exchange Act
1308 of 1934, as amended. After a disclaimer has been filed, the
1309 attorney in fact is relieved of any duty to register or report
1310 under this section which may arise out of the attorney in fact's
1311 relationship with the person unless the office disallows the
1312 disclaimer.

1313 (12) If the office determines that any person or any
1314 affiliated person of such person has acquired 10 percent or more
1315 of the outstanding voting securities of an attorney in fact or
1316 controlling company that is a stock corporation, or 10 percent
1317 or more of the ownership interest of an attorney in fact or
1318 controlling company that is not a stock corporation, without
1319 complying with this section, the office may order that the
1320 person and any affiliated person of such person cease
1321 acquisition of the attorney in fact or controlling company and,
1322 if appropriate, divest itself of any stock or ownership interest
1323 acquired in violation of this section.

1324 (13) (a) The office shall, if necessary to protect the
1325 public interest, suspend or revoke the certificate of authority

1326 of the reciprocal insurer whose attorney in fact or controlling
 1327 company is acquired in violation of this section.

1328 (b) If a reciprocal insurer is subject to suspension or
 1329 revocation pursuant to paragraph (a), any other reciprocal
 1330 insurer using the same attorney in fact is also subject to
 1331 suspension or revocation. In such case, the office may offer any
 1332 affected reciprocal insurer, through its subscriber
 1333 representatives, the ability to cure any suspension or
 1334 revocation by procuring another attorney in fact acceptable to
 1335 the office or by taking any other action agreed to by the
 1336 office.

1337 (14) This section applies to domestic reciprocal insurers
 1338 and the attorney in fact of domestic reciprocal insurers. This
 1339 section does not apply to any acquisition of voting securities
 1340 or ownership interest of an attorney in fact or of a controlling
 1341 company by any person who is the owner of a majority of the
 1342 voting securities or ownership interest with the approval of the
 1343 office under this section or s. 629.091.

1344 Section 21. Section 629.227, Florida Statutes, is created
 1345 to read:

1346 629.227 Background information.—The information as to the
 1347 background and identity of each person about whom information is
 1348 required to be furnished pursuant to s. 629.081 or s. 629.225
 1349 must include, but need not be limited to, all of the following:

1350 (1) A sworn biographical statement, on forms adopted by

1351 the commission, which must include, but need not be limited to,
1352 the following information:

1353 (a) Occupations, positions of employment, and offices held
1354 during the past 20 years, including the principal business and
1355 address of any business, corporation, or organization where each
1356 occupation, position of employment, or office occurred.

1357 (b) Whether, at any time during such 20-year period, the
1358 person was convicted of any crime other than a traffic
1359 violation.

1360 (c) Whether, during such 20-year period, the person has
1361 been the subject of any proceeding for the revocation of any
1362 license and, if so, the nature of the proceeding and the
1363 disposition of the proceeding.

1364 (d) Whether, during such 20-year period, the person has
1365 been the subject of any proceeding under the federal Bankruptcy
1366 Act.

1367 (e) Whether, during such 20-year period, any person or
1368 other business or organization in which the person was a
1369 director, officer, trustee, partner, owner, manager, or other
1370 official has been the subject of any proceeding under the
1371 federal Bankruptcy Act, either during the time of that person's
1372 tenure with the business or organization or within 12 months
1373 thereafter.

1374 (f) Whether, during such 20-year period, the person has
1375 been enjoined, either temporarily or permanently, by a court of

1376 competent jurisdiction from violating any federal or state law
1377 regulating the business of insurance, securities, or banking, or
1378 from carrying out any particular practice or practices in the
1379 course of the business of insurance, securities, or banking,
1380 together with details as to any such event.

1381 (g) Whether, during such 20-year period, the person has
1382 served as the attorney in fact, a subscribers' advisory
1383 committee member, or any other manager or officer of a
1384 reciprocal insurer or insurer that became insolvent or had its
1385 certificate of authority suspended or revoked.

1386 (2) A full set of fingerprints of each person, which must
1387 be submitted to the department or to a vendor, entity, or agency
1388 authorized by s. 943.053(13). The department, vendor, entity, or
1389 agency shall forward the fingerprints to the Department of Law
1390 Enforcement for state processing, and the Department of Law
1391 Enforcement shall forward the fingerprints to the Federal Bureau
1392 of Investigation for national processing as described in s.
1393 624.34. Fees for state and federal fingerprint processing shall
1394 be borne by the person. The state cost for fingerprint
1395 processing shall be as provided in s. 943.053(3)(e).

1396 (3) An authorization for release of information in regard
1397 to the investigation of such person's background.

1398 (4) Any additional information that the office deems
1399 necessary to determine the character, experience, ability, and
1400 other qualifications of the person, or affiliated person of such

1401 person, for the protection of the reciprocal insurer's
1402 subscribers and of the public.

1403 Section 22. Section 629.229, Florida Statutes, is created
1404 to read:

1405 629.229 Attorneys in fact, officers, and directors of
1406 insolvent reciprocal insurers or other insurers.—A person who
1407 served as an attorney in fact, or as an officer, director, or
1408 manager of an attorney in fact, a member of a subscribers'
1409 advisory committee of a reciprocal insurer doing business in
1410 this state, or an officer or director of any other insurer doing
1411 business in this state, and who served in that capacity within
1412 the 2-year period before the date the insurer or reciprocal
1413 insurer became insolvent, for an insolvency that occurs on or
1414 after July 1, 2024, may not thereafter:

1415 (1) Serve as an attorney in fact, or as an officer,
1416 director, or manager of an attorney in fact; a member of a
1417 subscribers' advisory committee of a reciprocal insurer doing
1418 business in this state; or an officer or director of any other
1419 insurer doing business in this state; or

1420 (2) Have direct or indirect control over the selection or
1421 appointment of an attorney in fact, or of an officer, director,
1422 or manager of an attorney in fact; or a member of the
1423 subscribers' advisory committee of a reciprocal insurer doing
1424 business in this state; or an officer or director of any insurer
1425 doing business in this state, through contract or trust or by

1426 operation of law,

1427

1428 unless the person demonstrates that his or her personal actions
 1429 or omissions were not a significant contributing cause to the
 1430 insolvency.

1431 Section 23. Section 629.261, Florida Statutes, is amended
 1432 to read:

1433 629.261 Nonassessable policies.—Upon the impairment of the
 1434 surplus of a nonassessable reciprocal insurer, the office shall
 1435 revoke the authorization issued under s. 629.091(3) or s.
 1436 629.291(5). Upon the revocation of the authority to issue
 1437 nonassessable policies, the reciprocal insurer may no longer
 1438 issue or renew nonassessable policies or convert assessable
 1439 policies to nonassessable policies and s. 629.301 applies.

1440 ~~(1) If a reciprocal insurer has a surplus as to~~
 1441 ~~policyholders required of a domestic stock insurer authorized to~~
 1442 ~~transact like kinds of insurance, upon application of the~~
 1443 ~~attorney and as approved by the subscribers' advisory committee~~
 1444 ~~the office shall issue its certificate authorizing the insurer~~
 1445 ~~to extinguish the contingent liability of subscribers under its~~
 1446 ~~policies then in force in this state and to omit provisions~~
 1447 ~~imposing contingent liability in all policies delivered or~~
 1448 ~~issued for delivery in this state for so long as all such~~
 1449 ~~surplus remains unimpaired.~~

1450 ~~(2) Upon impairment of such surplus, the office shall~~

1451 ~~forthwith revoke the certificate.~~ Such revocation may ~~shall~~ not
1452 render subject to contingent liability any policy then in force
1453 and for the remainder of the period for which the premium has
1454 theretofore been paid; but, after such revocation, no policy
1455 shall be issued or renewed without providing for contingent
1456 assessment liability of the subscriber.

1457 ~~(3) The office shall not authorize a domestic reciprocal~~
1458 ~~insurer so to extinguish the contingent liability of any of its~~
1459 ~~subscribers or in any of its policies to be issued, unless it~~
1460 ~~qualifies to and does extinguish such liability of all its~~
1461 ~~subscribers and in all such policies for all kinds of insurance~~
1462 ~~transacted by it; except that, if required by the laws of~~
1463 ~~another state in which the insurer is transacting insurance as~~
1464 ~~an authorized insurer, the insurer may issue policies providing~~
1465 ~~for the contingent liability of such of its subscribers as may~~
1466 ~~acquire such policies in such state, and need not extinguish the~~
1467 ~~contingent liability applicable to policies theretofore in force~~
1468 ~~in such state.~~

1469 Section 24. Subsections (1), (2), and (4) of section
1470 629.291, Florida Statutes, are amended, and subsection (5) is
1471 added to that section, to read:

1472 629.291 Merger or conversion.—

1473 (1) A ~~domestic~~ reciprocal insurer, upon affirmative vote
1474 of not less than two-thirds of its subscribers who vote on such
1475 merger pursuant to due notice, and subject to the approval by ~~of~~

1476 the office of the terms therefor, may merge with another
1477 reciprocal insurer or be converted to a stock or mutual insurer,
1478 to be thereafter governed by the applicable sections of the
1479 Florida Insurance Code. However, a domestic stock insurer may
1480 not convert to a reciprocal insurer.

1481 (2) A plan to merge a reciprocal insurer with another
1482 reciprocal insurer or for conversion of the reciprocal insurer
1483 to a stock or mutual insurer must be filed with the office on
1484 forms adopted by the office and must contain such information as
1485 the office reasonable requires to evaluate the transaction ~~Such~~
1486 ~~a stock or mutual insurer shall be subject to the same capital~~
1487 ~~or surplus requirements and shall have the same rights as a like~~
1488 ~~domestic insurer transacting like kinds of insurance.~~

1489 (4) Reinsurance of all or substantially all of the
1490 insurance in force of a domestic reciprocal insurer in another
1491 insurer is ~~shall be~~ deemed to be a merger for the purposes of
1492 this section.

1493 (5) (a) An assessable reciprocal insurer may convert to a
1494 nonassessable reciprocal insurer if:

1495 1. The subscribers' advisory committee approves the
1496 conversion;

1497 2. The attorney in fact submits the application for
1498 conversion on the required application form; and

1499 3. The office finds that the application for conversion
1500 meets the minimum statutory requirements.

1501 (b) If the office approves the application for conversion,
 1502 the assessable reciprocal insurer may convert to a nonassessable
 1503 reciprocal insurer by:

1504 1. Extinguishing the contingent liability of subscribers
 1505 under all policies then in force in this state;

1506 2. Omitting contingent liability provisions in all
 1507 policies delivered or issued in this state after the conversion;
 1508 and

1509 3. Otherwise extinguishing the contingent liability of all
 1510 of its subscribers. However, if the reciprocal insurer is
 1511 transacting insurance as an authorized insurer in another state
 1512 and that state's laws require the insurer to issue policies with
 1513 contingent liability provisions, the insurer may issue
 1514 contingent liability policies in that other state.

1515 Section 25. 629.525, Florida Statutes, is created to read:
 1516 629.525 Rulemaking authority.—The commission shall adopt,
 1517 amend, or repeal rules pursuant to chapter 120 which are
 1518 necessary to implement this chapter.

1519 Section 26. Paragraph (h) of subsection (3) of section
 1520 163.01, Florida Statutes, is amended to read:

1521 163.01 Florida Interlocal Cooperation Act of 1969.—

1522 (3) As used in this section:

1523 (h) "Local government liability pool" means a reciprocal
 1524 insurer as defined in s. 629.011 ~~s. 629.021~~ or any self-
 1525 insurance program created pursuant to s. 768.28(16), formed and

1526 controlled by counties or municipalities of this state to
 1527 provide liability insurance coverage for counties,
 1528 municipalities, or other public agencies of this state, which
 1529 pool may contract with other parties for the purpose of
 1530 providing claims administration, processing, accounting, and
 1531 other administrative facilities.

1532 Section 27. Subsection (3) of section 626.9531, Florida
 1533 Statutes, is amended to read:

1534 626.9531 Identification of insurers, agents, and insurance
 1535 contracts.—

1536 (3) For the purposes of this section, the term "risk
 1537 bearing entity" means a reciprocal insurer as defined in s.
 1538 629.011 ~~s. 629.021~~, a commercial self-insurance fund as defined
 1539 in s. 624.462, a group self-insurance fund as defined in s.
 1540 624.4621, a local government self-insurance fund as defined in
 1541 s. 624.4622, a self-insured public utility as defined in s.
 1542 624.46225, or an independent educational institution self-
 1543 insurance fund as defined in s. 624.4623. For the purposes of
 1544 this section, the term "risk bearing entity" does not include an
 1545 authorized insurer as defined in s. 624.09.

1546 Section 28. Except as otherwise expressly provided in this
 1547 act and except for this section, which shall take effect upon
 1548 becoming a law, this act shall take effect July 1, 2024.