



199358

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/28/2024	.	
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The Committee on Fiscal Policy (Trumbull) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 177 - 1245

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



199358

11 lines residential property insurance policies in this state. The  
12 supplemental report must ~~shall~~ include separate information for  
13 personal lines property policies and for commercial lines  
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 insured  
33 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:

38 624.4305 Nonrenewal of residential property insurance  
39 policies.—Any insurer planning to nonrenew more than 10,000



199358

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 becoming law, paragraph (d) of  
50 subsection (1) of section 624.46226, Florida Statutes, is  
51 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:

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 selected



69 by the administrator, ratified by the governing body, and  
70 certified by an independent 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 and independent actuary as  
75 to the program's adequacy. This certification must be submitted  
76 simultaneously with the certifications required under paragraphs  
77 (b) and (c).

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

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

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

92 626.9201 Notice of cancellation or nonrenewal.-

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



199358

98 notice the reasons for the cancellation or termination, except  
99 that:

100 (a) If cancellation is for nonpayment of premium, at least  
101 10 days' written notice of cancellation accompanied by the  
102 reason for cancellation must be given. As used in this  
103 paragraph, the term "nonpayment of premium" means the failure of  
104 the named insured to discharge when due any of his or her  
105 obligations in connection with the payment of premiums on a  
106 policy or an installment of such a premium, whether the premium  
107 or installment is payable directly to the insurer or its agent  
108 or indirectly under any plan for financing premiums or extension  
109 of credit or the failure of the named insured to maintain  
110 membership in an organization if such membership is a condition  
111 precedent to insurance coverage. The term also includes the  
112 failure of a financial institution to honor the check of an  
113 applicant for insurance which was delivered to a licensed agent  
114 for payment of a premium, even if the agent previously delivered  
115 or transferred the premium to the insurer. If a correctly  
116 dishonored check represents payment of the initial premium, the  
117 contract and all contractual obligations are void ab initio  
118 unless the nonpayment is cured within the earlier of 5 days  
119 after actual notice by certified mail is received by the  
120 applicant or 15 days after notice is sent to the applicant by  
121 certified mail or registered mail, and, if the contract is void,  
122 any premium received by the insurer from a third party must  
123 ~~shall~~ be refunded to that party in full; ~~and~~

124 (b) If cancellation or termination occurs during the first  
125 90 days during which the insurance is in force and if the  
126 insurance is canceled or terminated for reasons other than



199358

127 nonpayment, at least 20 days' written notice of cancellation or  
128 termination accompanied by the reason for cancellation or  
129 termination must be given, except if there has been a material  
130 misstatement or misrepresentation or failure to comply with the  
131 underwriting requirements established by the insurer; and  
132 (c)1. Upon a declaration of an emergency pursuant to s.  
133 252.36 and the filing of an order by the Commissioner of  
134 Insurance Regulation, an insurer may not cancel or nonrenew a  
135 personal residential or commercial residential property  
136 insurance policy covering a dwelling or residential property  
137 located in this state which has been damaged as a result of a  
138 hurricane or wind loss that is the subject of the declaration of  
139 emergency for 90 days after the dwelling or residential property  
140 has been repaired. A dwelling or residential property is deemed  
141 to be repaired when substantially completed and restored to the  
142 extent that the dwelling or residential property is insurable by  
143 another insurer that is writing policies in this state.  
144 2. However, an insurer or its agent may cancel or nonrenew  
145 such a policy before the repair of the dwelling or residential  
146 property:  
147 a. Upon 10 days' notice for nonpayment of premium; or  
148 b. Upon 45 days' notice:  
149 (I) For a material misstatement or fraud related to the  
150 claim;  
151 (II) If the insurer determines that the insured has  
152 unreasonably caused a delay in the repair of the dwelling or  
153 residential property;  
154 (III) If the insurer or its agent makes a reasonable  
155 written inquiry to the insured as to the status of repairs, sent



199358

156 by certified mail, return receipt requested, and the insured  
157 fails within 30 calendar days to provide information that is  
158 responsive to the inquiry to either the address or e-mail  
159 account designated by the insurer; or

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

161 3. If the insurer elects to nonrenew a policy covering a  
162 property that has been damaged, the insurer must provide at  
163 least 90 days' notice to the insured that the insurer intends to  
164 nonrenew the policy 90 days after the dwelling or residential  
165 property has been repaired.

166 4. This paragraph does not prevent the insurer from  
167 canceling or nonrenewing the policy 90 days after the repair is  
168 completed for the same reasons the insurer would otherwise have  
169 canceled or nonrenewed the policy but for the limitations of  
170 subparagraph 1.

171 5. The Financial Services Commission may adopt rules, and  
172 the Commissioner of Insurance Regulation may issue orders,  
173 necessary to implement this paragraph.

174 Section 6. Paragraph (j) of subsection (2) of section  
175 627.062, Florida Statutes, is amended to read:

176 627.062 Rate standards.—

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

178 (j) With respect to residential property insurance rate  
179 filings, the rate filing:

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

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



185 Methodology to be accurate or reliable pursuant to s. 627.0628.  
186 If an averaged model is used under this section, the same  
187 averaged model must be used throughout this state. If a weighted  
188 average is used, the insurer must provide the office with an  
189 actuarial justification for using the weighted average which  
190 shows that the weighted average results in a rate that is  
191 reasonable, adequate, and fair.

192  
193 The provisions of this subsection do not apply to workers'  
194 compensation, employer's liability insurance, and motor vehicle  
195 insurance.

196 Section 7. Paragraph (n) of subsection (6) of section  
197 627.351, Florida Statutes, is amended to read:

198 627.351 Insurance risk apportionment plans.—

199 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

200 (n)1. Rates for coverage provided by the corporation must  
201 be actuarially sound pursuant to s. 627.062 and not competitive  
202 with approved rates charged in the admitted voluntary market so  
203 that the corporation functions as a residual market mechanism to  
204 provide insurance only when insurance cannot be procured in the  
205 voluntary market, except as otherwise provided in this  
206 paragraph. The office shall provide the corporation such  
207 information as would be necessary to determine whether rates are  
208 competitive. The corporation shall file its recommended rates  
209 with the office at least annually. The corporation shall provide  
210 any additional information regarding the rates which the office  
211 requires. The office shall consider the recommendations of the  
212 board and issue a final order establishing the rates for the  
213 corporation within 45 days after the recommended rates are





214 filed. The corporation may not pursue an administrative  
215 challenge or judicial review of the final order of the office.

216 2. In addition to the rates otherwise determined pursuant  
217 to this paragraph, the corporation shall impose and collect an  
218 amount equal to the premium tax provided in s. 624.509 to  
219 augment the financial resources of the corporation.

220 3. After the public hurricane loss-projection model under  
221 s. 627.06281 has been found to be accurate and reliable by the  
222 Florida Commission on Hurricane Loss Projection Methodology, the  
223 model shall be considered when establishing the windstorm  
224 portion of the corporation's rates. The corporation may use the  
225 public model results in combination with the results of private  
226 models to calculate rates for the windstorm portion of the  
227 corporation's rates. This subparagraph does not require or allow  
228 the corporation to adopt rates lower than the rates otherwise  
229 required or allowed by this paragraph.

230 4. The corporation must make a recommended actuarially  
231 sound rate filing for each personal and commercial line of  
232 business it writes.

233 5. Notwithstanding the board's recommended rates and the  
234 office's final order regarding the corporation's filed rates  
235 under subparagraph 1., the corporation shall annually implement  
236 a rate increase which, except for sinkhole coverage, does not  
237 exceed the following for any single policy issued by the  
238 corporation, excluding coverage changes and surcharges:

- 239 a. Twelve percent for 2023.
- 240 b. Thirteen percent for 2024.
- 241 c. Fourteen percent for 2025.
- 242 d. Fifteen percent for 2026 and all subsequent years.



199358

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

246           7. The corporation's implementation of rates as prescribed  
247 in subparagraphs 5. and 8. shall cease for any line of business  
248 written by the corporation upon the corporation's implementation  
249 of actuarially sound rates. Thereafter, the corporation shall  
250 annually make a recommended actuarially sound rate filing that  
251 is not competitive with approved rates in the admitted voluntary  
252 market for each commercial and personal line of business the  
253 corporation writes.

254           8. ~~The following~~ New or renewal personal lines policies  
255 that do not cover a primary residence ~~written on or after~~  
256 ~~November 1, 2023,~~ are not subject to the rate increase  
257 limitations in subparagraph 5., but may not be charged more than  
258 50 percent above, nor less than, the prior year's established  
259 rate for the corporation:

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

261           b. ~~New policies under which the coverage for the insured~~  
262 ~~risk, before the date of application with the corporation, was~~  
263 ~~last provided by an insurer determined by the office to be~~  
264 ~~unsound or an insurer placed in receivership under chapter 631;~~  
265 ~~or~~

266           c. ~~Subsequent renewals of those policies, including the new~~  
267 ~~policies in sub-subparagraph b., under which the coverage for~~  
268 ~~the insured risk, before the date of application with the~~  
269 ~~corporation, was last provided by an insurer determined by the~~  
270 ~~office to be unsound or an insurer placed in receivership under~~  
271 ~~chapter 631.~~



199358

272           9. As used in this paragraph, the term "primary residence"  
273 means the dwelling that is the policyholder's primary home or is  
274 a rental property that is the primary home of the tenant, and  
275 which the policyholder or tenant occupies for more than 9 months  
276 of each year.

277           Section 8. Paragraph (a) of subsection (5) of section  
278 627.7011, Florida Statutes, is amended to read:

279           627.7011 Homeowners' policies; offer of replacement cost  
280 coverage and law and ordinance coverage.—

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

- 284           1. A home inspector licensed under s. 468.8314;
- 285           2. A building code inspector certified under s. 468.607;
- 286           3. A general, building, or residential contractor licensed  
287 under s. 489.111 or a roofing contractor;
- 288           4. A professional engineer licensed under s. 471.015;
- 289           5. A professional architect licensed under s. 481.213; or
- 290           6. Any other individual or entity recognized by the insurer  
291 as possessing the necessary qualifications to properly complete  
292 a general inspection of a residential structure insured with a  
293 homeowner's insurance policy.

294           Section 9. Section 628.011, Florida Statutes, is amended to  
295 read:

296           628.011 Scope of part.—This part applies only to domestic  
297 ~~stock~~ insurers, mutual insurers, and captive insurers, except  
298 that s. 628.341(2) applies also as to foreign and alien  
299 insurers.

300           Section 10. Section 628.061, Florida Statutes, is amended



199358

301 to read:

302           628.061 Investigation of proposed organization.—In  
303 connection with any proposal to organize or incorporate a  
304 domestic insurer, the office shall make an investigation of:

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

308           (2) The character, financial responsibility, insurance  
309 experience, and business qualifications of its proposed  
310 officers, members of its subscribers' advisory committee, or  
311 officers of its attorney in fact.

312           (3) The character, financial responsibility, business  
313 experience, and standing of the proposed stockholders and  
314 directors, including the stockholders and directors of any  
315 attorney in fact.

316           Section 11. Subsections (1), (2), and (5) of section  
317 628.801, Florida Statutes, are amended to read:

318           628.801 Insurance holding companies; registration;  
319 regulation.—

320           (1) An insurer that is authorized to do business in this  
321 state and that is a member of an insurance holding company  
322 shall, on or before April 1 of each year, register with the  
323 office and file a registration statement and be subject to  
324 regulation with respect to its relationship to the holding  
325 company as provided by law or rule. The commission shall adopt  
326 rules establishing the information and statement form required  
327 for registration and the manner in which registered insurers and  
328 their affiliates are regulated. The rules apply to domestic  
329 insurers, foreign insurers, and commercially domiciled insurers,



199358

330 except for foreign insurers domiciled in states that are  
331 currently accredited by the NAIC. Except to the extent of any  
332 conflict with this code, the rules must include all requirements  
333 and standards of the Insurance Holding Company System Model  
334 Regulation and ss. 4 and 5 of the Insurance Holding Company  
335 System Regulatory Act ~~and the Insurance Holding Company System~~  
336 ~~Model Regulation~~ of the NAIC, as adopted in December 2020 ~~2010~~.  
337 The commission may adopt subsequent amendments thereto if the  
338 methodology remains substantially consistent. The rules may  
339 include a prohibition on oral contracts between affiliated  
340 entities. Material transactions between an insurer and its  
341 affiliates must ~~shall~~ be filed with the office as provided by  
342 rule.

343 (2) ~~Effective January 1, 2015,~~ The ultimate controlling  
344 person of every insurer subject to registration shall also file  
345 an annual enterprise risk report on or before April 1. As used  
346 in this subsection, the term "ultimate controlling person" means  
347 a person who is not controlled by any other person. The report  
348 must, to the best of the ultimate controlling person's knowledge  
349 and belief, ~~must~~ identify the material risks within the  
350 insurance holding company system that could pose enterprise risk  
351 to the insurer. The report must ~~shall~~ be filed with the lead  
352 state office of the insurance holding company system as  
353 determined by the procedures within the Financial Analysis  
354 Handbook adopted by the NAIC and is confidential and exempt from  
355 public disclosure as provided in s. 624.4212.

356 (a) An insurer may satisfy this requirement by providing  
357 the office with the most recently filed parent corporation  
358 reports that have been filed with the Securities and Exchange



199358

359 Commission which provide the appropriate enterprise risk  
360 information.

361 (b) The term "enterprise risk" means an activity, a  
362 circumstance, an event, or a series of events involving one or  
363 more affiliates of an insurer which, if not remedied promptly,  
364 are likely to have a materially adverse effect upon the  
365 financial condition or liquidity of the insurer or its insurance  
366 holding company system as a whole, including anything that would  
367 cause the insurer's risk-based capital to fall into company  
368 action level as set forth in s. 624.4085 or would cause the  
369 insurer to be in a hazardous financial condition.

370 (c) The commission may adopt rules for filing the annual  
371 enterprise risk report in accordance with the Insurance Holding  
372 Company System Regulatory Act and the Insurance Holding Company  
373 System Model Regulation of the NAIC, as adopted in December  
374 2020.

375 (5) ~~Effective January 1, 2015,~~ The failure to file a  
376 registration statement, or a summary of the registration  
377 statement, or the enterprise risk filing report required by this  
378 section within the time specified for filing is a violation of  
379 this section.

380 Section 12. Section 629.011, Florida Statutes, is amended  
381 to read:

382 629.011 Definitions ~~"Reciprocal insurance" defined.~~ As used  
383 in this part, the term:

384 (1) "Affiliated person" of another person means any of the  
385 following:

386 (a) The spouse of the other person.

387 (b) The parents of the other person, and their lineal



199358

388 descendants, and the parents of the other person's spouse, and  
389 their lineal descendants.

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

393 (d) A person who directly or indirectly owns 10 percent or  
394 more of the outstanding voting securities that are directly or  
395 indirectly owned or controlled, or held with power to vote, by  
396 the other person.

397 (e) A person or group of persons who directly or indirectly  
398 control, are controlled by, or are under common control with the  
399 other person.

400 (f) A director, an officer, a trustee, a partner, an owner,  
401 a manager, a joint venturer, an employee, or other person  
402 performing duties similar to those of persons in such positions.

403 (g) If the other person is an investment company, any  
404 investment adviser of such company or any member of an advisory  
405 board of such company.

406 (h) If the other person is an unincorporated investment  
407 company not having a board of directors, the depositor of such  
408 company.

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

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

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

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



199358

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

419 (3) "Controlling company" means a person, a corporation, a  
420 trust, a limited liability company, an association, or another  
421 entity owning, directly or indirectly, 10 percent or more of the  
422 voting securities of one or more attorneys in fact that are  
423 stock corporations, or 10 percent or more of the ownership  
424 interest of one or more attorneys in fact that are not stock  
425 corporations.

426 (4) "Reciprocal insurance" means ~~is~~ that resulting from an  
427 interexchange among persons, known as "subscribers," of  
428 reciprocal agreements of indemnity, the interexchange being  
429 effectuated through an "attorney in fact" common to all such  
430 persons.

431 (5) "Reciprocal insurer" means unincorporated aggregation  
432 of subscribers operating individually and collectively through  
433 an attorney in fact to provide reciprocal insurance among  
434 themselves.

435 Section 13. Section 629.021, Florida Statutes, is repealed.

436 Section 14. Section 629.061, Florida Statutes, is repealed.

437 Section 15. Section 629.081, Florida Statutes, is amended  
438 to read:

439 629.081 Organization of reciprocal insurer.-

440 (1) Twenty-five or more persons domiciled in this state may  
441 organize a domestic reciprocal insurer by making application to  
442 the office for a permit to do so. A domestic reciprocal insurer  
443 may not be formed unless the persons so proposing have first  
444 received a permit from the office and ~~make application to the~~  
445 office for a certificate of authority to transact insurance.





199358

446           (2) The permit application, to be filed by the organizers  
447 or the proposed attorney in fact, must be in writing and made in  
448 accordance with forms prescribed by the commission. In addition  
449 to any applicable requirements of s. 628.051 or other relevant  
450 statutes, the application must include all of the following  
451 ~~shall fulfill the requirements of and shall execute and file~~  
452 ~~with the office, when applying for a certificate of authority, a~~  
453 ~~declaration setting forth:~~

454           (a) The name of the proposed reciprocal insurer, which  
455 shall be in accordance with s. 629.051.†

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

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

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

462           (e) The proposed designation and appointment of the  
463 proposed attorney in fact and a copy of the proposed power of  
464 attorney.†

465           (f) The names and addresses of the officers and directors  
466 of the proposed attorney in fact, if a corporation, or of its  
467 members, if other than a corporation, as well as the background  
468 information as specified in s. 629.227 for all officers,  
469 directors, and equivalent positions of the proposed attorney in  
470 fact as well as for any person with ownership interests of 10  
471 percent or more in the proposed attorney in fact.†

472           (g) The articles of incorporation and bylaws, or equivalent  
473 documents, of the proposed attorney in fact, dated within the  
474 last year and appropriately certified.



199358

475           ~~(g)~~ (h) The proposed charter powers of the subscribers'  
476 advisory committee, and the names and terms of office of the  
477 members thereof as well as the background information as  
478 specified in s. 629.227 for each proposed member.

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

483           (i) A copy of the proposed subscribers' agreement.

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

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

493           ~~(j)~~ (l) A copy of each policy, endorsement, and application  
494 form the insurer it then proposes to issue or use.

495           (3) The filing must be accompanied by the application fee  
496 required under s. 624.501(1)(a) and such other pertinent  
497 information and documents as reasonably requested by the office.

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

501  
502 ~~Such declaration shall be acknowledged by the attorney before an~~  
503 ~~officer authorized to take acknowledgments.~~



199358

504 Section 16. Section 629.091, Florida Statutes, is amended  
505 to read:

506 629.091 Reciprocal certificate of authority.—

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

509 (2) To apply for a certificate of authority as a domestic  
510 reciprocal insurer, the attorney in fact of an applicant who has  
511 previously received a permit from the office may file an  
512 application for a certificate of authority in accordance with  
513 forms prescribed by the commission that, in addition to  
514 applicable requirements of ss. 624.404, 624.411, and 624.413 and  
515 other relevant statutes, consist of all of the following:

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

518 (b) A statement affirming that all moneys paid to the  
519 reciprocal insurer shall, after deducting therefrom any sum  
520 payable to the attorney in fact, be held in the name of the  
521 insurer and for the purposes specified in the subscribers'  
522 agreement.

523 (c) A statement that each of the original subscribers has  
524 in good faith applied for insurance of a kind proposed to be  
525 transacted, and that the insurer has received from each such  
526 subscriber the full premium or premium deposit required for the  
527 policy applied for, for a term of not less than 6 months at an  
528 adequate rate theretofore filed with and approved by the office.

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

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



199358

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

535       (3) If the reciprocal insurer intends to issue  
536 nonassessable policies upon the receipt of a certificate of  
537 authority, and the office determines that the reciprocal insurer  
538 meets the legal requirements to issue nonassessable policies,  
539 including the surplus requirements, the office must grant  
540 authorization to issue nonassessable policies.

541       (4) The certificate of authority of a reciprocal insurer  
542 shall be issued to its attorney in the name of the reciprocal  
543 insurer to its attorney in fact.

544       Section 17. Section 629.094, Florida Statutes, is created  
545 to read:

546       629.094 Continued eligibility for certificate of  
547 authority.—In order to maintain its eligibility for a  
548 certificate of authority, a domestic reciprocal insurer shall  
549 continue to meet all applicable conditions required for  
550 receiving the initial permit and certificate of authority under  
551 this code and the rules adopted thereunder.

552       Section 18. Section 629.101, Florida Statutes, is amended  
553 to read:

554       629.101 Power of attorney.—

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

558       (2) The power of attorney must set forth all of the  
559 following:

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

561       (b) That the attorney in fact is empowered to accept



199358

562 service of process on behalf of the insurer in actions against  
563 the insurer upon contracts exchanged.~~†~~

564 (c) The place where the office of the attorney in fact is  
565 maintained.

566 (d) The general services to be performed by the attorney in  
567 fact.~~†~~

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

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

574 (g) ~~(e)~~ Except as to nonassessable policies, a provision for  
575 a contingent several liability of each subscriber in a specified  
576 amount, which amount may ~~shall be~~ not be less than 5 or ~~not~~ more  
577 than 10 times the premium or premium deposit stated in the  
578 policy.

579 (3) The power of attorney may do all of the following:

580 (a) Provide for the right of substitution of the attorney  
581 in fact and revocation of the power of attorney and rights  
582 thereunder.~~†~~

583 (b) Impose such restrictions upon the exercise of the power  
584 as are agreed upon by the subscribers.~~†~~

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

587 (4) ~~(d)~~ The power of attorney must contain other lawful  
588 provisions deemed advisable.

589 (5) ~~(4)~~ The terms of any power of attorney or agreement  
590 collateral thereto must ~~shall~~ be reasonable and equitable, and



199358

591 no such power or agreement may ~~shall~~ be used or be effective in  
592 this state unless filed with the office.

593 Section 19. Section 629.225, Florida Statutes, is created  
594 to read:

595 629.225 Acquisitions.—The provisions of this section apply  
596 to domestic reciprocal insurers and the attorney in fact of  
597 domestic reciprocal insurers.

598 (1) A person may not, individually or in conjunction with  
599 any affiliated person of such person, directly or indirectly,  
600 conclude a tender offer or exchange offer for, enter into any  
601 agreement to exchange securities for, or otherwise finally  
602 acquire, 10 percent or more of the outstanding voting securities  
603 of an attorney in fact which is a stock corporation or of a  
604 controlling company of an attorney in fact which is a stock  
605 corporation; or conclude an acquisition of, or otherwise finally  
606 acquire, 10 percent or more of the ownership interest of an  
607 attorney in fact which is not a stock corporation or of a  
608 controlling company of an attorney which is not a stock  
609 corporation, unless all of the following conditions are met:

610 (a) The person or affiliated person has filed with the  
611 office and sent to the principal office of the attorney in fact,  
612 and any controlling company of the attorney in fact, the  
613 subscribers' advisory committee, and the domestic reciprocal  
614 insurer a letter of notification regarding the transaction or  
615 proposed transaction no later than 5 days after any form of  
616 tender offer or exchange offer is proposed, or no later than 5  
617 days after the acquisition of the securities or ownership  
618 interest if a tender offer or exchange offer is not involved.  
619 The notification must be provided on forms prescribed by the



199358

620 commission containing information determined necessary to  
621 understand the transaction and identify all purchasers and  
622 owners involved.

623 (b) The subscribers' advisory committee has provided the  
624 notification required under paragraph (a) on a form prescribed  
625 by the commission, explaining what the notification is and  
626 letting the subscribers know of the filing deadlines for  
627 objecting to the acquisition.

628 (c) The person or affiliated person has filed with the  
629 office an application signed under oath and prepared on forms  
630 prescribed by the commission which contains the information  
631 specified in subsection (4). The application must be completed  
632 and filed within 30 days after any form of tender offer or  
633 exchange offer is proposed, or after the acquisition of the  
634 securities if a tender offer or exchange offer is not involved.

635 (d) The office has approved the tender offer or exchange  
636 offer, or acquisition if a tender offer or exchange offer is not  
637 involved.

638 (2) This section does not apply to any acquisition of  
639 voting securities or ownership interest of an attorney in fact  
640 or of a controlling company by any person who is the owner of a  
641 majority of the voting securities or ownership interest with the  
642 approval of the office under this section or s. 629.091.

643 (3) The person or affiliated person filing the notice  
644 required by paragraph (1) (a) may request that the office waive  
645 the requirements of paragraph (1) (b), provided that there is no  
646 change in the ultimate controlling shareholders, and no change  
647 in the ownership percentages of the ultimate controlling  
648 shareholders, and no unaffiliated parties acquire any direct or



199358

649 indirect interest in the attorney in fact. The office may waive  
650 the filing required by paragraph (1)(b) if it determines that  
651 there is no change in the ultimate controlling shareholders, and  
652 no change in the ownership percentages of the ultimate  
653 controlling shareholders, and no unaffiliated parties will  
654 acquire any direct or indirect interest in the attorney in fact.

655 (4) The application to be filed with the office and  
656 furnished to the attorney in fact must contain the following  
657 information and any additional information as the office deems  
658 necessary to determine the character, experience, ability, and  
659 other qualifications of the person or affiliated person of such  
660 person for the protection of the reciprocal insurer's  
661 subscribers and of the public:

662 (a) The identity and background information specified in s.  
663 629.227 of:

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

666 2. Any person who controls, directly or indirectly, such  
667 other person, including each director, officer, trustee,  
668 partner, owner, manager, or joint venturer, or other person  
669 performing duties similar to those of persons in such positions,  
670 for the person.

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

673 (c) Any plans or proposals which such persons may have made  
674 to liquidate the attorney in fact or controlling company, to  
675 sell any of their assets or merge or consolidate them with any  
676 person, or to make any other major change in their business or  
677 corporate structure or management.





199358

678       (d) The nature and the extent of the controlling interest  
679 which the person or affiliated person of such person proposes to  
680 acquire, the terms of the proposed acquisition, and the manner  
681 in which the controlling interest is to be acquired of an  
682 attorney in fact or controlling company which is not a stock  
683 corporation.

684       (e) The number of shares or other securities which the  
685 person or affiliated person of such person proposes to acquire,  
686 the terms of the proposed acquisition, and the manner in which  
687 the securities are to be acquired.

688       (f) Information as to any contract, arrangement, or  
689 understanding with any party with respect to any of the  
690 securities of the attorney in fact or controlling company,  
691 including, but not limited to, information relating to the  
692 transfer of any of the securities, option arrangements, puts or  
693 calls, or the giving or withholding of proxies, which  
694 information names the party with whom the contract, arrangement,  
695 or understanding has been entered into and gives the details  
696 thereof.

697       (g) The filing must be accompanied by the fee required  
698 under s. 624.501(1) (a).

699       (5) If any material change occurs in the facts provided in  
700 the application filed with the office pursuant to this section  
701 or the background information required under s. 629.227, an  
702 amendment specifying such changes must be filed immediately with  
703 the office, and a copy of the amendment must be sent to the  
704 principal office of the attorney in fact and to the principal  
705 office of the controlling company.

706       (6) (a) The acquisition application must be reviewed in



199358

707 accordance with chapter 120. The office may on its own initiate,  
708 or, if requested to do so in writing by a substantially affected  
709 person, shall conduct a proceeding to consider the  
710 appropriateness of the proposed filing. Time periods for  
711 purposes of chapter 120 shall be tolled during the pendency of  
712 the proceeding. Any written request for a proceeding must be  
713 filed with the office within 10 days after the date notice of  
714 the filing is given, or 10 days after notice of the filing is  
715 sent to the subscribers by the subscribers advisory committee,  
716 whichever is later. During the pendency of the proceeding or  
717 review period by the office, any person or affiliated person  
718 complying with the filing requirements of this section may  
719 proceed and take all steps necessary to conclude the acquisition  
720 so long as the acquisition becoming final is conditioned upon  
721 obtaining office approval. However, at any time it finds an  
722 immediate danger to the public health, safety, and welfare of  
723 the reciprocal insurer's subscribers exists, the office shall  
724 immediately order, pursuant to s. 120.569(2)(n), the proposed  
725 acquisition disapproved and any further steps to conclude the  
726 acquisition ceased.

727 (b) During the pendency of the office's review of any  
728 acquisition subject to the provisions of this section, the  
729 acquiring person may not make any material change in the  
730 operation of the attorney in fact or controlling company unless  
731 the office has specifically approved the change, nor shall the  
732 acquiring person make any material change in the management of  
733 the attorney in fact unless advance written notice of the change  
734 in management is furnished to the office. The term "material  
735 change in the operation of the attorney in fact" means a



736 transaction that disposes of or obligates 5 percent or more of  
737 the capital and surplus of the attorney in fact or of any  
738 domestic reciprocal insurer. The term "material change in the  
739 management of the attorney in fact" means any change in  
740 management involving officers or directors of the attorney in  
741 fact or any person of the attorney or controlling company having  
742 authority to dispose of or obligate 5 percent or more of the  
743 attorney in fact's capital or surplus. The office shall approve  
744 a material change in operations if it finds the applicable  
745 provisions of subsection (8) have been met. The office may  
746 disapprove a material change in management if it finds that the  
747 applicable provisions of subsection (8) have not been met and in  
748 such case the attorney in fact shall promptly change management  
749 as acceptable to the office.

750 (c) If a request for a proceeding is filed, the proceeding  
751 must be conducted within 60 days after the date the written  
752 request for a proceeding is received by the office. A  
753 recommended order must be issued within 20 days after the date  
754 of the close of the proceedings. A final order shall be issued  
755 within 20 days after the date of the recommended order or, if  
756 exceptions to the recommended order are filed, within 20 days  
757 after the date the exceptions are filed.

758 (7) The office may disapprove any acquisition subject to  
759 this section by any person or any affiliated person of such  
760 person who:

761 (a) Willfully violates this section;

762 (b) In violation of an order of the office issued pursuant  
763 to subsection (11), fails to divest himself or herself of any  
764 stock or ownership interest obtained in violation of this



199358

765 section or fails to divest himself or herself of any direct or  
766 indirect control of such stock or ownership interest, within 25  
767 days after such order; or

768 (c) In violation of an order issued by the office pursuant  
769 to subsection (12), acquires an additional stock or ownership  
770 interest in an attorney in fact or controlling company or direct  
771 or indirect control of such stock or ownership interest, without  
772 complying with this section.

773 (8) The person or persons filing the application required  
774 by this section have the burden of proof. The office shall  
775 approve any such acquisition if it finds, on the basis of the  
776 record made during any proceeding or on the basis of the filed  
777 application if no proceeding is conducted, that:

778 (a) The financial condition of the acquiring person or  
779 persons will not jeopardize the financial stability of the  
780 attorney in fact or prejudice the interests of the reciprocal  
781 insurer's subscribers or the public.

782 (b) Any plan or proposal which the acquiring person has, or  
783 acquiring persons have, made:

784 1. To liquidate the attorney in fact, sell its assets, or  
785 merge or consolidate it with any person, or to make any other  
786 major change in its business or corporate structure or  
787 management is fair and free of prejudice to the reciprocal  
788 insurer's subscribers or to the public; or

789 2. To liquidate any controlling company, sell its assets,  
790 or merge or consolidate it with any person, or to make any major  
791 change in its business or corporate structure or management  
792 which would have an effect upon the attorney in fact, is fair  
793 and free of prejudice to the reciprocal insurer's subscribers or



199358

794 to the public.

795 (c) The competence, experience, and integrity of those  
796 persons who will control directly or indirectly the operation of  
797 the attorney in fact indicate that the acquisition is in the  
798 best interest of the reciprocal insurer's subscribers and in the  
799 public interest.

800 (d) The natural persons for whom background information is  
801 required to be furnished pursuant to this section have such  
802 backgrounds as to indicate that it is in the best interests of  
803 the reciprocal insurer's subscribers and in the public interest  
804 to permit such persons to exercise control over the attorney in  
805 fact.

806 (e) The directors and officers, if such attorney in fact or  
807 controlling company is a stock corporation, or the trustees,  
808 partners, owners, managers, joint venturers, or other persons  
809 performing duties similar to those of persons in such positions,  
810 if such attorney in fact or controlling company is not a stock  
811 corporation, to be employed after the acquisition have  
812 sufficient insurance experience and ability to assure reasonable  
813 promise of successful operation.

814 (f) The management of the attorney in fact after the  
815 acquisition will be competent, trustworthy, and will possess  
816 sufficient managerial experience so as to make the proposed  
817 operation of the attorney in fact not hazardous to the  
818 insurance-buying public.

819 (g) The management of the attorney in fact after the  
820 acquisition may not include any person who has directly or  
821 indirectly through ownership, control, reinsurance transactions,  
822 or other insurance or business relations unlawfully manipulated



823 the assets, accounts, finances, or books of any insurer or  
824 otherwise acted in bad faith with respect thereto.

825 (h) The acquisition is not likely to be hazardous or  
826 prejudicial to the reciprocal insurer's subscribers or to the  
827 public.

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

832 (9) A vote by the stockholder of record, or by any other  
833 person, of any security acquired in contravention of this  
834 section is not valid. Any acquisition contrary to this section  
835 is void. Upon the petition of the attorney in fact, the  
836 controlling company, or the reciprocal insurer, the circuit  
837 court for the county in which the principal office of the  
838 attorney in fact is located may, without limiting the generality  
839 of its authority, order the issuance or entry of an injunction  
840 or other order to enforce this section. There shall be a private  
841 right of action in favor of the attorney in fact, or controlling  
842 company, to enforce this section. A demand upon the office that  
843 it performs its functions may not be required as a prerequisite  
844 to any suit by the attorney in fact or controlling company  
845 against any other person, and in no case shall the office be  
846 deemed a necessary party to any action by the attorney in fact  
847 or controlling company to enforce this section. Any person who  
848 makes or proposes an acquisition requiring the filing of an  
849 application pursuant to this section, or who files such an  
850 application, shall be deemed to have thereby designated the  
851 Chief Financial Officer, or his or her assistant or deputy or



852 another person in charge of his or her office, as such person's  
853 agent for service of process under this section and shall  
854 thereby be deemed to have submitted himself or herself to the  
855 administrative jurisdiction of the office and to the  
856 jurisdiction of the circuit court.

857 (10) Any approval by the office under this section does not  
858 constitute a recommendation by the office of the tender offer or  
859 exchange offer, or acquisition, if no tender offer or exchange  
860 offer is involved. It is unlawful for a person to represent that  
861 the office's approval constitutes a recommendation. A person who  
862 violates this subsection commits a felony of the third degree,  
863 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.  
864 The statute of limitations period for the prosecution of an  
865 offense committed under this subsection is 5 years.

866 (11) A person may rebut a presumption of control by filing  
867 a disclaimer of control with the office on a form prescribed by  
868 the commission. The disclaimer must fully disclose all material  
869 relationships and bases for affiliation between the person and  
870 the attorney in fact as well as the basis for disclaiming the  
871 affiliation. In lieu of such form, a person or acquiring party  
872 may file with the office a copy of a Schedule 13G filed with the  
873 Securities and Exchange Commission pursuant to Rule 13d-1(b) or  
874 (c), 17 C.F.R. s. 240.13d-1, under the Securities Exchange Act  
875 of 1934, as amended. After a disclaimer has been filed, the  
876 attorney in fact is relieved of any duty to register or report  
877 under this section which may arise out of the attorney in fact's  
878 relationship with the person unless the office disallows the  
879 disclaimer.

880 (12) If the office determines that any person or any



881 affiliated person of such person has acquired 10 percent or more  
882 of the outstanding voting securities of an attorney in fact or  
883 controlling company which is a stock corporation, or 10 percent  
884 or more of the ownership interest of an attorney in fact or  
885 controlling company which is not a stock corporation, without  
886 complying with this section, the office may order that the  
887 person and any affiliated person of such person cease  
888 acquisition of the attorney in fact or controlling company and,  
889 if appropriate, divest itself of any stock or ownership interest  
890 acquired in violation of this section.

891 (13) (a) The office must, if necessary to protect the public  
892 interest, suspend or revoke the certificate of authority of the  
893 reciprocal insurer whose attorney in fact or controlling company  
894 is acquired in violation of this section.

895 (b) If any reciprocal insurer is subject to suspension or  
896 revocation pursuant to paragraph (a), any other reciprocal  
897 insurer using the same attorney in fact is also subject to  
898 suspension or revocation. In such case, the office may offer any  
899 affected reciprocal insurer, through its subscriber  
900 representatives, the ability to cure any suspension or  
901 revocation by procuring another attorney in fact acceptable to  
902 the office or taking any other action agreed to by the office.

903 Section 20. Section 629.227, Florida Statutes, is created  
904 to read:

905 629.227 Background information.—The information as to the  
906 background and identity of each person about whom information is  
907 required to be furnished pursuant to s. 629.081 or s. 629.225  
908 must include, but need not be limited to:

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





199358

910 commission, which must include, but need not be limited to, the  
911 following information:

912 (a) Occupations, positions of employment, and offices held  
913 during the past 20 years, including the principal business and  
914 address of any business, corporation, or organization where each  
915 occupation, position of employment, or office occurred.

916 (b) Whether the person was, at any time during a 10-year  
917 period, convicted of any crime other than a traffic violation.

918 (c) Whether the person has been, during a 10-year period,  
919 the subject of any proceeding for the revocation of any license  
920 and, if so, the nature of the proceeding and the disposition of  
921 the proceeding.

922 (d) Whether, during a 10-year period, the person has been  
923 the subject of any proceeding under the federal Bankruptcy Act.

924 (e) Whether, during a 10-year period, any person or other  
925 business or organization in which the person was a director,  
926 officer, trustee, partner, owner, manager, or other official has  
927 been subject of any proceeding under the federal Bankruptcy Act,  
928 either during the time of that person's tenure with the business  
929 or organization or within 12 months thereafter.

930 (f) Whether, during a 10-year period, the person has been  
931 enjoined, temporarily or permanently, by a court of competent  
932 jurisdiction from violating any federal or state law regulating  
933 the business of insurance, securities, or banking, or from  
934 carrying out any particular practice or practices in the course  
935 of the business of insurance, securities, or banking, together  
936 with details as to any such event.

937 (g) Whether, during a 20-year period, the person served as  
938 the attorney in fact, a subscribers' advisory committee member,



199358

939 or any other manager or officer of a reciprocal insurer or an  
940 insurer that became insolvent or had its certificate of  
941 authority suspended or revoked.

942 (2) A full set of fingerprints, which must be provided to  
943 the department or to a vendor, entity, or agency authorized by  
944 s. 943.053(13). The department, vendor, entity, or agency shall  
945 forward the fingerprints to the Department of Law Enforcement  
946 for state processing and the Department of Law Enforcement shall  
947 forward the fingerprints to the Federal Bureau of Investigation  
948 for national processing as described in s. 624.34. Fees for  
949 state and federal fingerprint processing must be borne by the  
950 individual. The state cost for fingerprint processing is as  
951 provided in s. 943.053(3)(e).

952 (3) Authority for release of information in regard to the  
953 investigation of such person's background.

954 (4) Any additional information as the office deems  
955 necessary to determine the character, experience, ability, and  
956 other qualifications of the person or affiliated person of such  
957 person for the protection of the reciprocal insurer's  
958 subscribers and of the public.

959 Section 21. Section 629.229, Florida Statutes, is created  
960 to read:

961 629.229 Attorney in fact, officers, and directors of  
962 insolvent reciprocal insurers or other insurers.—Any person who  
963 served as an attorney in fact, or as an officer, director, or  
964 manager of an attorney in fact, any member of a subscribers'  
965 advisory committee of a reciprocal insurer doing business in  
966 this state, or an officer or director of any other insurer doing  
967 business in this state, and who served in that capacity within



199358

968 the 2-year period before the date the insurer or reciprocal  
969 insurer became insolvent, for any insolvency that occurs on or  
970 after July 1, 2024, may not thereafter:

971 (1) Serve as an attorney in fact, or as an officer,  
972 director, or manager of an attorney in fact, or a member of a  
973 subscribers advisory committee of a reciprocal insurer doing  
974 business in this state, or an officer or director of any other  
975 insurer doing business in this state; or

976 (2) Have direct or indirect control over the selection or  
977 appointment of an attorney in fact, or of an officer, director,  
978 or manager of an attorney in fact, or a member of the  
979 subscribers committee of a reciprocal insurer doing business in  
980 this state, or an officer or director of any insurer doing  
981 business in this state, through contract, trust, or by operation  
982 of law,

983  
984 unless the individual demonstrates that his or her personal  
985 actions or omissions were not a significant contributing cause  
986 to the insolvency.

987 Section 22. Section 629.261, Florida Statutes, is amended  
988 to read:

989 629.261 Nonassessable policies.—Upon impairment of the  
990 surplus of a nonassessable reciprocal insurer, the office shall  
991 revoke the authorization issued under s. 629.291(5) or s.  
992 629.091(3). Upon revocation of the authority to issue  
993 nonassessable policies, the reciprocal insurer may not issue or  
994 renew nonassessable policies or convert assessable policies to  
995 nonassessable policies, and the provisions of s. 629.301 applies  
996 to such insurer.



199358

997           ~~(1) If a reciprocal insurer has a surplus as to~~  
998 ~~policyholders required of a domestic stock insurer authorized to~~  
999 ~~transact like kinds of insurance, upon application of the~~  
1000 ~~attorney and as approved by the subscribers' advisory committee~~  
1001 ~~the office shall issue its certificate authorizing the insurer~~  
1002 ~~to extinguish the contingent liability of subscribers under its~~  
1003 ~~policies then in force in this state and to omit provisions~~  
1004 ~~imposing contingent liability in all policies delivered or~~  
1005 ~~issued for delivery in this state for so long as all such~~  
1006 ~~surplus remains unimpaired.~~

1007           ~~(2) Upon impairment of such surplus, the office shall~~  
1008 ~~forthwith revoke the certificate. Such revocation does shall not~~  
1009 ~~render subject to contingent liability any policy then in force~~  
1010 ~~and for the remainder of the period for which the premium has~~  
1011 ~~theretofore been paid; but, after such revocation, no policy~~  
1012 ~~shall be issued or renewed without providing for contingent~~  
1013 ~~assessment liability of the subscriber.~~

1014           ~~(3) The office shall not authorize a domestic reciprocal~~  
1015 ~~insurer so to extinguish the contingent liability of any of its~~  
1016 ~~subscribers or in any of its policies to be issued, unless it~~  
1017 ~~qualifies to and does extinguish such liability of all its~~  
1018 ~~subscribers and in all such policies for all kinds of insurance~~  
1019 ~~transacted by it; except that, if required by the laws of~~  
1020 ~~another state in which the insurer is transacting insurance as~~  
1021 ~~an authorized insurer, the insurer may issue policies providing~~  
1022 ~~for the contingent liability of such of its subscribers as may~~  
1023 ~~acquire such policies in such state, and need not extinguish the~~  
1024 ~~contingent liability applicable to policies theretofore in force~~  
1025 ~~in such state.~~



199358

1026 Section 23. Section 629.291, Florida Statutes, is amended  
1027 to read:

1028 629.291 Merger or conversion.—

1029 (1) A ~~domestic~~ reciprocal insurer, upon affirmative vote of  
1030 not less than two-thirds of its subscribers who vote on such  
1031 merger pursuant to due notice, and subject to the approval by ~~of~~  
1032 the office of the terms therefor, may merge with another  
1033 reciprocal insurer or be converted to a stock or mutual insurer,  
1034 to be thereafter governed by the applicable sections of the  
1035 insurance code. However, a domestic stock insurer may not  
1036 convert to a reciprocal insurer.

1037 (2) A plan to merge a reciprocal insurer with another  
1038 reciprocal insurer or for conversion of the reciprocal insurer  
1039 to a stock or mutual insurer must be filed on forms adopted by  
1040 the office and contain such information as the office reasonably  
1041 requires to evaluate the transaction ~~Such a stock or mutual~~  
1042 ~~insurer shall be subject to the same capital or surplus~~  
1043 ~~requirements and shall have the same rights as a like domestic~~  
1044 ~~insurer transacting like kinds of insurance.~~

1045 (3) The office may ~~shall~~ not approve any plan for such  
1046 merger or conversion which is inequitable to subscribers or  
1047 which, if for conversion to a stock insurer, does not give each  
1048 subscriber preferential right to acquire stock of the proposed  
1049 insurer proportionate to his or her interest in the reciprocal  
1050 insurer, as determined in accordance with s. 629.281, and a  
1051 reasonable length of time within which to exercise such right.

1052 (4) Reinsurance of all or substantially all of the  
1053 insurance in force of a ~~domestic~~ reciprocal insurer in another  
1054 insurer shall be deemed to be a merger for the purposes of this



199358

1055 section.

1056 (5) (a) An assessable reciprocal insurer may convert to a  
1057 nonassessable reciprocal insurer if:

1058 1. The subscribers' advisory committee approves the  
1059 conversion;

1060 2. The attorney in fact submits the application for  
1061 conversion on the required application form; and

1062 3. The office finds that the application for conversion  
1063 meets the minimum statutory requirements.

1064 (b) If the office approves the application for conversion,  
1065 the assessable reciprocal insurer may convert to a nonassessable  
1066 reciprocal insurer by:

1067 1. Extinguishing the contingent liability of subscribers  
1068 under all policies then in force in this state;

1069 2. Omitting contingent liability provisions in all policies  
1070 delivered or issued in this state after the conversion; and

1071 3. Otherwise extinguishing the contingent liability of all  
1072 of its subscribers. However, if the reciprocal insurer is  
1073 transacting insurance as an authorized insurer in another state  
1074 and that state's laws require the insurer to issue policies with  
1075 contingent liability provisions, the insurer may issue  
1076 contingent liability policies in that other state.

1077 Section 24. Section 629.525, Florida Statutes, is created  
1078 to read:

1079 629.525 Rulemaking authority.—The commission shall adopt,  
1080 amend, or repeal rules necessary to implement this chapter.

1081 Section 25. Paragraph (h) of subsection (3) of section  
1082 163.01, Florida Statutes, is amended to read:

1083 163.01 Florida Interlocal Cooperation Act of 1969.—



199358

1084 (3) As used in this section:

1085 (h) "Local government liability pool" means a reciprocal  
1086 insurer as defined in s. 629.011 ~~s. 629.021~~ or any self-  
1087 insurance program created pursuant to s. 768.28(16), formed and  
1088 controlled by counties or municipalities of this state to  
1089 provide liability insurance coverage for counties,  
1090 municipalities, or other public agencies of this state, which  
1091 pool may contract with other parties for the purpose of  
1092 providing claims administration, processing, accounting, and  
1093 other administrative facilities.

1094 Section 26. Subsection (3) of section 626.9531, Florida  
1095 Statutes, is amended to read:

1096 626.9531 Identification of insurers, agents, and insurance  
1097 contracts.—

1098 (3) For the purposes of this section, the term "risk  
1099 bearing entity" means a reciprocal insurer as defined in s.  
1100 629.011 ~~s. 629.021~~, a commercial self-insurance fund as defined  
1101 in s. 624.462, a group self-insurance fund as defined in s.  
1102 624.4621, a local government self-insurance fund as defined in  
1103 s. 624.4622, a self-insured public utility as defined in s.  
1104 624.46225, or an independent educational institution self-  
1105 insurance fund as defined in s. 624.4623. For the purposes of  
1106 this section, the term "risk bearing entity" does not include an  
1107 authorized insurer as defined in s. 624.09.

1108 Section 27. Except as otherwise expressly provided in this  
1109 act and except for this section, which shall take effect upon  
1110 this act becoming a law, this act shall take effect July 1,  
1111 2024.

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199358

1113 ===== T I T L E A M E N D M E N T =====

1114 And the title is amended as follows:

1115 Delete lines 6 - 156

1116 and insert:

1117 beginning on a specified date, requiring insurers and  
1118 insurer groups to file a specified supplemental report  
1119 on a monthly basis; requiring that such report include  
1120 certain information for each zip code; amending s.  
1121 624.4305, F.S.; authorizing the Financial Services  
1122 Commission to adopt rules related to notice of  
1123 nonrenewal of residential property insurance policies;  
1124 amending s. 624.46226, F.S.; revising the requirements  
1125 for public housing authority self-insurance funds;  
1126 amending s. 626.9201, F.S.; prohibiting insurers from  
1127 canceling or nonrenewing certain insurance policies  
1128 under certain circumstances; providing exceptions;  
1129 providing construction; authorizing the commission to  
1130 adopt rules and the Commissioner of Insurance  
1131 Regulation to issue orders; amending s. 627.062, F.S.;  
1132 specifying requirements for rate filings if certain  
1133 models are used; amending s. 627.351, F.S.; revising  
1134 requirements for certain policies that are not subject  
1135 to certain rate increase limitations; amending s.  
1136 627.7011, F.S.; revising the definition of the term  
1137 "authorized inspector"; amending s. 628.011, F.S.;  
1138 conforming provisions to changes made by the act;  
1139 amending s. 628.061, F.S.; conforming a provision to  
1140 changes made by the act; revising the persons that the  
1141 office is required to investigate in connection with a





1142 proposal to organize or incorporate a domestic  
1143 insurer; amending s. 628.801, F.S.; revising  
1144 requirements for rules adopted for insurers that are  
1145 members of an insurance holding company; deleting an  
1146 obsolete date; authorizing the commission to adopt  
1147 rules; amending s. 629.011, F.S.; defining terms;  
1148 repealing s. 629.021, F.S., relating to the definition  
1149 of the term "reciprocal insurer"; repealing s.  
1150 629.061, F.S., relating to the term "attorney";  
1151 amending s. 629.081, F.S.; revising the procedure for  
1152 persons to organize as a domestic reciprocal insurer;  
1153 specifying requirements for the permit application;  
1154 requiring that the application be accompanied by a  
1155 specified fee and other pertinent information and  
1156 documents; requiring the office to evaluate and grant  
1157 or deny the permit application in accordance with  
1158 specified provisions; amending s. 629.091, F.S.;  
1159 providing that a domestic reciprocal insurer may seek  
1160 a certificate of authority only under certain  
1161 circumstances; providing requirements for an  
1162 application for a certificate of authority to operate  
1163 as a domestic reciprocal insurer; requiring the office  
1164 to grant authorization to issue nonassessable policies  
1165 under certain circumstances; requiring that a  
1166 certificate of authority be issued in the name of the  
1167 reciprocal insurer to its attorney in fact; creating  
1168 s. 629.094, F.S.; requiring a domestic reciprocal  
1169 insurer to meet certain requirements to maintain its  
1170 eligibility for a certificate of authority; amending



1171 s. 629.101, F.S.; revising requirements for the power  
1172 of attorney given by subscribers of a domestic  
1173 reciprocal insurer to its attorney in fact; requiring  
1174 that such power of attorney contain certain  
1175 provisions; creating s. 629.225, F.S.; providing  
1176 applicability; prohibiting persons from concluding a  
1177 tender offer or exchange offer or acquiring securities  
1178 of certain attorneys in fact and controlling companies  
1179 of certain attorneys in fact; providing an exception;  
1180 providing applicability; authorizing certain persons  
1181 to request that the office waive certain requirements;  
1182 providing that the office may waive certain  
1183 requirements if specified determinations are made;  
1184 specifying the requirements of an application to the  
1185 office relating to certain acquisitions; requiring  
1186 that such application be accompanied by a specified  
1187 fee; requiring that amendments be filed with the  
1188 office under certain circumstances; specifying the  
1189 manner in which the acquisition application must be  
1190 reviewed; authorizing the office, and requiring the  
1191 office if a request for a proceeding is filed, to  
1192 conduct a proceeding within a specified timeframe to  
1193 consider the appropriateness of such application;  
1194 requiring that certain time periods be tolled;  
1195 requiring that written requests for a proceeding be  
1196 filed within a certain timeframe; authorizing certain  
1197 persons to take all steps to conclude the acquisition  
1198 during the pendency of the proceeding or review  
1199 period; requiring the office to order a proposed



1200 acquisition disapproved and that actions to conclude  
1201 the acquisition be ceased under certain circumstances;  
1202 prohibiting certain persons from making certain  
1203 changes during the pendency of the office's review of  
1204 an acquisition; providing an exception; defining the  
1205 terms "material change in the operation of the  
1206 attorney in fact" and "material change in the  
1207 management of the attorney in fact"; requiring the  
1208 office to approve or disapprove certain changes upon  
1209 making certain findings; requiring that a proceeding  
1210 be conducted within a certain timeframe; requiring  
1211 that recommended orders and final orders be issued  
1212 within a certain timeframe; specifying the  
1213 circumstances under which the office may disapprove an  
1214 acquisition; specifying that certain persons have the  
1215 burden of proof; requiring the office to approve an  
1216 acquisition upon certain findings; specifying that  
1217 certain votes are not valid and that certain  
1218 acquisitions are void; specifying that certain  
1219 provisions may be enforced by an injunction; creating  
1220 a private right of action in favor of the attorney in  
1221 fact or the controlling company to enforce certain  
1222 provisions; providing that a certain demand upon the  
1223 office is not required before certain legal actions;  
1224 providing that the office is not a necessary party to  
1225 certain actions; specifying the persons who are deemed  
1226 designated for service of process and who have  
1227 submitted to the administrative jurisdiction of the  
1228 office; providing that approval by the office does not



1229 constitute a certain recommendation; providing that  
1230 certain actions are unlawful; providing criminal  
1231 penalties; providing a statute of limitations;  
1232 authorizing a person to rebut a presumption of control  
1233 by filing certain disclaimers; specifying the contents  
1234 of such disclaimer; specifying that, after a  
1235 disclaimer is filed, the attorney in fact is relieved  
1236 of a certain duty; authorizing the office to order  
1237 certain persons to cease acquisition of the attorney  
1238 in fact or controlling company and divest themselves  
1239 of any stock or ownership interest under certain  
1240 circumstances; requiring the office to suspend or  
1241 revoke the reciprocal certificate of authority under  
1242 certain circumstances; creating s. 629.227, F.S.;  
1243 specifying the information as to the background and  
1244 identity of certain persons which must be furnished by  
1245 such persons; creating s. 629.229, F.S.; prohibiting  
1246 certain persons who served in certain capacities  
1247 before a specified date from serving in certain other  
1248 roles or having certain control over certain  
1249 selections; providing an exception; amending s.  
1250 629.261, F.S.; requiring the office to revoke certain  
1251 authorization under certain circumstances; prohibiting  
1252 insurers subject to such action from issuing or  
1253 renewing nonassessable policies or converting  
1254 assessable policies to nonassessable policies;  
1255 providing that specified provisions apply to such  
1256 insurers; deleting provisions regarding the office's  
1257 authority to issue a certificate authoring the insurer



199358

1258 to extinguish the contingent liability of subscribers;  
1259 deleting a prohibition regarding the office's  
1260 authorization to extinguish the contingent liability  
1261 of certain subscribers; amending s. 629.291, F.S.;  
1262 providing that certain insurers that merge are  
1263 governed by the insurance code; prohibiting domestic  
1264 stock insurers from being converted to reciprocal  
1265 insurers; requiring that specified plans be filed with  
1266 the office and that such plans contain certain  
1267 information; deleting a provision regarding a stock or  
1268 mutual insurer's capital and surplus requirements and  
1269 rights; authorizing the conversion of assessable  
1270 reciprocal insurers to nonassessable reciprocal  
1271 insurers under certain circumstances; creating s.  
1272 629.525, F.S.; requiring the commission to adopt,  
1273 amend, or repeal certain rules; amending ss. 163.01  
1274 and 626.9531, F.S.; conforming cross-references;  
1275 providing effective dates.