



210306

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/30/2024	.	
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	.	

The Committee on Banking and Insurance (Trumbull) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

624.3161 Market conduct examinations.—

(1) As often as it deems necessary, the office shall examine each licensed rating organization, each advisory organization, each group, association, carrier, as defined in s.



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11 440.02, or other organization of insurers which engages in joint
12 underwriting or joint reinsurance, the attorney in fact of each
13 reciprocal insurer, and each authorized insurer transacting in
14 this state any class of insurance to which the provisions of
15 chapter 627 are applicable. The examination shall be for the
16 purpose of ascertaining compliance by the person examined with
17 the applicable provisions of chapters 440, 624, 626, 627, and
18 635.

19 Section 2. Paragraph (a) of subsection (10) of section
20 624.424, Florida Statutes, is amended to read:

21 624.424 Annual statement and other information.—

22 (10) (a) Each insurer or insurer group doing business in
23 this state shall file on a monthly ~~quarterly~~ basis in
24 conjunction with financial reports required by paragraph (1) (a)
25 a supplemental report on an individual and group basis on a form
26 prescribed by the commission with information on personal lines
27 and commercial lines residential property insurance policies in
28 this state. The supplemental report shall include separate
29 information for personal lines property policies and for
30 commercial lines property policies and totals for each item
31 specified, including premiums written for each of the property
32 lines of business as described in ss. 215.555(2) (c) and
33 627.351(6) (a). The report shall include the following
34 information for each zip code ~~county on a monthly basis~~:

- 35 1. Total number of policies in force at the end of each
- 36 month.
- 37 2. Total number of policies canceled.
- 38 3. Total number of policies nonrenewed.
- 39 4. Number of policies canceled due to hurricane risk.



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- 40 5. Number of policies nonrenewed due to hurricane risk.
- 41 6. Number of new policies written.
- 42 7. Total dollar value of structure exposure under policies
- 43 that include wind coverage.
- 44 8. Number of policies that exclude wind coverage.
- 45 9. Number of claims open each month.
- 46 10. Number of claims closed each month.
- 47 11. Number of claims pending each month.
- 48 12. Number of claims in which either the insurer or insured
- 49 invoked any form of alternative dispute resolution, and
- 50 specifying which form of alternative dispute resolution was
- 51 used.

52 Section 3. Section 624.4305, Florida Statutes, is amended
53 to read:

54 624.4305 Nonrenewal of residential property insurance
55 policies.—Any insurer planning to nonrenew more than 10,000
56 residential property insurance policies in this state within a
57 12-month period shall give notice in writing to the Office of
58 Insurance Regulation for informational purposes 90 days before
59 the issuance of any notices of nonrenewal. The notice provided
60 to the office must set forth the insurer's reasons for such
61 action, the effective dates of nonrenewal, and any arrangements
62 made for other insurers to offer coverage to affected
63 policyholders. The commission may adopt rules to administer this
64 section.

65 Section 4. Paragraph (d) of subsection (1) of section
66 624.46226, Florida Statutes, is amended to read:

67 624.46226 Public housing authorities self-insurance funds;
68 exemption for taxation and assessments.—



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69 (1) Notwithstanding any other provision of law, any two or
70 more public housing authorities in the state as defined in
71 chapter 421 may form a self-insurance fund for the purpose of
72 pooling and spreading liabilities of its members as to any one
73 or combination of casualty risk or real or personal property
74 risk of every kind and every interest in such property against
75 loss or damage from any hazard or cause and against any loss
76 consequential to such loss or damage, provided the self-
77 insurance fund that is created:

78 (d) Maintains a continuing program of excess insurance
79 coverage and reinsurance ~~reserve evaluation~~ to protect the
80 financial stability of the fund ~~in an amount and manner~~
81 ~~determined by a qualified and independent actuary.~~ The program
82 must, at a minimum, this program must:

83 1. Include a net retention in an amount and manner selected
84 by the administrator, ratified by the governing body, and
85 certified by an independent qualified actuary;

86 2. Include reinsurance or ~~Purchase~~ excess insurance from
87 authorized insurance carriers or eligible surplus lines
88 insurers; ~~and-~~

89 3. Be certified by a qualified and independent actuary as
90 to the program's adequacy. This certification must be submitted
91 simultaneously with the certifications required under paragraphs
92 (b) and (c).

93 2. ~~Retain a per loss occurrence that does not exceed~~
94 ~~\$350,000.~~

95
96 A for-profit or not-for-profit corporation, limited liability
97 company, or other similar business entity in which a public



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98 housing authority holds an ownership interest or participates in
99 its governance under s. 421.08(8) may join a self-insurance fund
100 formed under this section in which such public housing authority
101 participates. Such for-profit or not-for-profit corporation,
102 limited liability company, or other similar business entity may
103 join the self-insurance fund solely to insure risks related to
104 public housing.

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

107 626.9201 Notice of cancellation or nonrenewal.—

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

115 (a) If cancellation is for nonpayment of premium, at least
116 10 days' written notice of cancellation accompanied by the
117 reason for cancellation must be given. As used in this
118 paragraph, the term "nonpayment of premium" means the failure of
119 the named insured to discharge when due any of his or her
120 obligations in connection with the payment of premiums on a
121 policy or an installment of such a premium, whether the premium
122 or installment is payable directly to the insurer or its agent
123 or indirectly under any plan for financing premiums or extension
124 of credit or the failure of the named insured to maintain
125 membership in an organization if such membership is a condition
126 precedent to insurance coverage. The term also includes the



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127 failure of a financial institution to honor the check of an
128 applicant for insurance which was delivered to a licensed agent
129 for payment of a premium, even if the agent previously delivered
130 or transferred the premium to the insurer. If a correctly
131 dishonored check represents payment of the initial premium, the
132 contract and all contractual obligations are void ab initio
133 unless the nonpayment is cured within the earlier of 5 days
134 after actual notice by certified mail is received by the
135 applicant or 15 days after notice is sent to the applicant by
136 certified mail or registered mail, and, if the contract is void,
137 any premium received by the insurer from a third party must
138 ~~shall~~ be refunded to that party in full; ~~and~~

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

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



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156 to be repaired when substantially completed and restored to the
157 extent that the dwelling or residential property is insurable by
158 another insurer that is writing policies in this state.

159 2. However, an insurer or agent may cancel or nonrenew such
160 a policy before the repair of the dwelling or residential
161 property:

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

163 b. Upon 45 days' notice:

164 (I) For a material misstatement or fraud related to the
165 claim;

166 (II) If the insurer determines that the insured has
167 unreasonably caused a delay in the repair of the dwelling or
168 residential property;

169 (III) If the insurer or its agent makes a reasonable
170 written inquiry to the insured as to the status of repairs, and
171 the insured fails within 30 calendar days to provide information
172 that is responsive to the inquiry to either the address or e-
173 mail account designated by the insurer; or

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

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

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



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185 5. The Financial Services Commission may adopt rules, and
186 the Commissioner of Insurance Regulation may issue orders,
187 necessary to implement this paragraph.

188 Section 6. Paragraph (j) of subsection (2) of section
189 627.062, Florida Statutes, is amended to read:

190 627.062 Rate standards.—

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

192 (j) With respect to residential property insurance rate
193 filings, the rate filing÷

194 ~~1. must account for mitigation measures undertaken by~~
195 ~~policyholders to reduce hurricane losses and windstorm losses.~~

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

200
201 The provisions of this subsection do not apply to workers'
202 compensation, employer's liability insurance, and motor vehicle
203 insurance.

204 Section 7. Paragraph (n) of subsection (6) of section
205 627.351, Florida Statutes, is amended to read:

206 627.351 Insurance risk apportionment plans.—

207 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

208 (n)1. Rates for coverage provided by the corporation must
209 be actuarially sound pursuant to s. 627.062 and not competitive
210 with approved rates charged in the admitted voluntary market so
211 that the corporation functions as a residual market mechanism to
212 provide insurance only when insurance cannot be procured in the
213 voluntary market, except as otherwise provided in this



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214 paragraph. The office shall provide the corporation such
215 information as would be necessary to determine whether rates are
216 competitive. The corporation shall file its recommended rates
217 with the office at least annually. The corporation shall provide
218 any additional information regarding the rates which the office
219 requires. The office shall consider the recommendations of the
220 board and issue a final order establishing the rates for the
221 corporation within 45 days after the recommended rates are
222 filed. The corporation may not pursue an administrative
223 challenge or judicial review of the final order of the office.

224 2. In addition to the rates otherwise determined pursuant
225 to this paragraph, the corporation shall impose and collect an
226 amount equal to the premium tax provided in s. 624.509 to
227 augment the financial resources of the corporation.

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

238 4. The corporation must make a recommended actuarially
239 sound rate filing for each personal and commercial line of
240 business it writes.

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



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243 under subparagraph 1., the corporation shall annually implement
244 a rate increase which, except for sinkhole coverage, does not
245 exceed the following for any single policy issued by the
246 corporation, excluding coverage changes and surcharges:

- 247 a. Twelve percent for 2023.
248 b. Thirteen percent for 2024.
249 c. Fourteen percent for 2025.
250 d. Fifteen percent for 2026 and all subsequent years.
251 6. The corporation may also implement an increase to
252 reflect the effect on the corporation of the cash buildup factor
253 pursuant to s. 215.555(5)(b).

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

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

- 268 ~~a. Policies that do not cover a primary residence;~~
269 ~~b. New policies under which the coverage for the insured~~
270 ~~risk, before the date of application with the corporation, was~~
271 ~~last provided by an insurer determined by the office to be~~



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272 ~~unsound or an insurer placed in receivership under chapter 631;~~
273 ~~or~~

274 ~~e. Subsequent renewals of those policies, including the new~~
275 ~~policies in sub-subparagraph b., under which the coverage for~~
276 ~~the insured risk, before the date of application with the~~
277 ~~corporation, was last provided by an insurer determined by the~~
278 ~~office to be unsound or an insurer placed in receivership under~~
279 ~~chapter 631.~~

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

285 Section 8. Section 628.011, Florida Statutes, is amended to
286 read:

287 628.011 Scope of part.—This part applies only to domestic
288 ~~stock~~ insurers, mutual insurers, and captive insurers, except
289 that s. 628.341(2) applies also as to foreign and alien
290 insurers.

291 Section 9. Section 628.061, Florida Statutes, is amended to
292 read:

293 628.061 Investigation of proposed organization.—In
294 connection with any proposal to organize or incorporate a
295 domestic insurer, the office shall make an investigation of:

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

299 (2) The character, financial responsibility, insurance
300 experience, and business qualifications of its proposed



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301 officers, members of its subscribers' advisory committee, or
302 officers of its attorney in fact.

303 (3) The character, financial responsibility, business
304 experience, and standing of the proposed stockholders and
305 directors, including the stockholders and directors of any
306 attorney in fact.

307 Section 10. Subsections (1), (2), and (5) of section
308 628.801, Florida Statutes, are amended to read:

309 628.801 Insurance holding companies; registration;
310 regulation.—

311 (1) An insurer that is authorized to do business in this
312 state and that is a member of an insurance holding company
313 shall, on or before April 1 of each year, register with the
314 office and file a registration statement and be subject to
315 regulation with respect to its relationship to the holding
316 company as provided by law or rule. The commission shall adopt
317 rules establishing the information and statement form required
318 for registration and the manner in which registered insurers and
319 their affiliates are regulated. The rules apply to domestic
320 insurers, foreign insurers, and commercially domiciled insurers,
321 except for foreign insurers domiciled in states that are
322 currently accredited by the NAIC. Except to the extent of any
323 conflict with this code, the rules must include all requirements
324 and standards of the Insurance Holding Company System Model
325 Regulation and ss. 4 and 5 of the Insurance Holding Company
326 System Regulatory Act ~~and the Insurance Holding Company System~~
327 ~~Model Regulation~~ of the NAIC, as adopted in December 2020 ~~2010~~.
328 The commission may adopt subsequent amendments thereto if the
329 methodology remains substantially consistent. The rules may



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330 include a prohibition on oral contracts between affiliated
331 entities. Material transactions between an insurer and its
332 affiliates must ~~shall~~ be filed with the office as provided by
333 rule.

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

347 (a) An insurer may satisfy this requirement by providing
348 the office with the most recently filed parent corporation
349 reports that have been filed with the Securities and Exchange
350 Commission which provide the appropriate enterprise risk
351 information.

352 (b) The term "enterprise risk" means an activity, a
353 circumstance, an event, or a series of events involving one or
354 more affiliates of an insurer which, if not remedied promptly,
355 are likely to have a materially adverse effect upon the
356 financial condition or liquidity of the insurer or its insurance
357 holding company system as a whole, including anything that would
358 cause the insurer's risk-based capital to fall into company



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359 action level as set forth in s. 624.4085 or would cause the
360 insurer to be in a hazardous financial condition.

361 (c) The commission may adopt rules for filing the annual
362 enterprise risk report in accordance with the Insurance Holding
363 Company System Regulatory Act and the Insurance Holding Company
364 System Model Regulation of the NAIC, as adopted in December
365 2020.

366 (5) ~~Effective January 1, 2015,~~ The failure to file a
367 registration statement, or a summary of the registration
368 statement, or the enterprise risk filing report required by this
369 section within the time specified for filing is a violation of
370 this section.

371 Section 11. Section 629.011, Florida Statutes, is amended
372 to read:

373 629.011 Definitions ~~"Reciprocal insurance" defined.~~ As used
374 in this part, the term:

375 (1) "Affiliated person" of another person means any of the
376 following:

377 (a) The spouse of the other person.

378 (b) The parents of the other person, and their lineal
379 descendants, and the parents of the other person's spouse, and
380 their lineal descendants.

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

384 (d) A person who directly or indirectly owns 10 percent or
385 more of the outstanding voting securities that are directly or
386 indirectly owned or controlled, or held with power to vote, by
387 the other person.



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388 (e) A person or group of persons who directly or indirectly
389 control, are controlled by, or are under common control with the
390 other person.

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

394 (g) If the other person is an investment company, any
395 investment adviser of such company or any member of an advisory
396 board of such company.

397 (h) If the other person is an unincorporated investment
398 company not having a board of directors, the depositor of such
399 company.

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

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

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

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

410 (3) "Controlling company" means a person, a corporation, a
411 trust, a limited liability company, an association, or another
412 entity owning, directly or indirectly, 10 percent or more of the
413 voting securities of one or more attorneys in fact that are
414 stock corporations, or 10 percent or more of the ownership
415 interest of one or more attorneys in fact that are not stock
416 corporations.



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417 (4) "Reciprocal insurance" is that resulting from an
418 interexchange among persons, known as "subscribers," of
419 reciprocal agreements of indemnity, the interexchange being
420 effectuated through an "attorney in fact" common to all such
421 persons.

422 (5) "Reciprocal insurer" means unincorporated aggregation
423 of subscribers operating individually and collectively through
424 an attorney in fact to provide reciprocal insurance among
425 themselves.

426 Section 12. Section 629.021, Florida Statutes, is repealed.

427 Section 13. Section 629.061, Florida Statutes, is repealed.

428 Section 14. Section 629.081, Florida Statutes, is amended
429 to read:

430 629.081 Organization of reciprocal insurer.—

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

437 (2) The permit application, to be filed by the organizers
438 or the proposed attorney in fact, must be in writing and made in
439 accordance with forms prescribed by the commission. In addition
440 to any applicable requirements of s. 628.051 or other relevant
441 statutes, the application must include all of the following
442 ~~shall fulfill the requirements of and shall execute and file~~
443 ~~with the office, when applying for a certificate of authority, a~~
444 ~~declaration setting forth:~~

445 (a) The name of the proposed reciprocal insurer, which



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446 shall be in accordance with s. 629.051.†

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

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

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

453 (e) The proposed designation and appointment of the
454 proposed attorney in fact and a copy of the proposed power of
455 attorney.†

456 (f) The names and addresses of the officers and directors
457 of the proposed attorney in fact, if a corporation, or of its
458 members, if other than a corporation, as well as the background
459 information as specified in s. 629.227 for all officers,
460 directors, and equivalent positions of the proposed attorney in
461 fact as well as for any person with ownership interests of 10
462 percent or more in the proposed attorney in fact.†

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

466 (h) ~~(g)~~ The proposed charter powers of the subscribers'
467 advisory committee, and the names and terms of office of the
468 members thereof as well as the background information as
469 specified in s. 629.227 for each proposed member.†

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

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



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

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

484 (j)(1) A copy of each policy, endorsement, and application
485 form ~~the insurer~~ ~~it then~~ proposes to issue or use.

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

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

492
493 ~~Such declaration shall be acknowledged by the attorney before an~~
494 ~~officer authorized to take acknowledgments.~~

495 Section 15. Section 629.091, Florida Statutes, is amended
496 to read:

497 629.091 Reciprocal certificate of authority.—

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

500 (2) To apply for a certificate of authority as a domestic
501 reciprocal insurer, the attorney in fact of an applicant who has
502 previously received a permit from the office may file an
503 application for a certificate of authority in accordance with



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504 forms prescribed by the commission that, in addition to
505 applicable requirements of ss. 624.404, 624.411, and 624.413 and
506 other relevant statutes, consist of all of the following:

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

509 (b) A statement affirming that all moneys paid to the
510 reciprocal insurer shall, after deducting therefrom any sum
511 payable to the attorney in fact, be held in the name of the
512 insurer and for the purposes specified in the subscribers'
513 agreement.

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

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

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

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

526 (3) If the reciprocal insurer intends to issue
527 nonassessable policies upon the receipt of a certificate of
528 authority, and the office determines that the reciprocal insurer
529 meets the legal requirements to issue nonassessable policies,
530 including the surplus requirements, the office shall grant
531 authorization for a certificate of authority. If the surplus of
532 the reciprocal insurer becomes impaired, the insurer may no



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533 longer issue or renew nonassessable policies or convert
534 assessable policies to nonassessable policies, and the
535 provisions of s. 629.301 shall apply.

536 (4) The certificate of authority of a reciprocal insurer
537 shall be issued to its attorney in the name of the reciprocal
538 insurer to its attorney in fact.

539 Section 16. Section 629.094, Florida Statutes, is created
540 to read:

541 629.094 Continued eligibility for certificate of
542 authority.—In order to maintain its eligibility for a
543 certificate of authority, a domestic reciprocal insurer shall
544 continue to meet all applicable conditions required for
545 receiving the initial permit and certificate of authority under
546 this code and the rules adopted thereunder.

547 Section 17. Section 629.101, Florida Statutes, is amended
548 to read:

549 629.101 Power of attorney in fact.—

550 (1) The rights and powers of the attorney of a reciprocal
551 insurer shall be as provided in the power of attorney given it
552 by the subscribers.

553 (2) The power of attorney must set forth all of the
554 following:

555 (a) The powers of the attorney.†

556 (b) That the attorney is empowered to accept service of
557 process on behalf of the insurer in actions against the insurer
558 upon contracts exchanged.†

559 (c) The general services to be performed by the attorney.†

560 (d) That the attorney in fact has a fiduciary duty to the
561 subscribers of the reciprocal insurer.



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562 ~~(e)-(d)~~ The maximum amount to be deducted from advance
563 premiums or deposits to be paid to the attorney and the general
564 items of expense in addition to losses, to be paid by the
565 insurer, ~~and~~

566 ~~(f)-(e)~~ Except as to nonassessable policies, a provision for
567 a contingent several liability of each subscriber in a specified
568 amount, which amount shall be not less than 5 nor more than 10
569 times the premium or premium deposit stated in the policy.

570 (3) The power of attorney may:

571 (a) Provide for the right of substitution of the attorney
572 and revocation of the power of attorney and rights thereunder;

573 (b) Impose such restrictions upon the exercise of the power
574 as are agreed upon by the subscribers;

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

577 (d) Contain other lawful provisions deemed advisable.

578 (4) The terms of any power of attorney or agreement
579 collateral thereto shall be reasonable and equitable, and no
580 such power or agreement shall be used or be effective in this
581 state unless filed with the office.

582 Section 18. Section 629.225, Florida Statutes, is created
583 to read:

584 629.225 Acquisitions.—The provisions of this section apply
585 to domestic reciprocal insurers and the attorney in fact of
586 domestic reciprocal insurers.

587 (1) A person may not, individually or in conjunction with
588 any affiliated person of such person, directly or indirectly,
589 conclude a tender offer or exchange offer for, enter into any
590 agreement to exchange securities for, or otherwise finally



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591 acquire, 10 percent or more of the outstanding voting securities
592 of an attorney in fact which is a stock corporation or of a
593 controlling company of an attorney in fact which is a stock
594 corporation; or conclude an acquisition of, or otherwise finally
595 acquire, 10 percent or more of the ownership interest of an
596 attorney in fact which is not a stock corporation or of a
597 controlling company of an attorney which is not a stock
598 corporation, unless all of the following conditions are met:

599 (a) The person or affiliated person has filed with the
600 office and sent to the principal office of the attorney in fact,
601 and any controlling company of the attorney in fact, the
602 subscribers' advisory committee, and the domestic reciprocal
603 insurer a letter of notification regarding the transaction or
604 proposed transaction no later than 5 days after any form of
605 tender offer or exchange offer is proposed, or no later than 5
606 days after the acquisition of the securities or ownership
607 interest if a tender offer or exchange offer is not involved.
608 The notification must be provided on forms prescribed by the
609 commission containing information determined necessary to
610 understand the transaction and identify all purchasers and
611 owners involved.

612 (b) The subscribers' advisory committee has provided the
613 notification required under paragraph (a) on a form prescribed
614 by the commission, explaining what the notification is and
615 letting the subscribers know of the filing deadlines for
616 objecting to the acquisition.

617 (c) The person or affiliated person has filed with the
618 office an application signed under oath and prepared on forms
619 prescribed by the commission which contains the information



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620 specified in subsection (4). The application must be completed
621 and filed within 30 days after any form of tender offer or
622 exchange offer is proposed, or after the acquisition of the
623 securities if a tender offer or exchange offer is not involved.

624 (d) The office has approved the tender offer or exchange
625 offer, or acquisition if a tender offer or exchange offer is not
626 involved.

627 (2) This section does not apply to any acquisition of
628 voting securities or ownership interest of an attorney in fact
629 or of a controlling company by any person who is the owner of a
630 majority of the voting securities or ownership interest with the
631 approval of the office under this section or s. 629.091.

632 (3) The person or affiliated person filing the notice
633 required by paragraph (1) (a) may request that the office waive
634 the requirements of paragraph (1) (b), provided that there is no
635 change in the ultimate controlling shareholders, and no change
636 in the ownership percentages of the ultimate controlling
637 shareholders, and no unaffiliated parties acquire any direct or
638 indirect interest in the attorney in fact. The office may waive
639 the filing required by paragraph (1) (b) if it determines that
640 there is no change in the ultimate controlling shareholders, and
641 no change in the ownership percentages of the ultimate
642 controlling shareholders, and no unaffiliated parties will
643 acquire any direct or indirect interest in the attorney in fact.

644 (4) The application to be filed with the office and
645 furnished to the attorney in fact must contain the following
646 information and any additional information as the office deems
647 necessary to determine the character, experience, ability, and
648 other qualifications of the person or affiliated person of such



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649 person for the protection of the reciprocal insurer's
650 subscribers and of the public:

651 (a) The identity and background information specified in s.
652 629.227 of:

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

655 2. Any person who controls, directly or indirectly, such
656 other person, including each director, officer, trustee,
657 partner, owner, manager, or joint venturer, or other person
658 performing duties similar to those of persons in such positions,
659 for the person.

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

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

667 (d) The nature and the extent of the controlling interest
668 which the person or affiliated person of such person proposes to
669 acquire, the terms of the proposed acquisition, and the manner
670 in which the controlling interest is to be acquired of an
671 attorney in fact or controlling company which is not a stock
672 corporation.

673 (e) The number of shares or other securities which the
674 person or affiliated person of such person proposes to acquire,
675 the terms of the proposed acquisition, and the manner in which
676 the securities are to be acquired.

677 (f) Information as to any contract, arrangement, or



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678 understanding with any party with respect to any of the
679 securities of the attorney in fact or controlling company,
680 including, but not limited to, information relating to the
681 transfer of any of the securities, option arrangements, puts or
682 calls, or the giving or withholding of proxies, which
683 information names the party with whom the contract, arrangement,
684 or understanding has been entered into and gives the details
685 thereof.

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

688 (5) If any material change occurs in the facts provided in
689 the application filed with the office pursuant to this section
690 or the background information required under s. 629.227, an
691 amendment specifying such changes must be filed immediately with
692 the office, and a copy of the amendment must be sent to the
693 principal office of the attorney in fact and to the principal
694 office of the controlling company.

695 (6)(a) The acquisition application must be reviewed in
696 accordance with chapter 120. The office may on its own initiate,
697 or, if requested to do so in writing by a substantially affected
698 person, shall conduct a proceeding to consider the
699 appropriateness of the proposed filing. Time periods for
700 purposes of chapter 120 shall be tolled during the pendency of
701 the proceeding. Any written request for a proceeding must be
702 filed with the office within 10 days after the date notice of
703 the filing is given, or 10 days after notice of the filing is
704 sent to the subscribers by the subscribers advisory committee,
705 whichever is later. During the pendency of the proceeding or
706 review period by the office, any person or affiliated person



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707 complying with the filing requirements of this section may
708 proceed and take all steps necessary to conclude the acquisition
709 so long as the acquisition becoming final is conditioned upon
710 obtaining office approval. However, at any time it finds an
711 immediate danger to the public health, safety, and welfare of
712 the reciprocal insurer's subscribers exists, the office shall
713 immediately order, pursuant to s. 120.569(2)(n), the proposed
714 acquisition disapproved and any further steps to conclude the
715 acquisition ceased.

716 (b) During the pendency of the office's review of any
717 acquisition subject to the provisions of this section, the
718 acquiring person may not make any material change in the
719 operation of the attorney in fact or controlling company unless
720 the office has specifically approved the change, nor shall the
721 acquiring person make any material change in the management of
722 the attorney in fact unless advance written notice of the change
723 in management is furnished to the office. The term "material
724 change in the operation of the attorney in fact" means a
725 transaction that disposes of or obligates 5 percent or more of
726 the capital and surplus of the attorney in fact or of any
727 domestic reciprocal insurer. The term "material change in the
728 management of the attorney in fact" means any change in
729 management involving officers or directors of the attorney in
730 fact or any person of the attorney or controlling company having
731 authority to dispose of or obligate 5 percent or more of the
732 attorney in fact's capital or surplus. The office shall approve
733 a material change in operations if it finds the applicable
734 provisions of subsection (7) have been met. The office may
735 disapprove a material change in management if it finds that the



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736 applicable provisions of subsection (7) have not been met and in
737 such case the attorney in fact shall promptly change management
738 as acceptable to the office.

739 (c) If a request for a proceeding is filed, the proceeding
740 must be conducted within 60 days after the date the written
741 request for a proceeding is received by the office. A
742 recommended order must be issued within 20 days after the date
743 of the close of the proceedings. A final order shall be issued
744 within 20 days after the date of the recommended order or, if
745 exceptions to the recommended order are filed, within 20 days
746 after the date the exceptions are filed.

747 (7) The office may disapprove any acquisition subject to
748 this section by any person or any affiliated person of such
749 person who:

750 (a) Willfully violates this section;

751 (b) In violation of an order of the office issued pursuant
752 to subsection (11), fails to divest himself or herself of any
753 stock or ownership interest obtained in violation of this
754 section or fails to divest himself or herself of any direct or
755 indirect control of such stock or ownership interest, within 25
756 days after such order; or

757 (c) In violation of an order issued by the office pursuant
758 to subsection (12), acquires an additional stock or ownership
759 interest in an attorney in fact or controlling company or direct
760 or indirect control of such stock or ownership interest, without
761 complying with this section.

762 (8) The person or persons filing the application required
763 by this section have the burden of proof. The office shall
764 approve any such acquisition if it finds, on the basis of the



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765 record made during any proceeding or on the basis of the filed
766 application if no proceeding is conducted, that:

767 (a) The financial condition of the acquiring person or
768 persons will not jeopardize the financial stability of the
769 attorney in fact or prejudice the interests of the reciprocal
770 insurer's subscribers or the public.

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

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

778 2. To liquidate any controlling company, sell its assets,
779 or merge or consolidate it with any person, or to make any major
780 change in its business or corporate structure or management
781 which would have an effect upon the attorney in fact, is fair
782 and free of prejudice to the reciprocal insurer's subscribers or
783 to the public.

784 (c) The competence, experience, and integrity of those
785 persons who will control directly or indirectly the operation of
786 the attorney in fact indicate that the acquisition is in the
787 best interest of the reciprocal insurer's subscribers and in the
788 public interest.

789 (d) The natural persons for whom background information is
790 required to be furnished pursuant to this section have such
791 backgrounds as to indicate that it is in the best interests of
792 the reciprocal insurer's subscribers and in the public interest
793 to permit such persons to exercise control over the attorney in



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794 fact.

795 (e) The directors and officers, if such attorney in fact or
796 controlling company is a stock corporation, or the trustees,
797 partners, owners, managers, joint venturers, or other persons
798 performing duties similar to those of persons in such positions,
799 if such attorney in fact or controlling company is not a stock
800 corporation, to be employed after the acquisition have
801 sufficient insurance experience and ability to assure reasonable
802 promise of successful operation.

803 (f) The management of the attorney in fact after the
804 acquisition will be competent, trustworthy, and will possess
805 sufficient managerial experience so as to make the proposed
806 operation of the attorney in fact not hazardous to the
807 insurance-buying public.

808 (g) The management of the attorney in fact after the
809 acquisition shall not include any person who has directly or
810 indirectly through ownership, control, reinsurance transactions,
811 or other insurance or business relations unlawfully manipulated
812 the assets, accounts, finances, or books of any insurer or
813 otherwise acted in bad faith with respect thereto.

814 (h) The acquisition is not likely to be hazardous or
815 prejudicial to the reciprocal insurer's subscribers or to the
816 public.

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

821 (9) A vote by the stockholder of record, or by any other
822 person, of any security acquired in contravention of this



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823 section is not valid. Any acquisition contrary to this section
824 is void. Upon the petition of the attorney in fact, any or the
825 controlling company, or the reciprocal insurer the circuit court
826 for the county in which the principal office of the attorney in
827 fact is located may, without limiting the generality of its
828 authority, order the issuance or entry of an injunction or other
829 order to enforce this section. There shall be a private right of
830 action in favor of the attorney in fact, or controlling company,
831 to enforce this section. A demand upon the office that it
832 performs its functions may not be required as a prerequisite to
833 any suit by the attorney in fact or controlling company against
834 any other person, and in no case shall the office be deemed a
835 necessary party to any action by the attorney in fact or
836 controlling company to enforce this section. Any person who
837 makes or proposes an acquisition requiring the filing of an
838 application pursuant to this section, or who files such an
839 application, shall be deemed to have thereby designated the
840 Chief Financial Officer, or his or her assistant or deputy or
841 another person in charge of his or her office, as such person's
842 agent for service of process under this section and shall
843 thereby be deemed to have submitted himself or herself to the
844 administrative jurisdiction of the office and to the
845 jurisdiction of the circuit court.

846 (10) Any approval by the office under this section does not
847 constitute a recommendation by the office of the tender offer or
848 exchange offer, or acquisition, if no tender offer or exchange
849 offer is involved. It is unlawful for a person to represent that
850 the office's approval constitutes a recommendation. A person who
851 violates this subsection commits a felony of the third degree,



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852 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
853 The statute of limitations period for the prosecution of an
854 offense committed under this subsection is 5 years.

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

869 (12) If the office determines that any person or any
870 affiliated person of such person has acquired 10 percent or more
871 of the outstanding voting securities of an attorney in fact or
872 controlling company which is a stock corporation, or 10 percent
873 or more of the ownership interest of an attorney in fact or
874 controlling company which is not a stock corporation, without
875 complying with this section, the office may order that the
876 person and any affiliated person of such person cease
877 acquisition of the attorney in fact or controlling company and,
878 if appropriate, divest itself of any stock or ownership interest
879 acquired in violation of this section.

880 (13) (a) The office shall, if necessary to protect the



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881 public interest, suspend or revoke the certificate of authority
882 of the reciprocal insurer whose attorney in fact or controlling
883 company is acquired in violation of this section.

884 (b) If any reciprocal insurer is subject to suspension or
885 revocation pursuant to paragraph (a), any other reciprocal
886 insurer using the same attorney in fact shall also be subject to
887 suspension or revocation. In such case, the office may offer any
888 affected reciprocal insurer, through its subscriber
889 representatives, the ability to cure any suspension or
890 revocation by procuring another attorney in fact acceptable to
891 the office or taking any other action agreed to by the office.

892 Section 19. Section 629.227, Florida Statutes, is created
893 to read:

894 629.227 Background information.—The information as to the
895 background and identity of each person about whom information is
896 required to be furnished pursuant to s. 629.081 or s. 629.225
897 must include, but need not be limited to:

898 (1) A sworn biographical statement on forms adopted by the
899 commission that shall include, but not be limited to, the
900 following information:

901 (a) Occupations, positions of employment, and offices held
902 during the past 20 years, including the principal business and
903 address of any business, corporation, or organization where each
904 occupation, position of employment, or office occurred.

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

907 (c) Whether the person has been, during such 10-year
908 period, the subject of any proceeding for the revocation of any
909 license and, if so, the nature of the proceeding and the



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910 disposition of the proceeding.

911 (d) Whether, during such 10-year period, the person has
912 been the subject of any proceeding under the federal Bankruptcy
913 Act.

914 (e) Whether, during such 10-year period, any person or
915 other business or organization in which the person was a
916 director, officer, trustee, partner, owner, manager, or other
917 official has been subject of any proceeding under the federal
918 Bankruptcy Act, either during the time of that person's tenure
919 with the business or organization or within 12 months
920 thereafter.

921 (f) Whether, during such 10-year period, the person has
922 been enjoined, temporarily or permanently, by a court of
923 competent jurisdiction from violating any federal or state law
924 regulating the business of insurance, securities, or banking, or
925 from carrying out any particular practice or practices in the
926 course of the business of insurance, securities, or banking,
927 together with details as to any such event.

928 (g) Whether, during such 20-year period, the person served
929 as the attorney in fact, a subscribers' advisory committee
930 member, or any other manager or officer of a reciprocal insurer
931 or an insurer that became insolvent or had its certificate of
932 authority suspended or revoked.

933 (2) Fingerprints of each person.

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

936 (4) Any additional information as the office deems
937 necessary to determine the character, experience, ability, and
938 other qualifications of the person or affiliated person of such



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939 person for the protection of the reciprocal insurer's
940 subscribers and of the public.

941 Section 20. Section 629.229, Florida Statutes, is created
942 to read:

943 629.229 Attorney in fact, officers, and directors of
944 insolvent reciprocal insurers or other insurers.—Any person who
945 served as an attorney in fact, or as an officer, director, or
946 manager of an attorney in fact, any member of a subscribers'
947 advisory committee of a reciprocal insurer doing business in
948 this state, or an officer or director of any other insurer doing
949 business in this state, and who served in that capacity within
950 the 2-year period before the date the insurer or reciprocal
951 insurer became insolvent, for any insolvency that occurs on or
952 after July 1, 2024, may not thereafter:

953 (1) Serve as an attorney in fact, or as an officer,
954 director, or manager of an attorney in fact, or a member of a
955 subscribers advisory committee of a reciprocal insurer doing
956 business in this state, or an officer or director of any other
957 insurer doing business in this state; or

958 (2) Have direct or indirect control over the selection or
959 appointment of an attorney in fact, or of an officer, director,
960 or manager of an attorney in fact, or a member of the
961 subscribers committee of a reciprocal insurer doing business in
962 this state, or an officer or director of any insurer doing
963 business in this state, through contract, trust, or by operation
964 of law,

965
966 unless the individual demonstrates that his or her personal
967 actions or omissions were not a significant contributing cause



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968 to the insolvency.

969 Section 21. Section 629.261, Florida Statutes, is amended
970 to read:

971 629.261 Nonassessable policies.—Upon impairment of the
972 surplus of a nonassessable reciprocal insurer, the office shall
973 revoke the authorization issued under s. 629.291(5) or s.
974 629.091(3).

975 ~~(1) If a reciprocal insurer has a surplus as to~~
976 ~~policyholders required of a domestic stock insurer authorized to~~
977 ~~transact like kinds of insurance, upon application of the~~
978 ~~attorney and as approved by the subscribers' advisory committee~~
979 ~~the office shall issue its certificate authorizing the insurer~~
980 ~~to extinguish the contingent liability of subscribers under its~~
981 ~~policies then in force in this state and to omit provisions~~
982 ~~imposing contingent liability in all policies delivered or~~
983 ~~issued for delivery in this state for so long as all such~~
984 ~~surplus remains unimpaired.~~

985 ~~(2) Upon impairment of such surplus, the office shall~~
986 ~~forthwith revoke the certificate. Such revocation does shall not~~
987 ~~render subject to contingent liability any policy then in force~~
988 ~~and for the remainder of the period for which the premium has~~
989 ~~theretofore been paid; but, after such revocation, no policy~~
990 ~~shall be issued or renewed without providing for contingent~~
991 ~~assessment liability of the subscriber.~~

992 ~~(3) The office shall not authorize a domestic reciprocal~~
993 ~~insurer so to extinguish the contingent liability of any of its~~
994 ~~subscribers or in any of its policies to be issued, unless it~~
995 ~~qualifies to and does extinguish such liability of all its~~
996 ~~subscribers and in all such policies for all kinds of insurance~~



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997 ~~transacted by it; except that, if required by the laws of~~
998 ~~another state in which the insurer is transacting insurance as~~
999 ~~an authorized insurer, the insurer may issue policies providing~~
1000 ~~for the contingent liability of such of its subscribers as may~~
1001 ~~acquire such policies in such state, and need not extinguish the~~
1002 ~~contingent liability applicable to policies theretofore in force~~
1003 ~~in such state.~~

1004 Section 22. Section 629.291, Florida Statutes, is amended
1005 to read:

1006 629.291 Merger or conversion.—

1007 (1) A ~~domestic~~ reciprocal insurer, upon affirmative vote of
1008 not less than two-thirds of its subscribers who vote on such
1009 merger pursuant to due notice, and subject to the approval by of
1010 the office of the terms therefor, may merge with another
1011 reciprocal insurer or be converted to a stock or mutual insurer,
1012 to be thereafter governed by the applicable sections of the
1013 insurance code. However, a domestic stock insurer may not
1014 convert to a reciprocal insurer.

1015 (2) A plan to merge a reciprocal insurer with another
1016 reciprocal insurer or for conversion of the reciprocal insurer
1017 to a stock or mutual insurer shall be filed on forms adopted by
1018 the office and contain such information as the office reasonably
1019 requires to evaluate the transaction ~~Such a stock or mutual~~
1020 ~~insurer shall be subject to the same capital or surplus~~
1021 ~~requirements and shall have the same rights as a like domestic~~
1022 ~~insurer transacting like kinds of insurance.~~

1023 (3) The office may ~~shall~~ not approve any plan for such
1024 merger or conversion which is inequitable to subscribers or
1025 which, if for conversion to a stock insurer, does not give each



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1026 subscriber preferential right to acquire stock of the proposed
1027 insurer proportionate to his or her interest in the reciprocal
1028 insurer, as determined in accordance with s. 629.281, and a
1029 reasonable length of time within which to exercise such right.

1030 (4) Reinsurance of all or substantially all of the
1031 insurance in force of a ~~domestic~~ reciprocal insurer in another
1032 insurer shall be deemed to be a merger for the purposes of this
1033 section.

1034 (5) (a) An assessable reciprocal insurer may convert to a
1035 nonassessable reciprocal insurer if:

1036 1. The subscribers' advisory committee approves the
1037 conversion;

1038 2. The attorney in fact submits the application for
1039 conversion on the required application form; and

1040 3. The office finds that the application for conversion
1041 meets the minimum statutory requirements.

1042 (b) If the office approves the application for conversion,
1043 the assessable reciprocal insurer may convert to a nonassessable
1044 reciprocal insurer by:

1045 1. Extinguishing the contingent liability of subscribers
1046 under all policies then in force in this state;

1047 2. Omitting contingent liability provisions in all policies
1048 delivered or issued in this state after the conversion; and

1049 3. Otherwise extinguishing the contingent liability of all
1050 of its subscribers. However, if the reciprocal insurer is
1051 transacting insurance as an authorized insurer in another state
1052 and that state's laws require the insurer to issue policies with
1053 contingent liability provisions, the insurer may issue
1054 contingent liability policies in that other state.



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1055 (c) If the surplus of the reciprocal insurer becomes
1056 impaired, the insurer may no longer issue nonassessable policies
1057 or convert assessable policies to nonassessable policies, and
1058 the provisions of s. 629.301 shall apply.

1059 Section 23. Section 629.525, Florida Statutes, is created
1060 to read:

1061 629.525 Rulemaking authority.—The commission shall adopt,
1062 amend, or repeal rules necessary to implement this chapter.

1063 Section 24. Paragraph (h) of subsection (3) of section
1064 163.01, Florida Statutes, is amended to read:

1065 163.01 Florida Interlocal Cooperation Act of 1969.—

1066 (3) As used in this section:

1067 (h) "Local government liability pool" means a reciprocal
1068 insurer as defined in s. 629.011 ~~s. 629.021~~ or any self-
1069 insurance program created pursuant to s. 768.28(16), formed and
1070 controlled by counties or municipalities of this state to
1071 provide liability insurance coverage for counties,
1072 municipalities, or other public agencies of this state, which
1073 pool may contract with other parties for the purpose of
1074 providing claims administration, processing, accounting, and
1075 other administrative facilities.

1076 Section 25. Subsection (3) of section 626.9531, Florida
1077 Statutes, is amended to read:

1078 626.9531 Identification of insurers, agents, and insurance
1079 contracts.—

1080 (3) For the purposes of this section, the term "risk
1081 bearing entity" means a reciprocal insurer as defined in s.
1082 629.011 ~~s. 629.021~~, a commercial self-insurance fund as defined
1083 in s. 624.462, a group self-insurance fund as defined in s.



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1084 624.4621, a local government self-insurance fund as defined in
1085 s. 624.4622, a self-insured public utility as defined in s.
1086 624.46225, or an independent educational institution self-
1087 insurance fund as defined in s. 624.4623. For the purposes of
1088 this section, the term "risk bearing entity" does not include an
1089 authorized insurer as defined in s. 624.09.

1090 Section 26. This act shall take effect July 1, 2024.

1091
1092 ===== T I T L E A M E N D M E N T =====

1093 And the title is amended as follows:

1094 Delete everything before the enacting clause
1095 and insert:

1096 A bill to be entitled

1097 An act relating to insurance; amending s. 624.3161,
1098 F.S.; revising the entities for which the Office of
1099 Insurance Regulation is required to conduct market
1100 conduct examinations; amending s. 624.424, F.S.;
1101 requiring insurers and insurer groups to file a
1102 specified supplemental report on a monthly basis;
1103 requiring that such report include certain information
1104 for each zip code; amending s. 624.4305, F.S.;
1105 authorizing the Financial Services Commission to adopt
1106 rules related to notice of nonrenewal of residential
1107 property insurance policies; amending s. 624.46226,
1108 F.S.; revising the requirements for public housing
1109 authority self-insurance funds; amending s. 626.9201,
1110 F.S.; prohibiting insurers from canceling or
1111 nonrenewing certain insurance policies under certain
1112 circumstances; providing exceptions; providing



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1113 construction; authorizing the commission to adopt
1114 rules and the Commissioner of Insurance Regulation to
1115 issue orders; amending s. 627.062, F.S.; specifying
1116 requirements for rate filings if certain models are
1117 used; amending s. 627.351, F.S.; revising requirements
1118 for certain policies that are not subject to certain
1119 rate increase limitations; amending s. 628.011, F.S.;
1120 conforming provisions to changes made by the act;
1121 amending s. 628.061, F.S.; conforming a provision to
1122 changes made by the act; revising the persons that the
1123 office is required to investigate in connection with a
1124 proposal to organize or incorporate a domestic
1125 insurer; amending s. 628.801, F.S.; revising
1126 requirements for rules adopted for insurers that are
1127 members of an insurance holding company; deleting an
1128 obsolete date; authorizing the commission to adopt
1129 rules; amending s. 629.011, F.S.; defining terms;
1130 repealing s. 629.021, F.S., relating to the definition
1131 of the term "reciprocal insurer"; repealing s.
1132 629.061, F.S., relating to the term "attorney";
1133 amending s. 629.081, F.S.; revising the procedure for
1134 persons to organize as a domestic reciprocal insurer;
1135 specifying requirements for the permit application;
1136 requiring that the application be accompanied by a
1137 specified fee and other pertinent information and
1138 documents; requiring the office to evaluate and grant
1139 or deny the permit application in accordance with
1140 specified provisions; amending s. 629.091, F.S.;
1141 providing that a domestic reciprocal insurer may seek



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1142 a certificate of authority only under certain
1143 circumstances; providing requirements for an
1144 application for a certificate of authority to operate
1145 as a domestic reciprocal insurer; requiring the office
1146 to grant a certificate of authority under certain
1147 circumstances; requiring that such certificate of
1148 authority be issued in the name of the reciprocal
1149 insurer to its attorney in fact; creating s. 629.094,
1150 F.S.; requiring a domestic reciprocal insurer to meet
1151 certain requirements to maintain its eligibility for a
1152 certificate of authority; amending s. 629.101, F.S.;
1153 revising requirements for the power of attorney given
1154 by subscribers of a domestic reciprocal insurer to the
1155 attorney in fact; creating s. 629.225, F.S.; providing
1156 applicability; prohibiting persons from concluding a
1157 tender offer or exchange offer or acquiring securities
1158 of certain attorneys in fact and controlling companies
1159 of certain attorneys in fact; providing an exception;
1160 providing applicability; authorizing certain persons
1161 to request that the office waive certain requirements;
1162 providing that the office may waive certain
1163 requirements if specified determinations are made;
1164 specifying the requirements of an application to the
1165 office relating to certain acquisitions; requiring
1166 that such application be accompanied by a specified
1167 fee; requiring that amendments be filed with the
1168 office under certain circumstances; specifying the
1169 manner in which the acquisition application must be
1170 reviewed; authorizing the office, and requiring the



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1171 office if a request for a proceeding is filed, to
1172 conduct a proceeding within a specified timeframe to
1173 consider the appropriateness of such application;
1174 requiring that certain time periods be tolled;
1175 requiring that written requests for a proceeding be
1176 filed within a certain timeframe; authorizing certain
1177 persons to take all steps to conclude the acquisition
1178 during the pendency of the proceeding or review
1179 period; requiring the office to order a proposed
1180 acquisition disapproved and that actions to conclude
1181 the acquisition be ceased under certain circumstances;
1182 prohibiting certain persons from making certain
1183 changes during the pendency of the office's review of
1184 an acquisition; providing an exception; defining the
1185 terms "material change in the operation of the
1186 attorney in fact" and "material change in the
1187 management of the attorney in fact"; requiring the
1188 office to approve or disapprove certain changes upon
1189 making certain findings; requiring that a proceeding
1190 be conducted within a certain timeframe; requiring
1191 that recommended orders and final orders be issued
1192 within a certain timeframe; specifying the
1193 circumstances under which the office may disapprove an
1194 acquisition; specifying that certain persons have the
1195 burden of proof; requiring the office to approve an
1196 acquisition upon certain findings; specifying that
1197 certain votes are not valid and that certain
1198 acquisitions are void; specifying that certain
1199 provisions may be enforced by an injunction; creating



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1200 a private right of action in favor of the attorney in
1201 fact or the controlling company to enforce certain
1202 provisions; providing that a certain demand upon the
1203 office is not required before certain legal actions;
1204 providing that the office is not a necessary party to
1205 certain actions; specifying the persons who are deemed
1206 designated for service of process and who have
1207 submitted to the administrative jurisdiction of the
1208 office; providing that approval by the office does not
1209 constitute a certain recommendation; providing that
1210 certain actions are unlawful; providing criminal
1211 penalties; providing a statute of limitations;
1212 authorizing a person to rebut a presumption of control
1213 by filing certain disclaimers; specifying the contents
1214 of such disclaimer; specifying that, after a
1215 disclaimer is filed, the attorney in fact is relieved
1216 of a certain duty; authorizing the office to order
1217 certain persons to cease acquisition of the attorney
1218 in fact or controlling company and divest themselves
1219 of any stock or ownership interest under certain
1220 circumstances; requiring the office to suspend or
1221 revoke the reciprocal certificate of authority under
1222 certain circumstances; creating s. 629.227, F.S.;
1223 specifying the information as to the background and
1224 identity of certain persons which must be furnished by
1225 such persons; creating s. 629.229, F.S.; prohibiting
1226 certain persons who served in certain capacities
1227 before a specified date from serving in certain other
1228 roles or having certain control over certain



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1229 selections; providing an exception; amending s.
1230 629.261, F.S.; requiring the office to revoke certain
1231 authorization under certain circumstances; deleting
1232 provisions regarding the office's authority to issue a
1233 certificate authoring the insurer to extinguish the
1234 contingent liability of subscribers; deleting a
1235 prohibition regarding the office's authorization to
1236 extinguish the contingent liability of certain
1237 subscribers; amending s. 629.291, F.S.; providing that
1238 certain insurers that merge are governed by the
1239 insurance code; prohibiting domestic stock insurers
1240 from being converted to reciprocal insurers; requiring
1241 that specified plans be filed with the office and that
1242 such plans contain certain information; deleting a
1243 provision regarding a stock or mutual insurer's
1244 capital and surplus requirements and rights;
1245 authorizing the conversion of assessable reciprocal
1246 insurers to nonassessable reciprocal insurers under
1247 certain circumstances; creating s. 629.525, F.S.;
1248 requiring the commission to adopt, amend, or repeal
1249 certain rules; amending ss. 163.01 and 626.9531, F.S.;
1250 conforming cross-references; providing an effective
1251 date.