

By Senator Boyd

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1 A bill to be entitled
2 An act relating to Citizens Property Insurance
3 Corporation; amending s. 627.351, F.S.; providing that
4 certain accounts for Citizens Property Insurance
5 Corporation revenues, assets, liability, losses, and
6 expenses are now maintained as the Citizens account;
7 revising the requirements for certain coverages by the
8 corporation; requiring the inclusion of quota share
9 primary insurance in certain policies; deleting
10 provisions relating to legislative goals; revising the
11 definition of the term "assessments"; deleting
12 provisions relating to emergency assessments upon
13 determination of projected deficits; deleting
14 provisions relating to funds available to the
15 corporation as sources of revenue and bonds; deleting
16 definitions; deleting provisions relating to the
17 duties of the Florida Surplus Lines Service Office;
18 deleting provisions relating to disposition of excess
19 amounts of assessments and surcharges; defining terms;
20 providing nonapplicability of certain provisions
21 relating to personal lines residential risks coverage
22 by the corporation; requiring insurers to pay, under
23 certain circumstances, producing agents a certain
24 amount or fee if the agents are unable to accept
25 appointment due to failure to be licensed as surplus
26 lines agents; providing nonapplicability of such
27 payment requirement; revising eligibility for
28 commercial lines residential risks coverage by the
29 corporation; providing that commercial lines

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30 residential risks are not eligible for coverage by the
31 corporation under certain circumstances; providing
32 that comparisons of comparable coverages under certain
33 personal lines residential risks and commercial lines
34 residential risks do not apply to policies that do not
35 cover primary residences; revising the corporation's
36 plan of operation; revising the required statements
37 from applicants for coverage; revising the duties of
38 the executive director of the corporation; authorizing
39 the executive director to assign and appoint
40 designees; deleting a nonapplicability provision
41 relating to bond requirements; providing circumstances
42 under which coverage rates are considered not
43 competitive; revising the duties of the Office of
44 Insurance Regulation relating to coverage rates;
45 authorizing the corporation to pursue administrative
46 challenges relating to coverage rates; revising
47 requirements for coverage rate increases and coverage
48 rates; authorizing assessed insureds of certain
49 insurers to be relieved from assessments under certain
50 circumstances; deleting provisions relating to certain
51 insurer assessment deferments; deleting provisions
52 relating to the intangibles of and coverage by the
53 Florida Windstorm Underwriting Association and the
54 corporation coastal account; authorizing the
55 corporation and certain persons to make specified
56 information obtained from underwriting files and
57 confidential claims files available to licensed
58 surplus lines agents; prohibiting such agents from

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59 using such information for specified purposes;
60 revising the flood coverage requirements for personal
61 lines residential policyholders; providing
62 nonapplicability of provisions relating to take-out
63 offers that are part of applications to participate in
64 depopulation; authorizing the corporation to share its
65 claims data with a specified entity; deleting
66 provisions relating to resolutions of disputes and to
67 determinations of risks ineligible for coverage;
68 amending s. 627.3511, F.S.; conforming provisions to
69 changes made by the act; conforming cross-references;
70 amending s. 627.3518, F.S.; providing nonapplicability
71 of provisions relating to noneligibility for coverage
72 by the corporation; providing an effective date.

73

74 Be It Enacted by the Legislature of the State of Florida:

75

76 Section 1. Present subsection (7) of section 627.351,
77 Florida Statutes, is redesignated as subsection (8), a new
78 subsection (7) is added to that section, paragraph (nn) is added
79 to subsection (6) of that section, and paragraph (b) of
80 subsection (2) and paragraphs (a), (b), (c), (e), (n), (o), (p),
81 (q), (v), (w), (x), (z), (aa), (ii), (ll), and (mm) of
82 subsection (6) are amended, to read:

83 627.351 Insurance risk apportionment plans.—

84 (2) WINDSTORM INSURANCE RISK APPORTIONMENT.—

85 (b) The department shall require all insurers holding a
86 certificate of authority to transact property insurance on a
87 direct basis in this state, other than joint underwriting

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88 associations and other entities formed pursuant to this section,
89 to provide windstorm coverage to applicants from areas
90 determined to be eligible pursuant to paragraph (c) who in good
91 faith are entitled to, but are unable to procure, such coverage
92 through ordinary means; or it shall adopt a reasonable plan or
93 plans for the equitable apportionment or sharing among such
94 insurers of windstorm coverage, which may include formation of
95 an association for this purpose. As used in this subsection, the
96 term "property insurance" means insurance on real or personal
97 property, as defined in s. 624.604, including insurance for
98 fire, industrial fire, allied lines, farmowners multiperil,
99 homeowners multiperil, commercial multiperil, and mobile homes,
100 and including liability coverages on all such insurance, but
101 excluding inland marine as defined in s. 624.607(3) and
102 excluding vehicle insurance as defined in s. 624.605(1)(a) other
103 than insurance on mobile homes used as permanent dwellings. The
104 department shall adopt rules that provide a formula for the
105 recovery and repayment of any deferred assessments.

106 1. For the purpose of this section, properties eligible for
107 such windstorm coverage are defined as dwellings, buildings, and
108 other structures, including mobile homes which are used as
109 dwellings and which are tied down in compliance with mobile home
110 tie-down requirements prescribed by the Department of Highway
111 Safety and Motor Vehicles pursuant to s. 320.8325, and the
112 contents of all such properties. An applicant or policyholder is
113 eligible for coverage only if an offer of coverage cannot be
114 obtained by or for the applicant or policyholder from an
115 admitted insurer at approved rates.

116 2.a.(I) All insurers required to be members of such

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117 association shall participate in its writings, expenses, and
118 losses. Surplus of the association shall be retained for the
119 payment of claims and shall not be distributed to the member
120 insurers. Such participation by member insurers shall be in the
121 proportion that the net direct premiums of each member insurer
122 written for property insurance in this state during the
123 preceding calendar year bear to the aggregate net direct
124 premiums for property insurance of all member insurers, as
125 reduced by any credits for voluntary writings, in this state
126 during the preceding calendar year. For the purposes of this
127 subsection, the term "net direct premiums" means direct written
128 premiums for property insurance, reduced by premium for
129 liability coverage and for the following if included in allied
130 lines: rain and hail on growing crops; livestock; association
131 direct premiums booked; National Flood Insurance Program direct
132 premiums; and similar deductions specifically authorized by the
133 plan of operation and approved by the department. A member's
134 participation shall begin on the first day of the calendar year
135 following the year in which it is issued a certificate of
136 authority to transact property insurance in the state and shall
137 terminate 1 year after the end of the calendar year during which
138 it no longer holds a certificate of authority to transact
139 property insurance in the state. The commissioner, after review
140 of annual statements, other reports, and any other statistics
141 that the commissioner deems necessary, shall certify to the
142 association the aggregate direct premiums written for property
143 insurance in this state by all member insurers.

144 (II) Effective July 1, 2002, the association shall operate
145 subject to the supervision and approval of a board of governors

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146 who are the same individuals that have been appointed by the
147 Treasurer to serve on the board of governors of the Citizens
148 Property Insurance Corporation.

149 (III) The plan of operation shall provide a formula whereby
150 a company voluntarily providing windstorm coverage in affected
151 areas will be relieved wholly or partially from apportionment of
152 a regular assessment pursuant to sub-sub-subparagraph d.(I) or
153 sub-sub-subparagraph d.(II).

154 (IV) A company which is a member of a group of companies
155 under common management may elect to have its credits applied on
156 a group basis, and any company or group may elect to have its
157 credits applied to any other company or group.

158 (V) There shall be no credits or relief from apportionment
159 to a company for emergency assessments collected from its
160 policyholders under sub-sub-subparagraph d.(III).

161 (VI) The plan of operation may also provide for the award
162 of credits, for a period not to exceed 3 years, from a regular
163 assessment pursuant to sub-sub-subparagraph d.(I) or sub-sub-
164 subparagraph d.(II) as an incentive for taking policies out of
165 the Residential Property and Casualty Joint Underwriting
166 Association. In order to qualify for the exemption under this
167 sub-sub-subparagraph, the take-out plan must provide that at
168 least 40 percent of the policies removed from the Residential
169 Property and Casualty Joint Underwriting Association cover risks
170 located in Miami-Dade, Broward, and Palm Beach Counties or at
171 least 30 percent of the policies so removed cover risks located
172 in Miami-Dade, Broward, and Palm Beach Counties and an
173 additional 50 percent of the policies so removed cover risks
174 located in other coastal counties, and must also provide that no

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175 more than 15 percent of the policies so removed may exclude
176 windstorm coverage. With the approval of the department, the
177 association may waive these geographic criteria for a take-out
178 plan that removes at least the lesser of 100,000 Residential
179 Property and Casualty Joint Underwriting Association policies or
180 15 percent of the total number of Residential Property and
181 Casualty Joint Underwriting Association policies, provided the
182 governing board of the Residential Property and Casualty Joint
183 Underwriting Association certifies that the take-out plan will
184 materially reduce the Residential Property and Casualty Joint
185 Underwriting Association's 100-year probable maximum loss from
186 hurricanes. With the approval of the department, the board may
187 extend such credits for an additional year if the insurer
188 guarantees an additional year of renewability for all policies
189 removed from the Residential Property and Casualty Joint
190 Underwriting Association, or for 2 additional years if the
191 insurer guarantees 2 additional years of renewability for all
192 policies removed from the Residential Property and Casualty
193 Joint Underwriting Association.

194 b. Assessments to pay deficits in the association under
195 this subparagraph shall be included as an appropriate factor in
196 the making of rates as provided in s. 627.3512.

197 c. The Legislature finds that the potential for unlimited
198 deficit assessments under this subparagraph may induce insurers
199 to attempt to reduce their writings in the voluntary market, and
200 that such actions would worsen the availability problems that
201 the association was created to remedy. It is the intent of the
202 Legislature that insurers remain fully responsible for paying
203 regular assessments and collecting emergency assessments for any

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204 deficits of the association; however, it is also the intent of
205 the Legislature to provide a means by which assessment
206 liabilities may be amortized over a period of years.

207 d.(I) When the deficit incurred in a particular calendar
208 year is 10 percent or less of the aggregate statewide direct
209 written premium for property insurance for the prior calendar
210 year for all member insurers, the association shall levy an
211 assessment on member insurers in an amount equal to the deficit.

212 (II) When the deficit incurred in a particular calendar
213 year exceeds 10 percent of the aggregate statewide direct
214 written premium for property insurance for the prior calendar
215 year for all member insurers, the association shall levy an
216 assessment on member insurers in an amount equal to the greater
217 of 10 percent of the deficit or 10 percent of the aggregate
218 statewide direct written premium for property insurance for the
219 prior calendar year for member insurers. Any remaining deficit
220 shall be recovered through emergency assessments under sub-sub-
221 subparagraph (III).

222 (III) Upon a determination by the board of directors that a
223 deficit exceeds the amount that will be recovered through
224 regular assessments on member insurers, pursuant to sub-sub-
225 subparagraph (I) or sub-sub-subparagraph (II), the board shall
226 levy, after verification by the department, emergency
227 assessments to be collected by member insurers and by
228 underwriting associations created pursuant to this section which
229 write property insurance, upon issuance or renewal of property
230 insurance policies other than National Flood Insurance policies
231 in the year or years following levy of the regular assessments.
232 The amount of the emergency assessment collected in a particular

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233 year shall be a uniform percentage of that year's direct written
234 premium for property insurance for all member insurers and
235 underwriting associations, excluding National Flood Insurance
236 policy premiums, as annually determined by the board and
237 verified by the department. The department shall verify the
238 arithmetic calculations involved in the board's determination
239 within 30 days after receipt of the information on which the
240 determination was based. Notwithstanding any other provision of
241 law, each member insurer and each underwriting association
242 created pursuant to this section shall collect emergency
243 assessments from its policyholders without such obligation being
244 affected by any credit, limitation, exemption, or deferment. The
245 emergency assessments so collected shall be transferred directly
246 to the association on a periodic basis as determined by the
247 association. The aggregate amount of emergency assessments
248 levied under this sub-sub-subparagraph in any calendar year may
249 not exceed the greater of 10 percent of the amount needed to
250 cover the original deficit, plus interest, fees, commissions,
251 required reserves, and other costs associated with financing of
252 the original deficit, or 10 percent of the aggregate statewide
253 direct written premium for property insurance written by member
254 insurers and underwriting associations for the prior year, plus
255 interest, fees, commissions, required reserves, and other costs
256 associated with financing the original deficit. The board may
257 pledge the proceeds of the emergency assessments under this sub-
258 sub-subparagraph as the source of revenue for bonds, to retire
259 any other debt incurred as a result of the deficit or events
260 giving rise to the deficit, or in any other way that the board
261 determines will efficiently recover the deficit. The emergency

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262 assessments under this sub-sub-subparagraph shall continue as
263 long as any bonds issued or other indebtedness incurred with
264 respect to a deficit for which the assessment was imposed remain
265 outstanding, unless adequate provision has been made for the
266 payment of such bonds or other indebtedness pursuant to the
267 document governing such bonds or other indebtedness. Emergency
268 assessments collected under this sub-sub-subparagraph are not
269 part of an insurer's rates, are not premium, and are not subject
270 to premium tax, fees, or commissions; however, failure to pay
271 the emergency assessment shall be treated as failure to pay
272 premium.

273 (IV) Each member insurer's share of the total regular
274 assessments under sub-sub-subparagraph (I) or sub-sub-
275 subparagraph (II) shall be in the proportion that the insurer's
276 net direct premium for property insurance in this state, for the
277 year preceding the assessment bears to the aggregate statewide
278 net direct premium for property insurance of all member
279 insurers, as reduced by any credits for voluntary writings for
280 that year.

281 (V) If regular deficit assessments are made under sub-sub-
282 subparagraph (I) or sub-sub-subparagraph (II), ~~or by the~~
283 ~~Residential Property and Casualty Joint Underwriting Association~~
284 ~~under sub-subparagraph (6)(b)3.a.~~, the association shall levy
285 upon the association's policyholders, as part of its next rate
286 filing, or by a separate rate filing solely for this purpose, a
287 market equalization surcharge in a percentage equal to the total
288 amount of such regular assessments divided by the aggregate
289 statewide direct written premium for property insurance for
290 member insurers for the prior calendar year. Market equalization

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291 surcharges under this sub-sub-subparagraph are not considered
292 premium and are not subject to commissions, fees, or premium
293 taxes; however, failure to pay a market equalization surcharge
294 shall be treated as failure to pay premium.

295 e. The governing body of any unit of local government, any
296 residents of which are insured under the plan, may issue bonds
297 as defined in s. 125.013 or s. 166.101 to fund an assistance
298 program, in conjunction with the association, for the purpose of
299 defraying deficits of the association. In order to avoid
300 needless and indiscriminate proliferation, duplication, and
301 fragmentation of such assistance programs, any unit of local
302 government, any residents of which are insured by the
303 association, may provide for the payment of losses, regardless
304 of whether or not the losses occurred within or outside of the
305 territorial jurisdiction of the local government. Revenue bonds
306 may not be issued until validated pursuant to chapter 75, unless
307 a state of emergency is declared by executive order or
308 proclamation of the Governor pursuant to s. 252.36 making such
309 findings as are necessary to determine that it is in the best
310 interests of, and necessary for, the protection of the public
311 health, safety, and general welfare of residents of this state
312 and the protection and preservation of the economic stability of
313 insurers operating in this state, and declaring it an essential
314 public purpose to permit certain municipalities or counties to
315 issue bonds as will provide relief to claimants and
316 policyholders of the association and insurers responsible for
317 apportionment of plan losses. Any such unit of local government
318 may enter into such contracts with the association and with any
319 other entity created pursuant to this subsection as are

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320 necessary to carry out this paragraph. Any bonds issued under
321 this sub-subparagraph shall be payable from and secured by
322 moneys received by the association from assessments under this
323 subparagraph, and assigned and pledged to or on behalf of the
324 unit of local government for the benefit of the holders of such
325 bonds. The funds, credit, property, and taxing power of the
326 state or of the unit of local government shall not be pledged
327 for the payment of such bonds. If any of the bonds remain unsold
328 60 days after issuance, the department shall require all
329 insurers subject to assessment to purchase the bonds, which
330 shall be treated as admitted assets; each insurer shall be
331 required to purchase that percentage of the unsold portion of
332 the bond issue that equals the insurer's relative share of
333 assessment liability under this subsection. An insurer shall not
334 be required to purchase the bonds to the extent that the
335 department determines that the purchase would endanger or impair
336 the solvency of the insurer. The authority granted by this sub-
337 subparagraph is additional to any bonding authority granted by
338 subparagraph 6.

339 3. The plan shall also provide that any member with a
340 surplus as to policyholders of \$25 million or less writing 25
341 percent or more of its total countrywide property insurance
342 premiums in this state may petition the department, within the
343 first 90 days of each calendar year, to qualify as a limited
344 apportionment company. The apportionment of such a member
345 company in any calendar year for which it is qualified shall not
346 exceed its gross participation, which shall not be affected by
347 the formula for voluntary writings. In no event shall a limited
348 apportionment company be required to participate in any

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349 apportionment of losses pursuant to sub-sub-subparagraph 2.d.(I)
350 or sub-sub-subparagraph 2.d.(II) in the aggregate which exceeds
351 \$50 million after payment of available plan funds in any
352 calendar year. However, a limited apportionment company shall
353 collect from its policyholders any emergency assessment imposed
354 under sub-sub-subparagraph 2.d.(III). The plan shall provide
355 that, if the department determines that any regular assessment
356 will result in an impairment of the surplus of a limited
357 apportionment company, the department may direct that all or
358 part of such assessment be deferred. However, there shall be no
359 limitation or deferment of an emergency assessment to be
360 collected from policyholders under sub-sub-subparagraph
361 2.d.(III).

362 4. The plan shall provide for the deferment, in whole or in
363 part, of a regular assessment of a member insurer under sub-sub-
364 subparagraph 2.d.(I) or sub-sub-subparagraph 2.d.(II), but not
365 for an emergency assessment collected from policyholders under
366 sub-sub-subparagraph 2.d.(III), if, in the opinion of the
367 commissioner, payment of such regular assessment would endanger
368 or impair the solvency of the member insurer. In the event a
369 regular assessment against a member insurer is deferred in whole
370 or in part, the amount by which such assessment is deferred may
371 be assessed against the other member insurers in a manner
372 consistent with the basis for assessments set forth in sub-sub-
373 subparagraph 2.d.(I) or sub-sub-subparagraph 2.d.(II).

374 5.a. The plan of operation may include deductibles and
375 rules for classification of risks and rate modifications
376 consistent with the objective of providing and maintaining funds
377 sufficient to pay catastrophe losses.

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378 b. It is the intent of the Legislature that the rates for
379 coverage provided by the association be actuarially sound and
380 not competitive with approved rates charged in the admitted
381 voluntary market such that the association functions as a
382 residual market mechanism to provide insurance only when the
383 insurance cannot be procured in the voluntary market. The plan
384 of operation shall provide a mechanism to assure that, beginning
385 no later than January 1, 1999, the rates charged by the
386 association for each line of business are reflective of approved
387 rates in the voluntary market for hurricane coverage for each
388 line of business in the various areas eligible for association
389 coverage.

390 c. The association shall provide for windstorm coverage on
391 residential properties in limits up to \$10 million for
392 commercial lines residential risks and up to \$1 million for
393 personal lines residential risks. If coverage with the
394 association is sought for a residential risk valued in excess of
395 these limits, coverage shall be available to the risk up to the
396 replacement cost or actual cash value of the property, at the
397 option of the insured, if coverage for the risk cannot be
398 located in the authorized market. The association must accept a
399 commercial lines residential risk with limits above \$10 million
400 or a personal lines residential risk with limits above \$1
401 million if coverage is not available in the authorized market.
402 The association may write coverage above the limits specified in
403 this subparagraph with or without facultative or other
404 reinsurance coverage, as the association determines appropriate.

405 d. The plan of operation must provide objective criteria
406 and procedures, approved by the department, to be uniformly

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407 applied for all applicants in determining whether an individual
408 risk is so hazardous as to be uninsurable. In making this
409 determination and in establishing the criteria and procedures,
410 the following shall be considered:

411 (I) Whether the likelihood of a loss for the individual
412 risk is substantially higher than for other risks of the same
413 class; and

414 (II) Whether the uncertainty associated with the individual
415 risk is such that an appropriate premium cannot be determined.

416

417 The acceptance or rejection of a risk by the association
418 pursuant to such criteria and procedures must be construed as
419 the private placement of insurance, and the provisions of
420 chapter 120 do not apply.

421 e. If the risk accepts an offer of coverage through the
422 market assistance program or through a mechanism established by
423 the association, either before the policy is issued by the
424 association or during the first 30 days of coverage by the
425 association, and the producing agent who submitted the
426 application to the association is not currently appointed by the
427 insurer, the insurer shall:

428 (I) Pay to the producing agent of record of the policy, for
429 the first year, an amount that is the greater of the insurer's
430 usual and customary commission for the type of policy written or
431 a fee equal to the usual and customary commission of the
432 association; or

433 (II) Offer to allow the producing agent of record of the
434 policy to continue servicing the policy for a period of not less
435 than 1 year and offer to pay the agent the greater of the

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436 insurer's or the association's usual and customary commission
437 for the type of policy written.

438

439 If the producing agent is unwilling or unable to accept
440 appointment, the new insurer shall pay the agent in accordance
441 with sub-sub-subparagraph (I). Subject to the provisions of s.
442 627.3517, the policies issued by the association must provide
443 that if the association obtains an offer from an authorized
444 insurer to cover the risk at its approved rates under either a
445 standard policy including wind coverage or, if consistent with
446 the insurer's underwriting rules as filed with the department, a
447 basic policy including wind coverage, the risk is no longer
448 eligible for coverage through the association. Upon termination
449 of eligibility, the association shall provide written notice to
450 the policyholder and agent of record stating that the
451 association policy must be canceled as of 60 days after the date
452 of the notice because of the offer of coverage from an
453 authorized insurer. Other provisions of the insurance code
454 relating to cancellation and notice of cancellation do not apply
455 to actions under this sub-subparagraph.

456 f. When the association enters into a contractual agreement
457 for a take-out plan, the producing agent of record of the
458 association policy is entitled to retain any unearned commission
459 on the policy, and the insurer shall:

460 (I) Pay to the producing agent of record of the association
461 policy, for the first year, an amount that is the greater of the
462 insurer's usual and customary commission for the type of policy
463 written or a fee equal to the usual and customary commission of
464 the association; or

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465 (II) Offer to allow the producing agent of record of the
466 association policy to continue servicing the policy for a period
467 of not less than 1 year and offer to pay the agent the greater
468 of the insurer's or the association's usual and customary
469 commission for the type of policy written.

470

471 If the producing agent is unwilling or unable to accept
472 appointment, the new insurer shall pay the agent in accordance
473 with sub-sub-subparagraph (I).

474 6.a. The plan of operation may authorize the formation of a
475 private nonprofit corporation, a private nonprofit
476 unincorporated association, a partnership, a trust, a limited
477 liability company, or a nonprofit mutual company which may be
478 empowered, among other things, to borrow money by issuing bonds
479 or by incurring other indebtedness and to accumulate reserves or
480 funds to be used for the payment of insured catastrophe losses.
481 The plan may authorize all actions necessary to facilitate the
482 issuance of bonds, including the pledging of assessments or
483 other revenues.

484 b. Any entity created under this subsection, or any entity
485 formed for the purposes of this subsection, may sue and be sued,
486 may borrow money; issue bonds, notes, or debt instruments;
487 pledge or sell assessments, market equalization surcharges and
488 other surcharges, rights, premiums, contractual rights,
489 projected recoveries from the Florida Hurricane Catastrophe
490 Fund, other reinsurance recoverables, and other assets as
491 security for such bonds, notes, or debt instruments; enter into
492 any contracts or agreements necessary or proper to accomplish
493 such borrowings; and take other actions necessary to carry out

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494 the purposes of this subsection. The association may issue bonds
495 or incur other indebtedness, or have bonds issued on its behalf
496 by a unit of local government pursuant to subparagraph (6)(q)2.,
497 in the absence of a hurricane or other weather-related event,
498 upon a determination by the association subject to approval by
499 the department that such action would enable it to efficiently
500 meet the financial obligations of the association and that such
501 financings are reasonably necessary to effectuate the
502 requirements of this subsection. Any such entity may accumulate
503 reserves and retain surpluses as of the end of any association
504 year to provide for the payment of losses incurred by the
505 association during that year or any future year. The association
506 shall incorporate and continue the plan of operation and
507 articles of agreement in effect on the effective date of chapter
508 76-96, Laws of Florida, to the extent that it is not
509 inconsistent with chapter 76-96, and as subsequently modified
510 consistent with chapter 76-96. The board of directors and
511 officers currently serving shall continue to serve until their
512 successors are duly qualified as provided under the plan. The
513 assets and obligations of the plan in effect immediately prior
514 to the effective date of chapter 76-96 shall be construed to be
515 the assets and obligations of the successor plan created herein.

516 c. In recognition of s. 10, Art. I of the State
517 Constitution, prohibiting the impairment of obligations of
518 contracts, it is the intent of the Legislature that no action be
519 taken whose purpose is to impair any bond indenture or financing
520 agreement or any revenue source committed by contract to such
521 bond or other indebtedness issued or incurred by the association
522 or any other entity created under this subsection.

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523 7. On such coverage, an agent's remuneration shall be that
524 amount of money payable to the agent by the terms of his or her
525 contract with the company with which the business is placed.
526 However, no commission will be paid on that portion of the
527 premium which is in excess of the standard premium of that
528 company.

529 8. Subject to approval by the department, the association
530 may establish different eligibility requirements and operational
531 procedures for any line or type of coverage for any specified
532 eligible area or portion of an eligible area if the board
533 determines that such changes to the eligibility requirements and
534 operational procedures are justified due to the voluntary market
535 being sufficiently stable and competitive in such area or for
536 such line or type of coverage and that consumers who, in good
537 faith, are unable to obtain insurance through the voluntary
538 market through ordinary methods would continue to have access to
539 coverage from the association. When coverage is sought in
540 connection with a real property transfer, such requirements and
541 procedures shall not provide for an effective date of coverage
542 later than the date of the closing of the transfer as
543 established by the transferor, the transferee, and, if
544 applicable, the lender.

545 9. Notwithstanding any other provision of law:

546 a. The pledge or sale of, the lien upon, and the security
547 interest in any rights, revenues, or other assets of the
548 association created or purported to be created pursuant to any
549 financing documents to secure any bonds or other indebtedness of
550 the association shall be and remain valid and enforceable,
551 notwithstanding the commencement of and during the continuation

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552 of, and after, any rehabilitation, insolvency, liquidation,
553 bankruptcy, receivership, conservatorship, reorganization, or
554 similar proceeding against the association under the laws of
555 this state or any other applicable laws.

556 b. No such proceeding shall relieve the association of its
557 obligation, or otherwise affect its ability to perform its
558 obligation, to continue to collect, or levy and collect,
559 assessments, market equalization or other surcharges, projected
560 recoveries from the Florida Hurricane Catastrophe Fund,
561 reinsurance recoverables, or any other rights, revenues, or
562 other assets of the association pledged.

563 c. Each such pledge or sale of, lien upon, and security
564 interest in, including the priority of such pledge, lien, or
565 security interest, any such assessments, emergency assessments,
566 market equalization or renewal surcharges, projected recoveries
567 from the Florida Hurricane Catastrophe Fund, reinsurance
568 recoverables, or other rights, revenues, or other assets which
569 are collected, or levied and collected, after the commencement
570 of and during the pendency of or after any such proceeding shall
571 continue unaffected by such proceeding.

572 d. As used in this subsection, the term "financing
573 documents" means any agreement, instrument, or other document
574 now existing or hereafter created evidencing any bonds or other
575 indebtedness of the association or pursuant to which any such
576 bonds or other indebtedness has been or may be issued and
577 pursuant to which any rights, revenues, or other assets of the
578 association are pledged or sold to secure the repayment of such
579 bonds or indebtedness, together with the payment of interest on
580 such bonds or such indebtedness, or the payment of any other

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581 obligation of the association related to such bonds or
582 indebtedness.

583 e. Any such pledge or sale of assessments, revenues,
584 contract rights or other rights or assets of the association
585 shall constitute a lien and security interest, or sale, as the
586 case may be, that is immediately effective and attaches to such
587 assessments, revenues, contract, or other rights or assets,
588 whether or not imposed or collected at the time the pledge or
589 sale is made. Any such pledge or sale is effective, valid,
590 binding, and enforceable against the association or other entity
591 making such pledge or sale, and valid and binding against and
592 superior to any competing claims or obligations owed to any
593 other person or entity, including policyholders in this state,
594 asserting rights in any such assessments, revenues, contract, or
595 other rights or assets to the extent set forth in and in
596 accordance with the terms of the pledge or sale contained in the
597 applicable financing documents, whether or not any such person
598 or entity has notice of such pledge or sale and without the need
599 for any physical delivery, recordation, filing, or other action.

600 f. There shall be no liability on the part of, and no cause
601 of action of any nature shall arise against, any member insurer
602 or its agents or employees, agents or employees of the
603 association, members of the board of directors of the
604 association, or the department or its representatives, for any
605 action taken by them in the performance of their duties or
606 responsibilities under this subsection. Such immunity does not
607 apply to actions for breach of any contract or agreement
608 pertaining to insurance, or any willful tort.

609 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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610 (a) The public purpose of this subsection is to ensure that
611 there is an orderly market for property insurance for residents
612 and businesses of this state.

613 1. The Legislature finds that private insurers are
614 unwilling or unable to provide affordable property insurance
615 coverage in this state to the extent sought and needed. The
616 absence of affordable property insurance threatens the public
617 health, safety, and welfare and likewise threatens the economic
618 health of the state. The state therefore has a compelling public
619 interest and a public purpose to assist in assuring that
620 property in the state is insured and that it is insured at
621 affordable rates so as to facilitate the remediation,
622 reconstruction, and replacement of damaged or destroyed property
623 in order to reduce or avoid the negative effects otherwise
624 resulting to the public health, safety, and welfare, to the
625 economy of the state, and to the revenues of the state and local
626 governments which are needed to provide for the public welfare.
627 It is necessary, therefore, to provide affordable property
628 insurance to applicants who are in good faith entitled to
629 procure insurance through the voluntary market but are unable to
630 do so. The Legislature intends, therefore, that affordable
631 property insurance be provided and that it continue to be
632 provided, as long as necessary, through Citizens Property
633 Insurance Corporation, a government entity that is an integral
634 part of the state, and that is not a private insurance company.
635 To that end, the corporation shall strive to increase the
636 availability of affordable property insurance in this state,
637 while achieving efficiencies and economies, and while providing
638 service to policyholders, applicants, and agents which is no

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639 less than the quality generally provided in the voluntary
640 market, for the achievement of the foregoing public purposes.
641 Because it is essential for this government entity to have the
642 maximum financial resources to pay claims following a
643 catastrophic hurricane, it is the intent of the Legislature that
644 the corporation continue to be an integral part of the state and
645 that the income of the corporation be exempt from federal income
646 taxation and that interest on the debt obligations issued by the
647 corporation be exempt from federal income taxation.

648 2. The Residential Property and Casualty Joint Underwriting
649 Association originally created by this statute shall be known as
650 the Citizens Property Insurance Corporation. The corporation
651 shall provide insurance for residential and commercial property,
652 for applicants who are entitled, but, in good faith, are unable
653 to procure insurance through the voluntary market. The
654 corporation shall operate pursuant to a plan of operation
655 approved by order of the Financial Services Commission. The plan
656 is subject to continuous review by the commission. The
657 commission may, by order, withdraw approval of all or part of a
658 plan if the commission determines that conditions have changed
659 since approval was granted and that the purposes of the plan
660 require changes in the plan. For the purposes of this
661 subsection, residential coverage includes both personal lines
662 residential coverage, which consists of the type of coverage
663 provided by homeowner, mobile home owner, dwelling, tenant,
664 condominium unit owner, and similar policies; and commercial
665 lines residential coverage, which consists of the type of
666 coverage provided by condominium association, apartment
667 building, and similar policies.

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668 3. With respect to coverage for personal lines residential
669 structures:

670 a. ~~Effective January 1, 2014, a structure that has a~~
671 ~~dwelling replacement cost of \$1 million or more, or a single~~
672 ~~condominium unit that has a combined dwelling and contents~~
673 ~~replacement cost of \$1 million or more, is not eligible for~~
674 ~~coverage by the corporation. Such dwellings insured by the~~
675 ~~corporation on December 31, 2013, may continue to be covered by~~
676 ~~the corporation until the end of the policy term. The office~~
677 ~~shall approve the method used by the corporation for valuing the~~
678 ~~dwelling replacement cost for the purposes of this subparagraph.~~
679 ~~If a policyholder is insured by the corporation before being~~
680 ~~determined to be ineligible pursuant to this subparagraph and~~
681 ~~such policyholder files a lawsuit challenging the determination,~~
682 ~~the policyholder may remain insured by the corporation until the~~
683 ~~conclusion of the litigation.~~

684 b. ~~Effective January 1, 2015, a structure that has a~~
685 ~~dwelling replacement cost of \$900,000 or more, or a single~~
686 ~~condominium unit that has a combined dwelling and contents~~
687 ~~replacement cost of \$900,000 or more, is not eligible for~~
688 ~~coverage by the corporation. Such dwellings insured by the~~
689 ~~corporation on December 31, 2014, may continue to be covered by~~
690 ~~the corporation only until the end of the policy term.~~

691 c. ~~Effective January 1, 2016, a structure that has a~~
692 ~~dwelling replacement cost of \$800,000 or more, or a single~~
693 ~~condominium unit that has a combined dwelling and contents~~
694 ~~replacement cost of \$800,000 or more, is not eligible for~~
695 ~~coverage by the corporation. Such dwellings insured by the~~
696 ~~corporation on December 31, 2015, may continue to be covered by~~

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697 ~~the corporation until the end of the policy term.~~

698 ~~d.~~ Effective January 1, 2017, a structure that has a
699 dwelling replacement cost of \$700,000 or more, or a single
700 condominium unit that has a combined dwelling and contents
701 replacement cost of \$700,000 or more, is not eligible for
702 coverage by the corporation. ~~Such dwellings insured by the~~
703 ~~corporation on December 31, 2016, may continue to be covered by~~
704 ~~the corporation until the end of the policy term.~~

705 b. The requirements of sub-subparagraph a. ~~sub-~~
706 ~~subparagraphs b.-d.~~ do not apply in counties where the office
707 determines there is not a reasonable degree of competition. In
708 such counties a personal lines residential structure that has a
709 dwelling replacement cost of less than \$1 million, or a single
710 condominium unit that has a combined dwelling and contents
711 replacement cost of less than \$1 million, is eligible for
712 coverage by the corporation.

713 4. It is the intent of the Legislature that policyholders,
714 applicants, and agents of the corporation receive service and
715 treatment of the highest possible level but never less than that
716 generally provided in the voluntary market. It is also intended
717 that the corporation be held to service standards no less than
718 those applied to insurers in the voluntary market by the office
719 with respect to responsiveness, timeliness, customer courtesy,
720 and overall dealings with policyholders, applicants, or agents
721 of the corporation.

722 5.a. Effective January 1, 2009, a personal lines
723 residential structure that is located in the "wind-borne debris
724 region," as defined in s. 1609.2, International Building Code
725 (2006), and that has an insured value on the structure of

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726 \$750,000 or more is not eligible for coverage by the corporation
727 unless the structure has opening protections as required under
728 the Florida Building Code for a newly constructed residential
729 structure in that area. A residential structure is deemed to
730 comply with this sub-subparagraph if it has shutters or opening
731 protections on all openings and if such opening protections
732 complied with the Florida Building Code at the time they were
733 installed.

734 b. Any major structure, as defined in s. 161.54(6)(a), that
735 is newly constructed, or rebuilt, repaired, restored, or
736 remodeled to increase the total square footage of finished area
737 by more than 25 percent, pursuant to a permit applied for after
738 July 1, 2015, is not eligible for coverage by the corporation if
739 the structure is seaward of the coastal construction control
740 line established pursuant to s. 161.053 or is within the Coastal
741 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
742 3510.

743 6. With respect to wind-only coverage for commercial lines
744 residential condominiums, effective July 1, 2014, a condominium
745 shall be deemed ineligible for coverage if 50 percent or more of
746 the units are rented more than eight times in a calendar year
747 for a rental agreement period of less than 30 days.

748 (b)1. All insurers authorized to write one or more subject
749 lines of business in this state are subject to assessment by the
750 corporation and, for the purposes of this subsection, are
751 referred to collectively as "assessable insurers." Insurers
752 writing one or more subject lines of business in this state
753 pursuant to part VIII of chapter 626 are not assessable
754 insurers; however, insureds who procure one or more subject

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755 lines of business in this state pursuant to part VIII of chapter
756 626 are subject to assessment by the corporation and are
757 referred to collectively as "assessable insureds." An insurer's
758 assessment liability begins on the first day of the calendar
759 year following the year in which the insurer was issued a
760 certificate of authority to transact insurance for subject lines
761 of business in this state and terminates 1 year after the end of
762 the first calendar year during which the insurer no longer holds
763 a certificate of authority to transact insurance for subject
764 lines of business in this state.

765 ~~2.a.~~ All revenues, assets, liabilities, losses, and
766 expenses of the corporation shall be maintained in the Citizens
767 account. The Citizens account may provide ~~divided into three~~
768 ~~separate accounts as follows:~~

769 ~~a.(I) A personal lines account for~~ Personal residential
770 policies that provide ~~issued by the corporation which provides~~
771 comprehensive, multiperil coverage on risks that are not located
772 in areas eligible for coverage by the Florida Windstorm
773 Underwriting Association as those areas were defined on January
774 1, 2002, and for policies that do not provide coverage for the
775 peril of wind on risks that are located in such areas;

776 ~~b.(II) A commercial lines account for~~ Commercial
777 residential and commercial nonresidential policies that provide
778 ~~issued by the corporation which provides~~ coverage for basic
779 property perils on risks that are not located in areas eligible
780 for coverage by the Florida Windstorm Underwriting Association
781 as those areas were defined on January 1, 2002, and for policies
782 that do not provide coverage for the peril of wind on risks that
783 are located in such areas; and

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784 ~~c.(III) A coastal account for~~ Personal residential policies
785 and commercial residential and commercial nonresidential
786 property policies ~~issued by the corporation which provides~~
787 coverage for the peril of wind on risks that are located in
788 areas eligible for coverage by the Florida Windstorm
789 Underwriting Association as those areas were defined on January
790 1, 2002. The corporation may offer policies that provide
791 multiperil coverage and shall offer policies that provide
792 coverage only for the peril of wind for risks located in areas
793 eligible for coverage by the Florida Windstorm Underwriting
794 Association, as those areas were defined on January 1, 2002 ~~in~~
795 ~~the coastal account. Effective July 1, 2014,~~ The corporation may
796 not offer ~~shall cease offering~~ new commercial residential
797 policies providing multiperil coverage but ~~and~~ shall ~~instead~~
798 continue to offer commercial residential wind-only policies, and
799 may offer commercial residential policies excluding wind.
800 However, the corporation may, ~~however,~~ continue to renew a
801 commercial residential multiperil policy on a building that was
802 ~~is~~ insured by the corporation on June 30, 2014, under a
803 multiperil policy. In issuing multiperil coverage under this
804 sub-subparagraph, the corporation may use its approved policy
805 forms and rates for risks located in areas not eligible for
806 coverage by the Florida Windstorm Underwriting Association, as
807 those areas were defined on January 1, 2002, and for policies
808 that do not provide coverage for the peril of wind on risks that
809 are located in such areas ~~the personal lines account.~~ An
810 applicant or insured who is eligible to purchase a multiperil
811 policy from the corporation may purchase a multiperil policy
812 from an authorized insurer without prejudice to the applicant's

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813 or insured's eligibility to prospectively purchase a policy that
814 provides coverage only for the peril of wind from the
815 corporation. An applicant or insured who is eligible for a
816 corporation policy that provides coverage only for the peril of
817 wind may elect to purchase or retain such policy and also
818 purchase or retain coverage excluding wind from an authorized
819 insurer without prejudice to the applicant's or insured's
820 eligibility to prospectively purchase a policy that provides
821 multiperil coverage from the corporation. The following
822 policies, which provide coverage only for the peril of wind,
823 must also include quota share primary insurance under
824 subparagraph (c)2.:

825 (I) Personal residential policies and commercial
826 residential and commercial nonresidential property policies that
827 provide coverage for the peril of wind on risks that are located
828 in areas eligible for coverage by the Florida Windstorm
829 Underwriting Association, as those areas were defined on January
830 1, 2002;

831 (II) Policies that provide multiperil coverage, if offered
832 by the corporation, and policies that provide coverage only for
833 the peril of wind for risks located in areas eligible for
834 coverage by the Florida Windstorm Underwriting Association, as
835 those areas were defined on January 1, 2002;

836 (III) Commercial residential wind-only policies;

837 (IV) Commercial residential policies excluding wind, if
838 offered by the corporation; and

839 (V) Commercial residential multiperil policies on a
840 building that was insured by the corporation on June 30, 2014 ~~It~~
841 ~~is the goal of the Legislature that there be an overall average~~

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842 ~~savings of 10 percent or more for a policyholder who currently~~
843 ~~has a wind-only policy with the corporation, and an ex-wind~~
844 ~~policy with a voluntary insurer or the corporation, and who~~
845 ~~obtains a multiperil policy from the corporation. It is the~~
846 ~~intent of the Legislature that the offer of multiperil coverage~~
847 ~~in the coastal account be made and implemented in a manner that~~
848 ~~does not adversely affect the tax-exempt status of the~~
849 ~~corporation or creditworthiness of or security for currently~~
850 ~~outstanding financing obligations or credit facilities of the~~
851 ~~coastal account, the personal lines account, or the commercial~~
852 ~~lines account. The coastal account must also include quota share~~
853 ~~primary insurance under subparagraph (c)2.~~

854
855 The area eligible for coverage with the corporation under this
856 sub-subparagraph under the coastal account also includes the
857 area within Port Canaveral, which is bordered on the south by
858 the City of Cape Canaveral, bordered on the west by the Banana
859 River, and bordered on the north by Federal Government property.

860 3. With respect to a deficit in the Citizens account:

861 a. Upon a determination by the board of governors that the
862 Citizens account has a projected deficit, the board shall levy a
863 Citizens policyholder surcharge against all policyholders of the
864 corporation.

865 (I) The surcharge shall be levied as a uniform percentage
866 of the premium for the policy of up to 15 percent of such
867 premium, which funds shall be used to offset the deficit.

868 (II) The surcharge is payable upon cancellation or
869 termination of the policy, upon renewal of the policy, or upon
870 issuance of a new policy by the corporation within the first 12

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871 months after the date of the levy or the period of time
872 necessary to fully collect the surcharge amount.

873 (III) The surcharge is not considered premium and is not
874 subject to commissions, fees, or premium taxes. However, failure
875 to pay the surcharge shall be treated as failure to pay premium.

876 ~~b. The three separate accounts must be maintained as long~~
877 ~~as financing obligations entered into by the Florida Windstorm~~
878 ~~Underwriting Association or Residential Property and Casualty~~
879 ~~Joint Underwriting Association are outstanding, in accordance~~
880 ~~with the terms of the corresponding financing documents. If no~~
881 ~~such financing obligations remain outstanding or if the~~
882 ~~financing documents allow for combining of accounts, the~~
883 ~~corporation may consolidate the three separate accounts into a~~
884 ~~new account, to be known as the Citizens account, for all~~
885 ~~revenues, assets, liabilities, losses, and expenses of the~~
886 ~~corporation. The Citizens account, if established by the~~
887 ~~corporation, is authorized to provide coverage to the same~~
888 ~~extent as provided under each of the three separate accounts.~~
889 ~~The authority to provide coverage under the Citizens account is~~
890 ~~set forth in subparagraph 4. Consistent with this subparagraph~~
891 ~~and prudent investment policies that minimize the cost of~~
892 ~~carrying debt, the board shall exercise its best efforts to~~
893 ~~retire existing debt or obtain the approval of necessary parties~~
894 ~~to amend the terms of existing debt, so as to structure the most~~
895 ~~efficient plan for consolidating the three separate accounts~~
896 ~~into a single account. Once the accounts are combined into one~~
897 ~~account, this subparagraph and subparagraph 3. shall be replaced~~
898 ~~in their entirety by subparagraphs 4. and 5.~~

899 ~~e. Creditors of the Residential Property and Casualty Joint~~

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900 ~~Underwriting Association and the accounts specified in sub-sub-~~
901 ~~subparagraphs a. (I) and (II) may have a claim against, and~~
902 ~~recourse to, those accounts and no claim against, or recourse~~
903 ~~to, the account referred to in sub-sub-subparagraph a. (III).~~
904 ~~Creditors of the Florida Windstorm Underwriting Association have~~
905 ~~a claim against, and recourse to, the account referred to in~~
906 ~~sub-sub-subparagraph a. (III) and no claim against, or recourse~~
907 ~~to, the accounts referred to in sub-sub-subparagraphs a. (I) and~~
908 ~~(II).~~

909 ~~d. Revenues, assets, liabilities, losses, and expenses not~~
910 ~~attributable to particular accounts shall be prorated among the~~
911 ~~accounts.~~

912 ~~e. The Legislature finds that the revenues of the~~
913 ~~corporation are revenues that are necessary to meet the~~
914 ~~requirements set forth in documents authorizing the issuance of~~
915 ~~bonds under this subsection.~~

916 ~~f. The income of the corporation may not inure to the~~
917 ~~benefit of any private person.~~

918 ~~3. With respect to a deficit in an account:~~

919 ~~a. After accounting for the Citizens policyholder surcharge~~
920 ~~imposed under sub-subparagraph j., if the remaining projected~~
921 ~~deficit incurred in the coastal account in a particular calendar~~
922 ~~year:~~

923 ~~(I) Is not greater than 2 percent of the aggregate~~
924 ~~statewide direct written premium for the subject lines of~~
925 ~~business for the prior calendar year, the entire deficit shall~~
926 ~~be recovered through regular assessments of assessable insurers~~
927 ~~under paragraph (q) and assessable insureds.~~

928 ~~(II) Exceeds 2 percent of the aggregate statewide direct~~

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929 ~~written premium for the subject lines of business for the prior~~
930 ~~calendar year, the corporation shall levy regular assessments on~~
931 ~~assessable insurers under paragraph (q) and on assessable~~
932 ~~insureds in an amount equal to the greater of 2 percent of the~~
933 ~~projected deficit or 2 percent of the aggregate statewide direct~~
934 ~~written premium for the subject lines of business for the prior~~
935 ~~calendar year. Any remaining projected deficit shall be~~
936 ~~recovered through emergency assessments under sub-subparagraph~~
937 ~~e.~~

938 ~~b. Each assessable insurer's share of the amount being~~
939 ~~assessed under sub-subparagraph a. must be in the proportion~~
940 ~~that the assessable insurer's direct written premium for the~~
941 ~~subject lines of business for the year preceding the assessment~~
942 ~~bears to the aggregate statewide direct written premium for the~~
943 ~~subject lines of business for that year. The assessment~~
944 ~~percentage applicable to each assessable insured is the ratio of~~
945 ~~the amount being assessed under sub-subparagraph a. to the~~
946 ~~aggregate statewide direct written premium for the subject lines~~
947 ~~of business for the prior year. Assessments levied by the~~
948 ~~corporation on assessable insurers under sub-subparagraph a.~~
949 ~~must be paid as required by the corporation's plan of operation~~
950 ~~and paragraph (q). Assessments levied by the corporation on~~
951 ~~assessable insureds under sub-subparagraph a. shall be collected~~
952 ~~by the surplus lines agent at the time the surplus lines agent~~
953 ~~collects the surplus lines tax required by s. 626.932, and paid~~
954 ~~to the Florida Surplus Lines Service Office at the time the~~
955 ~~surplus lines agent pays the surplus lines tax to that office.~~
956 ~~Upon receipt of regular assessments from surplus lines agents,~~
957 ~~the Florida Surplus Lines Service Office shall transfer the~~

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958 ~~assessments directly to the corporation as determined by the~~
959 ~~corporation.~~

960 ~~e. The corporation may not levy regular assessments under~~
961 ~~paragraph (g) pursuant to sub-subparagraph a. or sub-~~
962 ~~subparagraph b. if the three separate accounts in sub-sub-~~
963 ~~subparagraphs 2.a.(I)-(III) have been consolidated into the~~
964 ~~Citizens account pursuant to sub-subparagraph 2.b. However, the~~
965 ~~outstanding balance of any regular assessment levied by the~~
966 ~~corporation before establishment of the Citizens account remains~~
967 ~~payable to the corporation.~~

968 ~~b.d.~~ After accounting for the Citizens policyholder
969 surcharge imposed under sub-subparagraph a. j., the remaining
970 projected deficits in the Citizens ~~personal lines~~ account and in
971 ~~the commercial lines~~ account in a particular calendar year shall
972 be recovered through emergency assessments under sub-
973 subparagraph c. e.

974 ~~c.e.~~ Upon a determination by the board of governors that a
975 projected deficit in the Citizens ~~an~~ account exceeds the amount
976 that is expected to be recovered through surcharges ~~regular~~
977 ~~assessments under sub-subparagraph a., plus the amount that is~~
978 ~~expected to be recovered through surcharges under sub-~~
979 ~~subparagraph j.~~, the board, after verification by the office,
980 shall levy emergency assessments for as many years as necessary
981 to cover the deficits, to be collected by assessable insurers
982 and the corporation and collected from assessable insureds upon
983 issuance or renewal of policies for subject lines of business,
984 excluding National Flood Insurance Program policies. The amount
985 collected in a particular year must be a uniform percentage of
986 that year's direct written premium for subject lines of business

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987 and the Citizens account ~~all accounts of the corporation,~~
988 ~~excluding~~ National Flood Insurance Program policy premiums, as
989 annually determined by the board and verified by the office. The
990 office shall verify the arithmetic calculations involved in the
991 board's determination within 30 days after receipt of the
992 information on which the determination was based. The office
993 shall notify assessable insurers and the Florida Surplus Lines
994 Service Office of the date on which assessable insurers shall
995 begin to collect and assessable insureds shall begin to pay such
996 assessment. The date must be at least 90 days after the date the
997 corporation levies emergency assessments pursuant to this sub-
998 subparagraph. Notwithstanding any other ~~provision of law,~~ the
999 corporation and each assessable insurer that writes subject
1000 lines of business shall collect emergency assessments from its
1001 policyholders without such obligation being affected by any
1002 credit, limitation, exemption, or deferment. Emergency
1003 assessments levied by the corporation on assessable insureds
1004 shall be collected by the surplus lines agent at the time the
1005 surplus lines agent collects the surplus lines tax required by
1006 s. 626.932 and paid to the Florida Surplus Lines Service Office
1007 at the time the surplus lines agent pays the surplus lines tax
1008 to that office. The emergency assessments collected shall be
1009 transferred directly to the corporation on a periodic basis as
1010 determined by the corporation and held by the corporation solely
1011 in the Citizens ~~applicable~~ account. The aggregate amount of
1012 emergency assessments levied for the Citizens ~~an~~ account in any
1013 calendar year may be less than but may not exceed the greater of
1014 10 percent of the amount needed to cover the deficit, plus
1015 interest, fees, commissions, required reserves, and other costs

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1016 associated with financing the original deficit, or 10 percent of
 1017 the aggregate statewide direct written premium for subject lines
 1018 of business and the Citizens account ~~all accounts~~ of the
 1019 corporation for the prior year, plus interest, fees,
 1020 commissions, required reserves, and other costs associated with
 1021 financing the deficit.

1022 ~~d.f.~~ The corporation may pledge the proceeds of
 1023 assessments, projected recoveries from the Florida Hurricane
 1024 Catastrophe Fund, other insurance and reinsurance recoverables,
 1025 policyholder surcharges and other surcharges, and other funds
 1026 available to the corporation as the source of revenue for and to
 1027 secure bonds issued under paragraph (q), bonds or other
 1028 indebtedness issued under subparagraph (c)3., or lines of credit
 1029 or other financing mechanisms issued or created under this
 1030 subsection, or to retire any other debt incurred as a result of
 1031 deficits or events giving rise to deficits, or in any other way
 1032 that the board determines will efficiently recover such
 1033 deficits. The purpose of the lines of credit or other financing
 1034 mechanisms is to provide additional resources to assist the
 1035 corporation in covering claims and expenses attributable to a
 1036 catastrophe. As used in this subsection, the term "assessments"
 1037 includes emergency ~~regular~~ assessments under sub-subparagraph c.
 1038 ~~a. or subparagraph (q)1. and emergency assessments under sub-~~
 1039 ~~subparagraph e.~~ Emergency assessments collected under sub-
 1040 subparagraph c. ~~e.~~ are not part of an insurer's rates, are not
 1041 premium, and are not subject to premium tax, fees, or
 1042 commissions; however, failure to pay the emergency assessment
 1043 shall be treated as failure to pay premium. The emergency
 1044 assessments shall continue as long as any bonds issued or other

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1045 indebtedness incurred with respect to a deficit for which the
1046 assessment was imposed remain outstanding, unless adequate
1047 provision has been made for the payment of such bonds or other
1048 indebtedness pursuant to the documents governing such bonds or
1049 indebtedness.

1050 ~~e.g.~~ As used in this subsection and for purposes of any
1051 deficit incurred on or after January 25, 2007, the term "subject
1052 lines of business" means insurance written by assessable
1053 insurers or procured by assessable insureds for all property and
1054 casualty lines of business in this state, but not including
1055 workers' compensation or medical malpractice. As used in this
1056 sub-subparagraph, the term "property and casualty lines of
1057 business" includes all lines of business identified on Form 2,
1058 Exhibit of Premiums and Losses, in the annual statement required
1059 of authorized insurers under s. 624.424 and any rule adopted
1060 under this section, except for those lines identified as
1061 accident and health insurance and except for policies written
1062 under the National Flood Insurance Program or the Federal Crop
1063 Insurance Program. For purposes of this sub-subparagraph, the
1064 term "workers' compensation" includes both workers' compensation
1065 insurance and excess workers' compensation insurance.

1066 ~~f.h.~~ The Florida Surplus Lines Service Office shall
1067 annually determine ~~annually~~ the aggregate statewide written
1068 premium in subject lines of business procured by assessable
1069 insureds and report that information to the corporation in a
1070 form and at a time the corporation specifies to ensure that the
1071 corporation can meet the requirements of this subsection and the
1072 corporation's financing obligations.

1073 ~~g.i.~~ The Florida Surplus Lines Service Office shall verify

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1074 the proper application by surplus lines agents of assessment
1075 percentages for ~~regular assessments and~~ emergency assessments
1076 levied under this subparagraph on assessable insureds and assist
1077 the corporation in ensuring the accurate, timely collection and
1078 payment of assessments by surplus lines agents as required by
1079 the corporation.

1080 ~~j. Upon determination by the board of governors that an~~
1081 ~~account has a projected deficit, the board shall levy a Citizens~~
1082 ~~policyholder surcharge against all policyholders of the~~
1083 ~~corporation.~~

1084 ~~(I) The surcharge shall be levied as a uniform percentage~~
1085 ~~of the premium for the policy of up to 15 percent of such~~
1086 ~~premium, which funds shall be used to offset the deficit.~~

1087 ~~(II) The surcharge is payable upon cancellation or~~
1088 ~~termination of the policy, upon renewal of the policy, or upon~~
1089 ~~issuance of a new policy by the corporation within the first 12~~
1090 ~~months after the date of the levy or the period of time~~
1091 ~~necessary to fully collect the surcharge amount.~~

1092 ~~(III) The corporation may not levy any regular assessments~~
1093 ~~under paragraph (q) pursuant to sub-subparagraph a. or sub-~~
1094 ~~subparagraph b. with respect to a particular year's deficit~~
1095 ~~until the corporation has first levied the full amount of the~~
1096 ~~surcharge authorized by this sub-subparagraph.~~

1097 ~~(IV) The surcharge is not considered premium and is not~~
1098 ~~subject to commissions, fees, or premium taxes. However, failure~~
1099 ~~to pay the surcharge shall be treated as failure to pay premium.~~

1100 h.k. If the amount of any assessments or surcharges
1101 collected from corporation policyholders, assessable insurers or
1102 their policyholders, or assessable insureds exceeds the amount

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1103 of the deficits, such excess amounts shall be remitted to and
1104 retained by the corporation in a reserve to be used by the
1105 corporation, as determined by the board of governors and
1106 approved by the office, to pay claims or reduce any past,
1107 present, or future plan-year deficits or to reduce outstanding
1108 debt.

1109 ~~4. The Citizens account, if established by the corporation~~
1110 ~~pursuant to sub-subparagraph 2.b., is authorized to provide:~~

1111 ~~a. Personal residential policies that provide~~
1112 ~~comprehensive, multiperil coverage on risks that are not located~~
1113 ~~in areas eligible for coverage by the Florida Windstorm~~
1114 ~~Underwriting Association, as those areas were defined on January~~
1115 ~~1, 2002, and for policies that do not provide coverage for the~~
1116 ~~peril of wind on risks that are located in such areas;~~

1117 ~~b. Commercial residential and commercial nonresidential~~
1118 ~~policies that provide coverage for basic property perils on~~
1119 ~~risks that are not located in areas eligible for coverage by the~~
1120 ~~Florida Windstorm Underwriting Association, as those areas were~~
1121 ~~defined on January 1, 2002, and for policies that do not provide~~
1122 ~~coverage for the peril of wind on risks that are located in such~~
1123 ~~areas; and~~

1124 ~~c. Personal residential policies and commercial residential~~
1125 ~~and commercial nonresidential property policies that provide~~
1126 ~~coverage for the peril of wind on risks that are located in~~
1127 ~~areas eligible for coverage by the Florida Windstorm~~
1128 ~~Underwriting Association, as those areas were defined on January~~
1129 ~~1, 2002. The corporation may offer policies that provide~~
1130 ~~multiperil coverage and shall offer policies that provide~~
1131 ~~coverage only for the peril of wind for risks located in areas~~

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1132 ~~eligible for coverage by the Florida Windstorm Underwriting~~
1133 ~~Association, as those areas were defined on January 1, 2002. The~~
1134 ~~corporation may not offer new commercial residential policies~~
1135 ~~providing multiperil coverage, but shall continue to offer~~
1136 ~~commercial residential wind only policies, and may offer~~
1137 ~~commercial residential policies excluding wind. However, the~~
1138 ~~corporation may continue to renew a commercial residential~~
1139 ~~multiperil policy on a building that was insured by the~~
1140 ~~corporation on June 30, 2014, under a multiperil policy. In~~
1141 ~~issuing multiperil coverage under this sub-subparagraph, the~~
1142 ~~corporation may use its approved policy forms and rates for~~
1143 ~~risks located in areas not eligible for coverage by the Florida~~
1144 ~~Windstorm Underwriting Association as those areas were defined~~
1145 ~~on January 1, 2002, and for policies that do not provide~~
1146 ~~coverage for the peril of wind on risks that are located in such~~
1147 ~~areas. An applicant or insured who is eligible to purchase a~~
1148 ~~multiperil policy from the corporation may purchase a multiperil~~
1149 ~~policy from an authorized insurer without prejudice to the~~
1150 ~~applicant's or insured's eligibility to prospectively purchase a~~
1151 ~~policy that provides coverage only for the peril of wind from~~
1152 ~~the corporation. An applicant or insured who is eligible for a~~
1153 ~~corporation policy that provides coverage only for the peril of~~
1154 ~~wind may elect to purchase or retain such policy and also~~
1155 ~~purchase or retain coverage excluding wind from an authorized~~
1156 ~~insurer without prejudice to the applicant's or insured's~~
1157 ~~eligibility to prospectively purchase a policy that provides~~
1158 ~~multiperil coverage from the corporation. The following~~
1159 ~~policies, which provide coverage only for the peril of wind,~~
1160 ~~must also include quota share primary insurance under~~

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1161 ~~subparagraph (c)2.: Personal residential policies and commercial~~
1162 ~~residential and commercial nonresidential property policies that~~
1163 ~~provide coverage for the peril of wind on risks that are located~~
1164 ~~in areas eligible for coverage by the Florida Windstorm~~
1165 ~~Underwriting Association, as those areas were defined on January~~
1166 ~~1, 2002; policies that provide multiperil coverage, if offered~~
1167 ~~by the corporation, and policies that provide coverage only for~~
1168 ~~the peril of wind for risks located in areas eligible for~~
1169 ~~coverage by the Florida Windstorm Underwriting Association, as~~
1170 ~~those areas were defined on January 1, 2002; commercial~~
1171 ~~residential wind only policies; commercial residential policies~~
1172 ~~excluding wind, if offered by the corporation; and commercial~~
1173 ~~residential multiperil policies on a building that was insured~~
1174 ~~by the corporation on June 30, 2014. The area eligible for~~
1175 ~~coverage with the corporation under this sub-subparagraph~~
1176 ~~includes the area within Port Canaveral, which is bordered on~~
1177 ~~the south by the City of Cape Canaveral, bordered on the west by~~
1178 ~~the Banana River, and bordered on the north by Federal~~
1179 ~~Government property.~~

1180 ~~5. With respect to a deficit in the Citizens account:~~

1181 ~~a. Upon a determination by the board of governors that the~~
1182 ~~Citizens account has a projected deficit, the board shall levy a~~
1183 ~~Citizens policyholder surcharge against all policyholders of the~~
1184 ~~corporation.~~

1185 ~~(I) The surcharge shall be levied as a uniform percentage~~
1186 ~~of the premium for the policy of up to 15 percent of such~~
1187 ~~premium, which funds shall be used to offset the deficit.~~

1188 ~~(II) The surcharge is payable upon cancellation or~~
1189 ~~termination of the policy, upon renewal of the policy, or upon~~

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1190 ~~issuance of a new policy by the corporation within the first 12~~
1191 ~~months after the date of the levy or the period of time~~
1192 ~~necessary to fully collect the surcharge amount.~~

1193 ~~(III) The surcharge is not considered premium and is not~~
1194 ~~subject to commissions, fees, or premium taxes. However, failure~~
1195 ~~to pay the surcharge shall be treated as failure to pay premium.~~

1196 ~~b. After accounting for the Citizens policyholder surcharge~~
1197 ~~imposed under sub-subparagraph a., the remaining projected~~
1198 ~~deficit incurred in the Citizens account in a particular~~
1199 ~~calendar year shall be recovered through emergency assessments~~
1200 ~~under sub-subparagraph c.~~

1201 ~~e. Upon a determination by the board of governors that a~~
1202 ~~projected deficit in the Citizens account exceeds the amount~~
1203 ~~that is expected to be recovered through surcharges under sub-~~
1204 ~~subparagraph a., the board, after verification by the office,~~
1205 ~~shall levy emergency assessments for as many years as necessary~~
1206 ~~to cover the deficits, to be collected by assessable insurers~~
1207 ~~and the corporation and collected from assessable insureds upon~~
1208 ~~issuance or renewal of policies for subject lines of business,~~
1209 ~~excluding National Flood Insurance Program policies. The amount~~
1210 ~~collected in a particular year must be a uniform percentage of~~
1211 ~~that year's direct written premium for subject lines of business~~
1212 ~~and the Citizens account, National Flood Insurance Program~~
1213 ~~policy premiums, as annually determined by the board and~~
1214 ~~verified by the office. The office shall verify the arithmetic~~
1215 ~~calculations involved in the board's determination within 30~~
1216 ~~days after receipt of the information on which the determination~~
1217 ~~was based. The office shall notify assessable insurers and the~~
1218 ~~Florida Surplus Lines Service Office of the date on which~~

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1219 ~~assessable insurers shall begin to collect and assessable~~
1220 ~~insureds shall begin to pay such assessment. The date must be at~~
1221 ~~least 90 days after the date the corporation levies emergency~~
1222 ~~assessments pursuant to this sub-subparagraph. Notwithstanding~~
1223 ~~any other law, the corporation and each assessable insurer that~~
1224 ~~writes subject lines of business shall collect emergency~~
1225 ~~assessments from its policyholders without such obligation being~~
1226 ~~affected by any credit, limitation, exemption, or deferment.~~
1227 ~~Emergency assessments levied by the corporation on assessable~~
1228 ~~insureds shall be collected by the surplus lines agent at the~~
1229 ~~time the surplus lines agent collects the surplus lines tax~~
1230 ~~required by s. 626.932 and paid to the Florida Surplus Lines~~
1231 ~~Service Office at the time the surplus lines agent pays the~~
1232 ~~surplus lines tax to that office. The emergency assessments~~
1233 ~~collected shall be transferred directly to the corporation on a~~
1234 ~~periodic basis as determined by the corporation and held by the~~
1235 ~~corporation solely in the Citizens account. The aggregate amount~~
1236 ~~of emergency assessments levied for the Citizens account in any~~
1237 ~~calendar year may be less than, but may not exceed the greater~~
1238 ~~of, 10 percent of the amount needed to cover the deficit, plus~~
1239 ~~interest, fees, commissions, required reserves, and other costs~~
1240 ~~associated with financing the original deficit or 10 percent of~~
1241 ~~the aggregate statewide direct written premium for subject lines~~
1242 ~~of business and the Citizens accounts for the prior year, plus~~
1243 ~~interest, fees, commissions, required reserves, and other costs~~
1244 ~~associated with financing the deficit.~~

1245 ~~d. The corporation may pledge the proceeds of assessments,~~
1246 ~~projected recoveries from the Florida Hurricane Catastrophe~~
1247 ~~Fund, other insurance and reinsurance recoverables, policyholder~~

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1248 ~~surcharges and other surcharges, and other funds available to~~
1249 ~~the corporation as the source of revenue for and to secure bonds~~
1250 ~~issued under paragraph (g), bonds or other indebtedness issued~~
1251 ~~under subparagraph (c)3., or lines of credit or other financing~~
1252 ~~mechanisms issued or created under this subsection; or to retire~~
1253 ~~any other debt incurred as a result of deficits or events giving~~
1254 ~~rise to deficits, or in any other way that the board determines~~
1255 ~~will efficiently recover such deficits. The purpose of the lines~~
1256 ~~of credit or other financing mechanisms is to provide additional~~
1257 ~~resources to assist the corporation in covering claims and~~
1258 ~~expenses attributable to a catastrophe. As used in this~~
1259 ~~subsection, the term "assessments" includes emergency~~
1260 ~~assessments under sub-subparagraph c. Emergency assessments~~
1261 ~~collected under sub-subparagraph c. are not part of an insurer's~~
1262 ~~rates, are not premium, and are not subject to premium tax,~~
1263 ~~fees, or commissions; however, failure to pay the emergency~~
1264 ~~assessment shall be treated as failure to pay premium. The~~
1265 ~~emergency assessments shall continue as long as any bonds issued~~
1266 ~~or other indebtedness incurred with respect to a deficit for~~
1267 ~~which the assessment was imposed remain outstanding, unless~~
1268 ~~adequate provision has been made for the payment of such bonds~~
1269 ~~or other indebtedness pursuant to the documents governing such~~
1270 ~~bonds or indebtedness.~~

1271 ~~e. As used in this subsection and for purposes of any~~
1272 ~~deficit incurred on or after January 25, 2007, the term "subject~~
1273 ~~lines of business" means insurance written by assessable~~
1274 ~~insurers or procured by assessable insureds for all property and~~
1275 ~~easualty lines of business in this state, but not including~~
1276 ~~workers' compensation or medical malpractice. As used in this~~

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1277 ~~sub-subparagraph, the term "property and casualty lines of~~
1278 ~~business" includes all lines of business identified on Form 2,~~
1279 ~~Exhibit of Premiums and Losses, in the annual statement required~~
1280 ~~of authorized insurers under s. 624.424 and any rule adopted~~
1281 ~~under this section, except for those lines identified as~~
1282 ~~accident and health insurance and except for policies written~~
1283 ~~under the National Flood Insurance Program or the Federal Crop~~
1284 ~~Insurance Program. For purposes of this sub-subparagraph, the~~
1285 ~~term "workers' compensation" includes both workers' compensation~~
1286 ~~insurance and excess workers' compensation insurance.~~

1287 ~~f. The Florida Surplus Lines Service Office shall annually~~
1288 ~~determine the aggregate statewide written premium in subject~~
1289 ~~lines of business procured by assessable insureds and report~~
1290 ~~that information to the corporation in a form and at a time the~~
1291 ~~corporation specifies to ensure that the corporation can meet~~
1292 ~~the requirements of this subsection and the corporation's~~
1293 ~~financing obligations.~~

1294 ~~g. The Florida Surplus Lines Service Office shall verify~~
1295 ~~the proper application by surplus lines agents of assessment~~
1296 ~~percentages for emergency assessments levied under this~~
1297 ~~subparagraph on assessable insureds and assist the corporation~~
1298 ~~in ensuring the accurate, timely collection and payment of~~
1299 ~~assessments by surplus lines agents as required by the~~
1300 ~~corporation.~~

1301 ~~h. If the amount of any assessments or surcharges collected~~
1302 ~~from corporation policyholders, assessable insurers or their~~
1303 ~~policyholders, or assessable insureds exceeds the amount of the~~
1304 ~~deficits, such excess amounts shall be remitted to and retained~~
1305 ~~by the corporation in a reserve to be used by the corporation,~~

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1306 ~~as determined by the board of governors and approved by the~~
1307 ~~office, to pay claims or reduce any past, present, or future~~
1308 ~~plan-year deficits or to reduce outstanding debt.~~

1309 (c) The corporation's plan of operation:

1310 1. Must provide for adoption of residential property and
1311 casualty insurance policy forms and commercial residential and
1312 nonresidential property insurance forms, which must be approved
1313 by the office before use. The corporation shall adopt the
1314 following policy forms:

1315 a. Standard personal lines policy forms that are
1316 comprehensive multiperil policies providing full coverage of a
1317 residential property equivalent to the coverage provided in the
1318 private insurance market under an HO-3, HO-4, or HO-6 policy.

1319 b. Basic personal lines policy forms that are policies
1320 similar to an HO-8 policy or a dwelling fire policy that provide
1321 coverage meeting the requirements of the secondary mortgage
1322 market, but which is more limited than the coverage under a
1323 standard policy.

1324 c. Commercial lines residential and nonresidential policy
1325 forms that are generally similar to the basic perils of full
1326 coverage obtainable for commercial residential structures and
1327 commercial nonresidential structures in the admitted voluntary
1328 market.

1329 d. Personal lines and commercial lines residential property
1330 insurance forms that cover the peril of wind only. The forms are
1331 applicable only to residential properties located in areas
1332 eligible for coverage by the Florida Windstorm Underwriting
1333 Association, as those areas were defined on January 1, 2002.

1334 e. Commercial lines nonresidential property insurance forms

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1335 that cover the peril of wind only. The forms are applicable only
1336 to nonresidential properties located in areas eligible for
1337 coverage by the Florida Windstorm Underwriting Association, as
1338 those areas were defined on January 1, 2002.

1339 f. The corporation may adopt variations of the policy forms
1340 listed in sub-subparagraphs a.-e. which contain more restrictive
1341 coverage.

1342 g. The corporation shall offer a basic personal lines
1343 policy similar to an HO-8 policy with dwelling repair based on
1344 common construction materials and methods.

1345 2. Must provide that the corporation adopt a program in
1346 which the corporation and authorized insurers enter into quota
1347 share primary insurance agreements for hurricane coverage, as
1348 defined in s. 627.4025(2) (a), for eligible risks, and adopt
1349 property insurance forms for eligible risks which cover the
1350 peril of wind only.

1351 a. As used in this subsection, the term:

1352 (I) "Approved rate" means:

1353 (A) With respect to an authorized insurer that holds a
1354 certificate of authority, such insurer's filed and approved
1355 rate.

1356 (B) With respect to an authorized insurer that is an
1357 eligible surplus lines insurer, the rate approved by the office
1358 as part of such insurer's take-out plan.

1359 (II) "Authorized insurer" means:

1360 (A) An insurer holding a certificate of authority; or

1361 (B) An eligible surplus lines insurer that is "A" or higher
1362 by A.M. Best Company and whose Florida personal lines
1363 residential or commercial lines residential risk program is

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1364 managed by a Florida resident surplus lines broker.

1365 (IV) "Primary residence" means the dwelling that is the
1366 policyholder's primary home or is a rental property that is the
1367 primary home of the tenant, and which the policyholder or tenant
1368 occupies for more than 9 months of each year.

1369 (V)~~(H)~~ "Quota share primary insurance" means an arrangement
1370 in which the primary hurricane coverage of an eligible risk is
1371 provided in specified percentages by the corporation and an
1372 authorized insurer. The corporation and authorized insurer are
1373 each solely responsible for a specified percentage of hurricane
1374 coverage of an eligible risk as set forth in a quota share
1375 primary insurance agreement between the corporation and an
1376 authorized insurer and the insurance contract. The
1377 responsibility of the corporation or authorized insurer to pay
1378 its specified percentage of hurricane losses of an eligible
1379 risk, as set forth in the agreement, may not be altered by the
1380 inability of the other party to pay its specified percentage of
1381 losses. Eligible risks that are provided hurricane coverage
1382 through a quota share primary insurance arrangement must be
1383 provided policy forms that set forth the obligations of the
1384 corporation and authorized insurer under the arrangement,
1385 clearly specify the percentages of quota share primary insurance
1386 provided by the corporation and authorized insurer, and
1387 conspicuously and clearly state that the authorized insurer and
1388 the corporation may not be held responsible beyond their
1389 specified percentage of coverage of hurricane losses.

1390 (III)~~(H)~~ "Eligible risks" means personal lines residential
1391 and commercial lines residential risks that meet the
1392 underwriting criteria of the corporation and are located in

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1393 areas that were eligible for coverage by the Florida Windstorm
1394 Underwriting Association on January 1, 2002.

1395 b. The corporation may enter into quota share primary
1396 insurance agreements with authorized insurers at corporation
1397 coverage levels of 90 percent and 50 percent.

1398 c. If the corporation determines that additional coverage
1399 levels are necessary to maximize participation in quota share
1400 primary insurance agreements by authorized insurers, the
1401 corporation may establish additional coverage levels. However,
1402 the corporation's quota share primary insurance coverage level
1403 may not exceed 90 percent.

1404 d. Any quota share primary insurance agreement entered into
1405 between an authorized insurer and the corporation must provide
1406 for a uniform specified percentage of coverage of hurricane
1407 losses, by county or territory as set forth by the corporation
1408 board, for all eligible risks of the authorized insurer covered
1409 under the agreement.

1410 e. Any quota share primary insurance agreement entered into
1411 between an authorized insurer and the corporation is subject to
1412 review and approval by the office. However, such agreement shall
1413 be authorized only as to insurance contracts entered into
1414 between an authorized insurer and an insured who is already
1415 insured by the corporation for wind coverage.

1416 f. For all eligible risks covered under quota share primary
1417 insurance agreements, the exposure and coverage levels for both
1418 the corporation and authorized insurers shall be reported by the
1419 corporation to the Florida Hurricane Catastrophe Fund. For all
1420 policies of eligible risks covered under such agreements, the
1421 corporation and the authorized insurer must maintain complete

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1422 and accurate records for the purpose of exposure and loss
1423 reimbursement audits as required by fund rules. The corporation
1424 and the authorized insurer shall each maintain duplicate copies
1425 of policy declaration pages and supporting claims documents.

1426 g. The corporation board shall establish in its plan of
1427 operation standards for quota share agreements which ensure that
1428 there is no discriminatory application among insurers as to the
1429 terms of the agreements, pricing of the agreements, incentive
1430 provisions if any, and consideration paid for servicing policies
1431 or adjusting claims.

1432 h. The quota share primary insurance agreement between the
1433 corporation and an authorized insurer must set forth the
1434 specific terms under which coverage is provided, including, but
1435 not limited to, the sale and servicing of policies issued under
1436 the agreement by the insurance agent of the authorized insurer
1437 producing the business, the reporting of information concerning
1438 eligible risks, the payment of premium to the corporation, and
1439 arrangements for the adjustment and payment of hurricane claims
1440 incurred on eligible risks by the claims adjuster and personnel
1441 of the authorized insurer. Entering into a quota sharing
1442 insurance agreement between the corporation and an authorized
1443 insurer is voluntary and at the discretion of the authorized
1444 insurer.

1445 3. May provide that the corporation may employ or otherwise
1446 contract with individuals or other entities to provide
1447 administrative or professional services that may be appropriate
1448 to effectuate the plan. The corporation may borrow funds by
1449 issuing bonds or by incurring other indebtedness, and shall have
1450 other powers reasonably necessary to effectuate the requirements

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1451 of this subsection, including, without limitation, the power to
1452 issue bonds and incur other indebtedness in order to refinance
1453 outstanding bonds or other indebtedness. The corporation may
1454 seek judicial validation of its bonds or other indebtedness
1455 under chapter 75. The corporation may issue bonds or incur other
1456 indebtedness, or have bonds issued on its behalf by a unit of
1457 local government pursuant to subparagraph (q)2. in the absence
1458 of a hurricane or other weather-related event, upon a
1459 determination by the corporation, subject to approval by the
1460 office, that such action would enable it to efficiently meet the
1461 financial obligations of the corporation and that such
1462 financings are reasonably necessary to effectuate the
1463 requirements of this subsection. The corporation may take all
1464 actions needed to facilitate tax-free status for such bonds or
1465 indebtedness, including formation of trusts or other affiliated
1466 entities. The corporation may pledge assessments, projected
1467 recoveries from the Florida Hurricane Catastrophe Fund, other
1468 reinsurance recoverables, policyholder surcharges and other
1469 surcharges, and other funds available to the corporation as
1470 security for bonds or other indebtedness. In recognition of s.
1471 10, Art. I of the State Constitution, prohibiting the impairment
1472 of obligations of contracts, it is the intent of the Legislature
1473 that no action be taken whose purpose is to impair any bond
1474 indenture or financing agreement or any revenue source committed
1475 by contract to such bond or other indebtedness.

1476 4. Must require that the corporation operate subject to the
1477 supervision and approval of a board of governors consisting of
1478 nine individuals who are residents of this state and who are
1479 from different geographical areas of the state, one of whom is

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1480 appointed by the Governor and serves solely to advocate on
1481 behalf of the consumer. The appointment of a consumer
1482 representative by the Governor is deemed to be within the scope
1483 of the exemption provided in s. 112.313(7)(b) and is in addition
1484 to the appointments authorized under sub-subparagraph a.

1485 a. The Governor, the Chief Financial Officer, the President
1486 of the Senate, and the Speaker of the House of Representatives
1487 shall each appoint two members of the board. At least one of the
1488 two members appointed by each appointing officer must have
1489 demonstrated expertise in insurance and be deemed to be within
1490 the scope of the exemption provided in s. 112.313(7)(b). The
1491 Chief Financial Officer shall designate one of the appointees as
1492 chair. All board members serve at the pleasure of the appointing
1493 officer. All members of the board are subject to removal at will
1494 by the officers who appointed them. All board members, including
1495 the chair, must be appointed to serve for 3-year terms beginning
1496 annually on a date designated by the plan. However, for the
1497 first term beginning on or after July 1, 2009, each appointing
1498 officer shall appoint one member of the board for a 2-year term
1499 and one member for a 3-year term. A board vacancy shall be
1500 filled for the unexpired term by the appointing officer. The
1501 Chief Financial Officer shall appoint a technical advisory group
1502 to provide information and advice to the board in connection
1503 with the board's duties under this subsection. The executive
1504 director and senior managers of the corporation shall be engaged
1505 by the board and serve at the pleasure of the board. Any
1506 executive director appointed on or after July 1, 2006, is
1507 subject to confirmation by the Senate. The executive director is
1508 responsible for employing other staff as the corporation may

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1509 require, subject to review and concurrence by the board.

1510 b. The board shall create a Market Accountability Advisory
1511 Committee to assist the corporation in developing awareness of
1512 its rates and its customer and agent service levels in
1513 relationship to the voluntary market insurers writing similar
1514 coverage.

1515 (I) The members of the advisory committee consist of the
1516 following 11 persons, one of whom must be elected chair by the
1517 members of the committee: four representatives, one appointed by
1518 the Florida Association of Insurance Agents, one by the Florida
1519 Association of Insurance and Financial Advisors, one by the
1520 Professional Insurance Agents of Florida, and one by the Latin
1521 American Association of Insurance Agencies; three
1522 representatives appointed by the insurers with the three highest
1523 voluntary market share of residential property insurance
1524 business in the state; one representative from the Office of
1525 Insurance Regulation; one consumer appointed by the board who is
1526 insured by the corporation at the time of appointment to the
1527 committee; one representative appointed by the Florida
1528 Association of Realtors; and one representative appointed by the
1529 Florida Bankers Association. All members shall be appointed to
1530 3-year terms and may serve for consecutive terms.

1531 (II) The committee shall report to the corporation at each
1532 board meeting on insurance market issues which may include rates
1533 and rate competition with the voluntary market; service,
1534 including policy issuance, claims processing, and general
1535 responsiveness to policyholders, applicants, and agents; and
1536 matters relating to depopulation.

1537 5. Must provide a procedure for determining the eligibility

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1538 of a risk for coverage, as follows:

1539 a. Subject to s. 627.3517, with respect to personal lines
1540 residential risks, if the risk is offered coverage from an
1541 authorized insurer at the insurer's approved rate under a
1542 standard policy including wind coverage or, if consistent with
1543 the insurer's underwriting rules as filed with the office, a
1544 basic policy including wind coverage, for a new application to
1545 the corporation for coverage, the risk is not eligible for any
1546 policy issued by the corporation unless the premium for coverage
1547 from the authorized insurer is more than 20 percent greater than
1548 the premium for comparable coverage from the corporation.

1549 Whenever an offer of coverage for a personal lines residential
1550 risk is received for a policyholder of the corporation at
1551 renewal from an authorized insurer, if the offer is equal to or
1552 less than the corporation's renewal premium for comparable
1553 coverage, the risk is not eligible for coverage with the
1554 corporation for policies that renew before April 1, 2023; for
1555 policies that renew on or after that date, the risk is not
1556 eligible for coverage with the corporation unless the premium
1557 for coverage from the authorized insurer is more than 20 percent
1558 greater than the corporation's renewal premium for comparable
1559 coverage. If the risk is not able to obtain such offer, the risk
1560 is eligible for a standard policy including wind coverage or a
1561 basic policy including wind coverage issued by the corporation;
1562 however, if the risk could not be insured under a standard
1563 policy including wind coverage regardless of market conditions,
1564 the risk is eligible for a basic policy including wind coverage
1565 unless rejected under subparagraph 8. The corporation shall
1566 determine the type of policy to be provided on the basis of

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1567 objective standards specified in the underwriting manual and
1568 based on generally accepted underwriting practices. A
1569 policyholder removed from the corporation through an assumption
1570 agreement does not remain eligible for coverage from the
1571 corporation after the end of the policy term. However, any
1572 policy removed from the corporation through an assumption
1573 agreement remains on the corporation's policy forms through the
1574 end of the policy term. However, notwithstanding any other
1575 provision of law, this sub-subparagraph does not apply to a
1576 policy that does not cover a primary residence.

1577 (I) If the risk accepts an offer of coverage through the
1578 market assistance plan or through a mechanism established by the
1579 corporation other than a plan established by s. 627.3518, before
1580 a policy is issued to the risk by the corporation or during the
1581 first 30 days of coverage by the corporation, and the producing
1582 agent who submitted the application to the plan or to the
1583 corporation is not currently appointed by the insurer, the
1584 insurer shall:

1585 (A) Pay to the producing agent of record of the policy for
1586 the first year, an amount that is the greater of the insurer's
1587 usual and customary commission for the type of policy written or
1588 a fee equal to the usual and customary commission of the
1589 corporation; or

1590 (B) Offer to allow the producing agent of record of the
1591 policy to continue servicing the policy for at least 1 year and
1592 offer to pay the agent the greater of the insurer's or the
1593 corporation's usual and customary commission for the type of
1594 policy written.

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1596 If the producing agent is unwilling or unable to accept
1597 appointment for any reason, including the failure of such agent
1598 to be licensed as a surplus line agent, the new insurer shall
1599 pay the agent in accordance with sub-sub-sub-subparagraph (A).

1600 (II) If the corporation enters into a contractual agreement
1601 for a take-out plan, the producing agent of record of the
1602 corporation policy is entitled to retain any unearned commission
1603 on the policy, and the insurer shall:

1604 (A) Pay to the producing agent of record, for the first
1605 year, an amount that is the greater of the insurer's usual and
1606 customary commission for the type of policy written or a fee
1607 equal to the usual and customary commission of the corporation;
1608 or

1609 (B) Offer to allow the producing agent of record to
1610 continue servicing the policy for at least 1 year and offer to
1611 pay the agent the greater of the insurer's or the corporation's
1612 usual and customary commission for the type of policy written.

1613
1614 If the producing agent is unwilling or unable to accept
1615 appointment for any reason, including the failure of such agent
1616 to be licensed as a surplus lines agent, the new insurer shall
1617 pay the agent in accordance with sub-sub-sub-subparagraph (A).
1618 This sub-sub-subparagraph does not apply to an authorized
1619 insurer that is an eligible surplus lines insurer.

1620 b. With respect to commercial lines residential risks, for
1621 a new application to the corporation for coverage, if the risk
1622 is offered coverage under a policy including wind coverage from
1623 an admitted ~~authorized~~ insurer at its approved rate, the risk is
1624 not eligible for a policy issued by the corporation unless the

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1625 premium for coverage from the admitted ~~authorized~~ insurer is
1626 more than 20 percent greater than the premium for comparable
1627 coverage from the corporation. Whenever an offer of coverage for
1628 a commercial lines residential risk is received for a
1629 policyholder of the corporation at renewal from an admitted
1630 ~~authorized~~ insurer, the risk is not eligible for coverage with
1631 the corporation unless the premium for coverage from the
1632 admitted ~~authorized~~ insurer is more than 20 percent greater than
1633 the corporation's renewal premium for comparable coverage. If
1634 the risk is not able to obtain any such offer, the risk is
1635 eligible for a policy including wind coverage issued by the
1636 corporation. A policyholder removed from the corporation through
1637 an assumption agreement remains eligible for coverage from the
1638 corporation until the end of the policy term. However, any
1639 policy removed from the corporation through an assumption
1640 agreement remains on the corporation's policy forms through the
1641 end of the policy term. With respect to commercial lines
1642 residential risks for a new application to the corporation for
1643 coverage, if the risk is offered coverage from an eligible
1644 surplus lines insurer at the insurer's approved rate under a
1645 policy including wind coverage, the risk is not eligible for a
1646 policy issued by the corporation. If an offer of coverage for a
1647 commercial lines residential risk is received for a policyholder
1648 of the corporation by an eligible surplus lines insurer at
1649 renewal, the risk is not eligible for coverage with the
1650 corporation.

1651 (I) If the risk accepts an offer of coverage through the
1652 market assistance plan or through a mechanism established by the
1653 corporation other than a plan established by s. 627.3518, before

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1654 a policy is issued to the risk by the corporation or during the
1655 first 30 days of coverage by the corporation, and the producing
1656 agent who submitted the application to the plan or the
1657 corporation is not currently appointed by the insurer, the
1658 insurer shall:

1659 (A) Pay to the producing agent of record of the policy, for
1660 the first year, an amount that is the greater of the insurer's
1661 usual and customary commission for the type of policy written or
1662 a fee equal to the usual and customary commission of the
1663 corporation; or

1664 (B) Offer to allow the producing agent of record of the
1665 policy to continue servicing the policy for at least 1 year and
1666 offer to pay the agent the greater of the insurer's or the
1667 corporation's usual and customary commission for the type of
1668 policy written.

1669
1670 If the producing agent is unwilling or unable to accept
1671 appointment for any reason, including the failure of such agent
1672 to be licensed as a surplus lines agent, the new insurer shall
1673 pay the agent in accordance with sub-sub-sub-subparagraph (A).
1674 This sub-sub-subparagraph does not apply to an authorized
1675 insurer that is an eligible surplus lines insurer.

1676 (II) If the corporation enters into a contractual agreement
1677 for a take-out plan, the producing agent of record of the
1678 corporation policy is entitled to retain any unearned commission
1679 on the policy, and the insurer shall:

1680 (A) Pay to the producing agent of record, for the first
1681 year, an amount that is the greater of the insurer's usual and
1682 customary commission for the type of policy written or a fee

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1683 equal to the usual and customary commission of the corporation;
1684 or

1685 (B) Offer to allow the producing agent of record to
1686 continue servicing the policy for at least 1 year and offer to
1687 pay the agent the greater of the insurer's or the corporation's
1688 usual and customary commission for the type of policy written.

1689
1690 If the producing agent is unwilling or unable to accept
1691 appointment for any reason, including the failure of such agent
1692 to be licensed as a surplus line agent, the new insurer shall
1693 pay the agent in accordance with sub-sub-sub-subparagraph (A).

1694 c. For purposes of determining comparable coverage under
1695 sub-subparagraphs a. and b., the comparison must be based on
1696 those forms and coverages that are reasonably comparable. The
1697 corporation may rely on a determination of comparable coverage
1698 and premium made by the producing agent who submits the
1699 application to the corporation, made in the agent's capacity as
1700 the corporation's agent. For purposes of comparing the premium
1701 for comparable coverage under sub-subparagraphs a. and b.,
1702 premium includes any surcharge or assessment that is actually
1703 applied to such policy. A comparison may be made solely of the
1704 premium with respect to the main building or structure only on
1705 the following basis: the same Coverage A or other building
1706 limits; the same percentage hurricane deductible that applies on
1707 an annual basis or that applies to each hurricane for commercial
1708 residential property; the same percentage of ordinance and law
1709 coverage, if the same limit is offered by both the corporation
1710 and the authorized insurer; the same mitigation credits, to the
1711 extent the same types of credits are offered both by the

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1712 corporation and the authorized insurer; the same method for loss
1713 payment, such as replacement cost or actual cash value, if the
1714 same method is offered both by the corporation and the
1715 authorized insurer in accordance with underwriting rules; and
1716 any other form or coverage that is reasonably comparable as
1717 determined by the board. If an application is submitted to the
1718 corporation for wind-only coverage on a risk that is located in
1719 an area eligible for coverage by the Florida Windstorm
1720 Underwriting Association, as that area was defined on January 1,
1721 2002, the premium for the corporation's wind-only policy plus
1722 the premium for the ex-wind policy that is offered by an
1723 authorized insurer to the applicant must be compared to the
1724 premium for multiperil coverage offered by an authorized
1725 insurer, subject to the standards for comparison specified in
1726 this subparagraph. If the corporation or the applicant requests
1727 from the authorized insurer a breakdown of the premium of the
1728 offer by types of coverage so that a comparison may be made by
1729 the corporation or its agent and the authorized insurer refuses
1730 or is unable to provide such information, the corporation may
1731 treat the offer as not being an offer of coverage from an
1732 authorized insurer at the insurer's approved rate. However,
1733 notwithstanding any other provision of law, this sub-
1734 subparagraph does not apply to a policy that does not cover a
1735 primary residence.

1736 6. Must include rules for classifications of risks and
1737 rates.

1738 7. Must provide that if premium and investment income+

1739 ~~a.~~ for the Citizens an account, which are attributable to a
1740 particular calendar year are in excess of projected losses and

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1741 expenses for the Citizens account attributable to that year,
1742 such excess shall be held in surplus in the Citizens account.
1743 Such surplus must be available to defray deficits in the
1744 Citizens ~~that~~ account as to future years and used for that
1745 purpose before assessing assessable insurers and assessable
1746 insureds as to any calendar year; ~~or~~

1747 ~~b. For the Citizens account, if established by the~~
1748 ~~corporation, which are attributable to a particular calendar~~
1749 ~~year are in excess of projected losses and expenses for the~~
1750 ~~Citizens account attributable to that year, such excess shall be~~
1751 ~~held in surplus in the Citizens account. Such surplus must be~~
1752 ~~available to defray deficits in the Citizens account as to~~
1753 ~~future years and used for that purpose before assessing~~
1754 ~~assessable insurers and assessable insureds as to any calendar~~
1755 ~~year.~~

1756 8. Must provide objective criteria and procedures to be
1757 uniformly applied to all applicants in determining whether an
1758 individual risk is so hazardous as to be uninsurable. In making
1759 this determination and in establishing the criteria and
1760 procedures, the following must be considered:

1761 a. Whether the likelihood of a loss for the individual risk
1762 is substantially higher than for other risks of the same class;
1763 and

1764 b. Whether the uncertainty associated with the individual
1765 risk is such that an appropriate premium cannot be determined.

1766
1767 The acceptance or rejection of a risk by the corporation shall
1768 be construed as the private placement of insurance, and the
1769 provisions of chapter 120 do not apply.

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1770 9. Must provide that the corporation make its best efforts
1771 to procure catastrophe reinsurance at reasonable rates, to cover
1772 its projected 100-year probable maximum loss as determined by
1773 the board of governors. If catastrophe reinsurance is not
1774 available at reasonable rates, the corporation need not purchase
1775 it, but the corporation shall include the costs of reinsurance
1776 to cover its projected 100-year probable maximum loss in its
1777 rate calculations even if it does not purchase catastrophe
1778 reinsurance.

1779 10. The policies issued by the corporation must provide
1780 that if the corporation or the market assistance plan obtains an
1781 offer from an authorized insurer to cover the risk at its
1782 approved rates, the risk is no longer eligible for renewal
1783 through the corporation, except as otherwise provided in this
1784 subsection.

1785 11. Corporation policies and applications must include a
1786 notice that the corporation policy could, under this section, be
1787 replaced with a policy issued by an authorized insurer which
1788 does not provide coverage identical to the coverage provided by
1789 the corporation. The notice must also specify that acceptance of
1790 corporation coverage creates a conclusive presumption that the
1791 applicant or policyholder is aware of this potential.

1792 12. May establish, subject to approval by the office,
1793 different eligibility requirements and operational procedures
1794 for any line or type of coverage for any specified county or
1795 area if the board determines that such changes are justified due
1796 to the voluntary market being sufficiently stable and
1797 competitive in such area or for such line or type of coverage
1798 and that consumers who, in good faith, are unable to obtain

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1799 insurance through the voluntary market through ordinary methods
1800 continue to have access to coverage from the corporation. If
1801 coverage is sought in connection with a real property transfer,
1802 the requirements and procedures may not provide an effective
1803 date of coverage later than the date of the closing of the
1804 transfer as established by the transferor, the transferee, and,
1805 if applicable, the lender.

1806 ~~13. Must provide that:~~

1807 ~~a. With respect to the coastal account, any assessable~~
1808 ~~insurer with a surplus as to policyholders of \$25 million or~~
1809 ~~less writing 25 percent or more of its total countrywide~~
1810 ~~property insurance premiums in this state may petition the~~
1811 ~~office, within the first 90 days of each calendar year, to~~
1812 ~~qualify as a limited apportionment company. A regular assessment~~
1813 ~~levied by the corporation on a limited apportionment company for~~
1814 ~~a deficit incurred by the corporation for the coastal account~~
1815 ~~may be paid to the corporation on a monthly basis as the~~
1816 ~~assessments are collected by the limited apportionment company~~
1817 ~~from its insureds, but a limited apportionment company must~~
1818 ~~begin collecting the regular assessments not later than 90 days~~
1819 ~~after the regular assessments are levied by the corporation, and~~
1820 ~~the regular assessments must be paid in full within 15 months~~
1821 ~~after being levied by the corporation. A limited apportionment~~
1822 ~~company shall collect from its policyholders any emergency~~
1823 ~~assessment imposed under sub-subparagraph (b)3.c. The plan must~~
1824 ~~provide that, if the office determines that any regular~~
1825 ~~assessment will result in an impairment of the surplus of a~~
1826 ~~limited apportionment company, the office may direct that all or~~
1827 ~~part of such assessment be deferred as provided in subparagraph~~

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1828 ~~(q)4. However, an emergency assessment to be collected from~~
1829 ~~policyholders under sub-subparagraph (b)3.e. may not be limited~~
1830 ~~or deferred; or~~

1831 ~~b. With respect to the Citizens account, if established by~~
1832 ~~the corporation pursuant to sub-subparagraph (b)2.b., any~~
1833 ~~assessable insurer with a surplus as to policyholders of \$25~~
1834 ~~million or less and writing 25 percent or more of its total~~
1835 ~~countrywide property insurance premiums in this state may~~
1836 ~~petition the office, within the first 90 days of each calendar~~
1837 ~~year, to qualify as a limited apportionment company. A limited~~
1838 ~~apportionment company shall collect from its policyholders any~~
1839 ~~emergency assessment imposed under sub-subparagraph (b)5.c. An~~
1840 ~~emergency assessment to be collected from policyholders under~~
1841 ~~sub-subparagraph (b)5.c. may not be limited or deferred.~~

1842 ~~14.~~ Must provide that the corporation appoint as its
1843 licensed agents only those agents who throughout such
1844 appointments also hold an appointment as defined in s. 626.015
1845 by at least three insurers ~~an insurer~~ who are ~~is~~ authorized to
1846 write and are ~~is~~ actually writing or renewing personal lines
1847 residential property coverage, commercial residential property
1848 coverage, or commercial nonresidential property coverage within
1849 the state.

1850 ~~14.15.~~ Must provide a premium payment plan option to its
1851 policyholders which, at a minimum, allows for quarterly and
1852 semiannual payment of premiums. A monthly payment plan may, but
1853 is not required to, be offered.

1854 ~~15.16.~~ Must limit coverage on mobile homes or manufactured
1855 homes built before 1994 to actual cash value of the dwelling
1856 rather than replacement costs of the dwelling.

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1857 16.17. Must provide coverage for manufactured or mobile
1858 home dwellings. Such coverage must also include the following
1859 attached structures:

1860 a. Screened enclosures that are aluminum framed or screened
1861 enclosures that are not covered by the same or substantially the
1862 same materials as those of the primary dwelling;

1863 b. Carports that are aluminum or carports that are not
1864 covered by the same or substantially the same materials as those
1865 of the primary dwelling; and

1866 c. Patios that have a roof covering that is constructed of
1867 materials that are not the same or substantially the same
1868 materials as those of the primary dwelling.

1869
1870 The corporation shall make available a policy for mobile homes
1871 or manufactured homes for a minimum insured value of at least
1872 \$3,000.

1873 17.18. May provide such limits of coverage as the board
1874 determines, consistent with the requirements of this subsection.

1875 18.19. May require commercial property to meet specified
1876 hurricane mitigation construction features as a condition of
1877 eligibility for coverage.

1878 19.20. Must provide that new or renewal policies issued by
1879 the corporation on or after January 1, 2012, which cover
1880 sinkhole loss do not include coverage for any loss to
1881 appurtenant structures, driveways, sidewalks, decks, or patios
1882 that are directly or indirectly caused by sinkhole activity. The
1883 corporation shall exclude such coverage using a notice of
1884 coverage change, which may be included with the policy renewal,
1885 and not by issuance of a notice of nonrenewal of the excluded

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1886 coverage upon renewal of the current policy.

1887 ~~20.a.21.a. As of January 1, 2012, unless the Citizens~~
 1888 ~~account has been established pursuant to sub-subparagraph~~
 1889 ~~(b)2.b.,~~ Must require that the agent obtain from an applicant
 1890 for coverage from the corporation an acknowledgment signed by
 1891 the applicant, which includes, at a minimum, the following
 1892 statement:

1893
 1894 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
 1895 AND ASSESSMENT LIABILITY:
 1896

1897 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
 1898 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
 1899 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
 1900 MY POLICY COULD BE SUBJECT TO SURCHARGES AND ASSESSMENTS, WHICH
 1901 WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR
 1902 TERMINATION OF THE POLICY, AND THAT THE SURCHARGES AND
 1903 ASSESSMENTS COULD BE AS HIGH AS 25 ~~45~~ PERCENT OF MY PREMIUM, OR
 1904 A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.

1905 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
 1906 SURCHARGE, WHICH COULD BE AS HIGH AS 25 ~~45~~ PERCENT OF MY
 1907 PREMIUM, BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND
 1908 THAT TO BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY
 1909 TO OBTAIN PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR
 1910 RENEWING COVERAGE WITH CITIZENS. I UNDERSTAND THAT PRIVATE
 1911 MARKET INSURANCE RATES ARE REGULATED AND APPROVED BY THE STATE.

1912 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
 1913 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
 1914 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE

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1915 FLORIDA LEGISLATURE.

1916 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
 1917 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
 1918 STATE OF FLORIDA.

1919
 1920 ~~b. The corporation must require, if it has established the~~
 1921 ~~Citizens account pursuant to sub-subparagraph (b)2.b., that the~~
 1922 ~~agent obtain from an applicant for coverage from the corporation~~
 1923 ~~the following acknowledgment signed by the applicant, which~~
 1924 ~~includes, at a minimum, the following statement:~~

1925
 1926 ~~ACKNOWLEDGMENT OF POTENTIAL SURCHARGE~~
 1927 ~~AND ASSESSMENT LIABILITY:~~

1928
 1929 1. ~~AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE~~
 1930 ~~CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A~~
 1931 ~~DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,~~
 1932 ~~MY POLICY COULD BE SUBJECT TO SURCHARGES AND ASSESSMENTS, WHICH~~
 1933 ~~WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR~~
 1934 ~~TERMINATION OF THE POLICY, AND THAT THE SURCHARGES AND~~
 1935 ~~ASSESSMENTS COULD BE AS HIGH AS 25 PERCENT OF MY PREMIUM, OR A~~
 1936 ~~DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.~~

1937 2. ~~I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER~~
 1938 ~~SURCHARGE, WHICH COULD BE AS HIGH AS 15 PERCENT OF MY PREMIUM,~~
 1939 ~~BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO~~
 1940 ~~BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN~~
 1941 ~~PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE~~
 1942 ~~WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES~~
 1943 ~~ARE REGULATED AND APPROVED BY THE STATE.~~

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1944 ~~3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY~~
 1945 ~~ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER~~
 1946 ~~INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE~~
 1947 ~~FLORIDA LEGISLATURE.~~

1948 ~~4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE~~
 1949 ~~CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE~~
 1950 ~~STATE OF FLORIDA.~~

1951
 1952 b.e. The corporation shall maintain, in electronic format
 1953 or otherwise, a copy of the applicant's signed acknowledgment
 1954 and provide a copy of the statement to the policyholder as part
 1955 of the first renewal after the effective date of sub-
 1956 subparagraph a. ~~or sub-subparagraph b., as applicable.~~

1957 c.d. The signed acknowledgment form creates a conclusive
 1958 presumption that the policyholder understood and accepted his or
 1959 her potential surcharge and assessment liability as a
 1960 policyholder of the corporation.

1961 (e) The corporation is subject to s. 287.057 for the
 1962 purchase of commodities and contractual services except as
 1963 otherwise provided in this paragraph. Services provided by
 1964 tradepersons or technical experts to assist a licensed adjuster
 1965 in the evaluation of individual claims are not subject to the
 1966 procurement requirements of this section. Additionally, the
 1967 procurement of financial services providers and underwriters
 1968 must be made pursuant to s. 627.3513. Contracts for goods or
 1969 services valued at or more than \$100,000 are subject to approval
 1970 by the board.

1971 1. The corporation is an agency for purposes of s. 287.057,
 1972 except that, for purposes of s. 287.057(24), the corporation is

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1973 an eligible user.

1974 a. The authority of the Department of Management Services
1975 and the Chief Financial Officer under s. 287.057 extends to the
1976 corporation as if the corporation were an agency.

1977 b. The executive director of the corporation is the agency
1978 head under s. 287.057, ~~except for resolution of bid protests for~~
1979 ~~which the board would serve as the agency head.~~ The executive
1980 director of the corporation may assign or appoint a designee to
1981 act on his or her behalf.

1982 2. The corporation must provide notice of a decision or
1983 intended decision concerning a solicitation, contract award, or
1984 exceptional purchase by electronic posting. Such notice must
1985 contain the following statement: "Failure to file a protest
1986 within the time prescribed in this section constitutes a waiver
1987 of proceedings."

1988 a. A person adversely affected by the corporation's
1989 decision or intended decision to award a contract pursuant to s.
1990 287.057(1) or (3)(c) who elects to challenge the decision must
1991 file a written notice of protest with the executive director of
1992 the corporation within 72 hours after the corporation posts a
1993 notice of its decision or intended decision. For a protest of
1994 the terms, conditions, and specifications contained in a
1995 solicitation, including provisions governing the methods for
1996 ranking bids, proposals, replies, awarding contracts, reserving
1997 rights of further negotiation, or modifying or amending any
1998 contract, the notice of protest must be filed in writing within
1999 72 hours after posting the solicitation. Saturdays, Sundays, and
2000 state holidays are excluded in the computation of the 72-hour
2001 time period.

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2002 b. A formal written protest must be filed within 10 days
2003 after the date the notice of protest is filed. The formal
2004 written protest must state with particularity the facts and law
2005 upon which the protest is based. Upon receipt of a formal
2006 written protest that has been timely filed, the corporation must
2007 stop the solicitation or contract award process until the
2008 subject of the protest is resolved by final board action unless
2009 the executive director sets forth in writing particular facts
2010 and circumstances that require the continuance of the
2011 solicitation or contract award process without delay in order to
2012 avoid an immediate and serious danger to the public health,
2013 safety, or welfare.

2014 (I) The corporation must provide an opportunity to resolve
2015 the protest by mutual agreement between the parties within 7
2016 business days after receipt of the formal written protest.

2017 (II) If the subject of a protest is not resolved by mutual
2018 agreement within 7 business days, the corporation's board must
2019 transmit the protest to the Division of Administrative Hearings
2020 and contract with the division to conduct a hearing to determine
2021 the merits of the protest and to issue a recommended order. The
2022 contract must provide for the corporation to reimburse the
2023 division for any costs incurred by the division for court
2024 reporters, transcript preparation, travel, facility rental, and
2025 other customary hearing costs in the manner set forth in s.
2026 120.65(9). The division has jurisdiction to determine the facts
2027 and law concerning the protest and to issue a recommended order.
2028 The division's rules and procedures apply to these proceedings~~+~~
2029 ~~the division's applicable bond requirements do not apply.~~ The
2030 protest must be heard by the division at a publicly noticed

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2031 meeting in accordance with procedures established by the
2032 division.

2033 c. In a protest of an invitation-to-bid or request-for-
2034 proposals procurement, submissions made after the bid or
2035 proposal opening which amend or supplement the bid or proposal
2036 may not be considered. In protesting an invitation-to-negotiate
2037 procurement, submissions made after the corporation announces
2038 its intent to award a contract, reject all replies, or withdraw
2039 the solicitation that amends or supplements the reply may not be
2040 considered. Unless otherwise provided by law, the burden of
2041 proof rests with the party protesting the corporation's action.
2042 In a competitive-procurement protest, other than a rejection of
2043 all bids, proposals, or replies, the administrative law judge
2044 must conduct a de novo proceeding to determine whether the
2045 corporation's proposed action is contrary to the corporation's
2046 governing statutes, the corporation's rules or policies, or the
2047 solicitation specifications. The standard of proof for the
2048 proceeding is whether the corporation's action was clearly
2049 erroneous, contrary to competition, arbitrary, or capricious. In
2050 any bid-protest proceeding contesting an intended corporation
2051 action to reject all bids, proposals, or replies, the standard
2052 of review by the board is whether the corporation's intended
2053 action is illegal, arbitrary, dishonest, or fraudulent.

2054 d. Failure to file a notice of protest or failure to file a
2055 formal written protest constitutes a waiver of proceedings.

2056 3. The ~~board, acting as~~ agency head or his or her designee,
2057 shall consider the recommended order of an administrative law
2058 judge ~~in a public meeting~~ and take final action on the protest.
2059 Any further legal remedy lies with the First District Court of

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2060 Appeal.

2061 (n)1. Rates for coverage provided by the corporation must
2062 be actuarially sound pursuant to s. 627.062 and not competitive
2063 with approved rates charged in the admitted voluntary market so
2064 that the corporation functions as a residual market mechanism to
2065 provide insurance only when insurance cannot be procured in the
2066 voluntary market, except as otherwise provided in this
2067 paragraph. The office shall provide the corporation such
2068 information as would be necessary to determine whether rates are
2069 competitive.

2070
2071 The corporation shall file its recommended rates with the office
2072 at least annually. The corporation shall provide any additional
2073 information regarding the rates which the office requires. The
2074 office shall consider the recommendations of the board and issue
2075 a final order establishing the rates for the corporation within
2076 45 days after the recommended rates are filed. The corporation
2077 may not pursue an administrative challenge or judicial review of
2078 the final order of the office.

2079 2. In addition to the rates otherwise determined pursuant
2080 to this paragraph, the corporation shall impose and collect an
2081 amount equal to the premium tax provided in s. 624.509 to
2082 augment the financial resources of the corporation.

2083 3. After the public hurricane loss-projection model under
2084 s. 627.06281 has been found to be accurate and reliable by the
2085 Florida Commission on Hurricane Loss Projection Methodology, the
2086 model shall be considered when establishing the windstorm
2087 portion of the corporation's rates. The corporation may use the
2088 public model results in combination with the results of private

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2089 models to calculate rates for the windstorm portion of the
2090 corporation's rates. This subparagraph does not require or allow
2091 the corporation to adopt rates lower than the rates otherwise
2092 required or allowed by this paragraph.

2093 4. The corporation must make a recommended actuarially
2094 sound rate filing for each personal and commercial line of
2095 business it writes.

2096 5. Notwithstanding the board's recommended rates and the
2097 office's final order regarding the corporation's filed rates
2098 under subparagraph 1., the corporation shall annually implement
2099 a rate increase which, except for sinkhole coverage, does not
2100 exceed the following for any single policy issued by the
2101 corporation, excluding coverage changes and surcharges:

2102 a. ~~Twelve percent for 2023.~~

2103 ~~b.~~ Thirteen percent for 2024.

2104 ~~b.e.~~ Fourteen percent for 2025.

2105 ~~c.d.~~ Fifteen percent for 2026 and all subsequent years.

2106 6. The corporation may also implement an increase to
2107 reflect the effect on the corporation of the cash buildup factor
2108 pursuant to s. 215.555(5)(b).

2109 7. The corporation's implementation of rates as prescribed
2110 in subparagraphs 5. and 8. shall cease for any line of business
2111 written by the corporation upon the corporation's implementation
2112 of actuarially sound rates. Thereafter, the corporation shall
2113 annually make a recommended actuarially sound rate filing that
2114 is not competitive with approved rates in the admitted voluntary
2115 market for each commercial and personal line of business the
2116 corporation writes.

2117 8. The following new or renewal personal lines policies

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2118 written on or after November 1, 2023, are not subject to the
2119 rate increase limitations in subparagraph 5., but may not be
2120 charged more than 50 percent above, and may not be charged ~~nor~~
2121 less than, the prior year's established rate for the
2122 corporation:

2123 a. Policies that do not cover a primary residence;

2124 b. New policies under which the coverage for the insured
2125 risk, before the date of application with the corporation, was
2126 last provided by an insurer determined by the office to be
2127 unsound or an insurer placed in receivership under chapter 631;
2128 or

2129 c. Subsequent renewals of those policies, including the new
2130 policies in sub-subparagraph b., under which the coverage for
2131 the insured risk, before the date of application with the
2132 corporation, was last provided by an insurer determined by the
2133 office to be unsound or an insurer placed in receivership under
2134 chapter 631.

2135 9. As used in this paragraph, the term "primary residence"
2136 means the dwelling that is the policyholder's primary home or is
2137 a rental property that is the primary home of the tenant, and
2138 which the policyholder or tenant occupies for more than 9 months
2139 of each year.

2140 (o) If coverage in ~~an account, or the Citizens account~~ if
2141 ~~established by the corporation,~~ is deactivated pursuant to
2142 paragraph (p), coverage through the corporation shall be
2143 reactivated by order of the office only under one of the
2144 following circumstances:

2145 1. If the market assistance plan receives a minimum of 100
2146 applications for coverage within a 3-month period, or 200

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2147 applications for coverage within a 1-year period or less for
2148 residential coverage, unless the market assistance plan provides
2149 a quotation from authorized ~~admitted~~ carriers at their approved
2150 ~~filed~~ rates for at least 90 percent of such applicants. Any
2151 market assistance plan application that is rejected because an
2152 individual risk is so hazardous as to be uninsurable using the
2153 criteria specified in subparagraph (c)8. shall not be included
2154 in the minimum percentage calculation provided herein. In the
2155 event that there is a legal or administrative challenge to a
2156 determination by the office that the conditions of this
2157 subparagraph have been met for eligibility for coverage in the
2158 corporation, any eligible risk may obtain coverage during the
2159 pendency of such challenge.

2160 2. In response to a state of emergency declared by the
2161 Governor under s. 252.36, the office may activate coverage by
2162 order for the period of the emergency upon a finding by the
2163 office that the emergency significantly affects the availability
2164 of residential property insurance.

2165 (p)1. The corporation shall file with the office quarterly
2166 statements of financial condition, an annual statement of
2167 financial condition, and audited financial statements in the
2168 manner prescribed by law. In addition, the corporation shall
2169 report to the office monthly on the types, premium, exposure,
2170 and distribution by county of its policies in force, and shall
2171 submit other reports as the office requires to carry out its
2172 oversight of the corporation.

2173 2. The activities of the corporation shall be reviewed at
2174 least annually by the office to determine whether coverage shall
2175 be deactivated in ~~an account, or in~~ the Citizens account ~~if~~

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2176 ~~established by the corporation,~~ on the basis that the conditions
2177 giving rise to its activation no longer exist.

2178 (q)1. The corporation shall certify to the office its needs
2179 for annual assessments as to a particular calendar year, and for
2180 any interim assessments that it deems to be necessary to sustain
2181 operations as to a particular year pending the receipt of annual
2182 assessments. Upon verification, the office shall approve such
2183 certification, and the corporation shall levy such annual or
2184 interim assessments. Such assessments shall be prorated, if
2185 authority to levy exists, as provided in paragraph (b). The
2186 corporation shall take all reasonable and prudent steps
2187 necessary to collect the amount of assessments due from each
2188 assessable insurer, including, if prudent, filing suit to
2189 collect the assessments, and the office may provide such
2190 assistance to the corporation it deems appropriate. If the
2191 corporation is unable to collect an assessment from any
2192 assessable insurer, the uncollected assessments shall be levied
2193 as an additional assessment against the assessable insurers and
2194 any assessable insurer required to pay an additional assessment
2195 as a result of such failure to pay shall have a cause of action
2196 against such nonpaying assessable insurer. Assessments shall be
2197 included as an appropriate factor in the making of rates. The
2198 failure of a surplus lines agent to collect and remit any
2199 regular or emergency assessment levied by the corporation is
2200 considered to be a violation of s. 626.936 and subjects the
2201 surplus lines agent to the penalties provided in that section.

2202 2. The governing body of any unit of local government, any
2203 residents of which are insured by the corporation, may issue
2204 bonds as defined in s. 125.013 or s. 166.101 from time to time

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2205 to fund an assistance program, in conjunction with the
2206 corporation, for the purpose of defraying deficits of the
2207 corporation. In order to avoid needless and indiscriminate
2208 proliferation, duplication, and fragmentation of such assistance
2209 programs, any unit of local government, any residents of which
2210 are insured by the corporation, may provide for the payment of
2211 losses, regardless of whether or not the losses occurred within
2212 or outside of the territorial jurisdiction of the local
2213 government. Revenue bonds under this subparagraph may not be
2214 issued until validated pursuant to chapter 75, unless a state of
2215 emergency is declared by executive order or proclamation of the
2216 Governor pursuant to s. 252.36 making such findings as are
2217 necessary to determine that it is in the best interests of, and
2218 necessary for, the protection of the public health, safety, and
2219 general welfare of residents of this state and declaring it an
2220 essential public purpose to permit certain municipalities or
2221 counties to issue such bonds as will permit relief to claimants
2222 and policyholders of the corporation. Any such unit of local
2223 government may enter into such contracts with the corporation
2224 and with any other entity created pursuant to this subsection as
2225 are necessary to carry out this paragraph. Any bonds issued
2226 under this subparagraph shall be payable from and secured by
2227 moneys received by the corporation from emergency assessments
2228 under sub-subparagraph (b) 3.c. ~~(b) 3.e.~~, and assigned and pledged
2229 to or on behalf of the unit of local government for the benefit
2230 of the holders of such bonds. The funds, credit, property, and
2231 taxing power of the state or of the unit of local government
2232 shall not be pledged for the payment of such bonds.

2233 3.a. The corporation shall adopt one or more programs

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2234 subject to approval by the office for the reduction of both new
2235 and renewal writings in the corporation. Beginning January 1,
2236 2008, any program the corporation adopts for the payment of
2237 bonuses to an insurer for each risk the insurer removes from the
2238 corporation shall comply with s. 627.3511(2) and may not exceed
2239 the amount referenced in s. 627.3511(2) for each risk removed.
2240 The corporation may consider any prudent and not unfairly
2241 discriminatory approach to reducing corporation writings, and
2242 may adopt a credit against assessment liability or other
2243 liability that provides an incentive for insurers to take risks
2244 out of the corporation and to keep risks out of the corporation
2245 by maintaining or increasing voluntary writings in counties or
2246 areas in which corporation risks are highly concentrated and a
2247 program to provide a formula under which an insurer voluntarily
2248 taking risks out of the corporation by maintaining or increasing
2249 voluntary writings will be relieved wholly or partially from
2250 assessments ~~under sub-subparagraph (b)3.a.~~ In addition, in the
2251 event policies are taken out by an authorized insurer that is an
2252 eligible surplus lines insurer, such insurer's assessable
2253 insureds may also be relieved wholly or partially from
2254 assessments. However, any "take-out bonus" or payment to an
2255 insurer must be conditioned on the property being insured for at
2256 least 5 years by the insurer, unless canceled or nonrenewed by
2257 the policyholder. If the policy is canceled or nonrenewed by the
2258 policyholder before the end of the 5-year period, the amount of
2259 the take-out bonus must be prorated for the time period the
2260 policy was insured. When the corporation enters into a
2261 contractual agreement for a take-out plan, the producing agent
2262 of record of the corporation policy is entitled to retain any

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2263 unearned commission on such policy, and the insurer shall
2264 either:

2265 (I) Pay to the producing agent of record of the policy, for
2266 the first year, an amount which is the greater of the insurer's
2267 usual and customary commission for the type of policy written or
2268 a policy fee equal to the usual and customary commission of the
2269 corporation; or

2270 (II) Offer to allow the producing agent of record of the
2271 policy to continue servicing the policy for a period of not less
2272 than 1 year and offer to pay the agent the insurer's usual and
2273 customary commission for the type of policy written. If the
2274 producing agent is unwilling or unable to accept appointment by
2275 the new insurer for any reason, including to the failure of such
2276 agent to be licensed as a surplus lines agent, the new insurer
2277 shall pay the agent in accordance with sub-sub-subparagraph (I).

2278 b. Any credit or exemption from regular assessments adopted
2279 under this subparagraph shall last no longer than the 3 years
2280 following the cancellation or expiration of the policy by the
2281 corporation. With the approval of the office, the board may
2282 extend such credits for an additional year if the insurer
2283 guarantees an additional year of renewability for all policies
2284 removed from the corporation, or for 2 additional years if the
2285 insurer guarantees 2 additional years of renewability for all
2286 policies so removed.

2287 c. There shall be no credit, limitation, exemption, or
2288 deferment from emergency assessments to be collected from
2289 policyholders pursuant to sub-subparagraph (b)3.c. ~~sub-~~
2290 ~~subparagraph (b)3.e. or sub-subparagraph (b)5.c.~~

2291 4. ~~The plan shall provide for the deferment, in whole or in~~

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2292 ~~part, of the assessment of an assessable insurer, other than an~~
2293 ~~emergency assessment collected from policyholders pursuant to~~
2294 ~~sub-subparagraph (b)3.c. or sub-subparagraph (b)5.c., if the~~
2295 ~~office finds that payment of the assessment would endanger or~~
2296 ~~impair the solvency of the insurer. In the event an assessment~~
2297 ~~against an assessable insurer is deferred in whole or in part,~~
2298 ~~the amount by which such assessment is deferred may be assessed~~
2299 ~~against the other assessable insurers in a manner consistent~~
2300 ~~with the basis for assessments set forth in paragraph (b).~~

2301 5. Effective July 1, 2007, in order to evaluate the costs
2302 and benefits of approved take-out plans, if the corporation pays
2303 a bonus or other payment to an insurer for an approved take-out
2304 plan, it shall maintain a record of the address or such other
2305 identifying information on the property or risk removed in order
2306 to track if and when the property or risk is later insured by
2307 the corporation.

2308 5.6. Any policy taken out, assumed, or removed from the
2309 corporation is, as of the effective date of the take-out,
2310 assumption, or removal, direct insurance issued by the insurer
2311 and not by the corporation, even if the corporation continues to
2312 service the policies. This subparagraph applies to policies of
2313 the corporation and not policies taken out, assumed, or removed
2314 from any other entity.

2315 6.7. For a policy taken out, assumed, or removed from the
2316 corporation, the insurer may, for a period of no more than 3
2317 years, continue to use any of the corporation's policy forms or
2318 endorsements that apply to the policy taken out, removed, or
2319 assumed without obtaining approval from the office for use of
2320 such policy form or endorsement.

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2321 (v)1. Effective July 1, 2002, policies of the Residential
2322 Property and Casualty Joint Underwriting Association become
2323 policies of the corporation. All obligations, rights, assets and
2324 liabilities of the association, including bonds, note and debt
2325 obligations, and the financing documents pertaining to them
2326 become those of the corporation as of July 1, 2002. The
2327 corporation is not required to issue endorsements or
2328 certificates of assumption to insureds during the remaining term
2329 of in-force transferred policies.

2330 2. Effective July 1, 2002, policies of the Florida
2331 Windstorm Underwriting Association are transferred to the
2332 corporation and become policies of the corporation. All
2333 obligations, rights, assets, and liabilities of the association,
2334 including bonds, note and debt obligations, and the financing
2335 documents pertaining to them are transferred to and assumed by
2336 the corporation on July 1, 2002. The corporation is not required
2337 to issue endorsements or certificates of assumption to insureds
2338 during the remaining term of in-force transferred policies.

2339 3. The Florida Windstorm Underwriting Association and the
2340 Residential Property and Casualty Joint Underwriting Association
2341 shall take all actions necessary to further evidence the
2342 transfers and provide the documents and instruments of further
2343 assurance as may reasonably be requested by the corporation for
2344 that purpose. The corporation shall execute assumptions and
2345 instruments as the trustees or other parties to the financing
2346 documents of the Florida Windstorm Underwriting Association or
2347 the Residential Property and Casualty Joint Underwriting
2348 Association may reasonably request to further evidence the
2349 transfers and assumptions, which transfers and assumptions,

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2350 however, are effective on the date provided under this paragraph
2351 whether or not, and regardless of the date on which, the
2352 assumptions or instruments are executed by the corporation.
2353 ~~Subject to the relevant financing documents pertaining to their~~
2354 ~~outstanding bonds, notes, indebtedness, or other financing~~
2355 ~~obligations, the moneys, investments, receivables, choses in~~
2356 ~~action, and other intangibles of the Florida Windstorm~~
2357 ~~Underwriting Association shall be credited to the coastal~~
2358 ~~account of the corporation, and those of the personal lines~~
2359 ~~residential coverage account and the commercial lines~~
2360 ~~residential coverage account of the Residential Property and~~
2361 ~~Casualty Joint Underwriting Association shall be credited to the~~
2362 ~~personal lines account and the commercial lines account,~~
2363 ~~respectively, of the corporation.~~

2364 4. Effective July 1, 2002, a new applicant for property
2365 insurance coverage who would otherwise have been eligible for
2366 coverage in the Florida Windstorm Underwriting Association is
2367 eligible for coverage from the corporation as provided in this
2368 subsection.

2369 5. The transfer of all policies, obligations, rights,
2370 assets, and liabilities from the Florida Windstorm Underwriting
2371 Association to the corporation and the renaming of the
2372 Residential Property and Casualty Joint Underwriting Association
2373 as the corporation does not affect the coverage with respect to
2374 covered policies as defined in s. 215.555(2)(c) provided to
2375 these entities by the Florida Hurricane Catastrophe Fund. ~~The~~
2376 ~~coverage provided by the fund to the Florida Windstorm~~
2377 ~~Underwriting Association based on its exposures as of June 30,~~
2378 ~~2002, and each June 30 thereafter, unless the corporation has~~

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2379 ~~established the Citizens account, shall be redesignated as~~
2380 ~~coverage for the coastal account of the corporation.~~
2381 ~~Notwithstanding any other provision of law, the coverage~~
2382 ~~provided by the fund to the Residential Property and Casualty~~
2383 ~~Joint Underwriting Association based on its exposures as of June~~
2384 ~~30, 2002, and each June 30 thereafter, unless the corporation~~
2385 ~~has established the Citizens account, shall be transferred to~~
2386 ~~the personal lines account and the commercial lines account of~~
2387 ~~the corporation. Notwithstanding any other provision of law, the~~
2388 ~~coastal account, unless the corporation has established the~~
2389 ~~Citizens account, shall be treated, for all Florida Hurricane~~
2390 ~~Catastrophe Fund purposes, as if it were a separate~~
2391 ~~participating insurer with its own exposures, reimbursement~~
2392 ~~premium, and loss reimbursement. Likewise, the personal lines~~
2393 ~~and commercial lines accounts, unless the corporation has~~
2394 ~~established the Citizens account, shall be viewed together, for~~
2395 ~~all fund purposes, as if the two accounts were one and represent~~
2396 ~~a single, separate participating insurer with its own exposures,~~
2397 ~~reimbursement premium, and loss reimbursement. The coverage~~
2398 ~~provided by the fund to the corporation shall constitute and~~
2399 ~~operate as a full transfer of coverage from the Florida~~
2400 ~~Windstorm Underwriting Association and Residential Property and~~
2401 ~~Casualty Joint Underwriting Association to the corporation.~~

2402 (w) Notwithstanding any other provision of law:

2403 1. The pledge or sale of, the lien upon, and the security
2404 interest in any rights, revenues, or other assets of the
2405 corporation created or purported to be created pursuant to any
2406 financing documents to secure any bonds or other indebtedness of
2407 the corporation shall be and remain valid and enforceable,

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2408 notwithstanding the commencement of and during the continuation
2409 of, and after, any rehabilitation, insolvency, liquidation,
2410 bankruptcy, receivership, conservatorship, reorganization, or
2411 similar proceeding against the corporation under the laws of
2412 this state.

2413 2. The proceeding does not relieve the corporation of its
2414 obligation, or otherwise affect its ability to perform its
2415 obligation, to continue to collect, or levy and collect,
2416 assessments, policyholder surcharges or other surcharges ~~under~~
2417 ~~sub-subparagraph (b) 3. j.~~, or any other rights, revenues, or
2418 other assets of the corporation pledged pursuant to any
2419 financing documents.

2420 3. Each such pledge or sale of, lien upon, and security
2421 interest in, including the priority of such pledge, lien, or
2422 security interest, any such assessments, policyholder surcharges
2423 or other surcharges, or other rights, revenues, or other assets
2424 which are collected, or levied and collected, after the
2425 commencement of and during the pendency of, or after, any such
2426 proceeding shall continue unaffected by such proceeding. As used
2427 in this subsection, the term "financing documents" means any
2428 agreement or agreements, instrument or instruments, or other
2429 document or documents now existing or hereafter created
2430 evidencing any bonds or other indebtedness of the corporation or
2431 pursuant to which any such bonds or other indebtedness has been
2432 or may be issued and pursuant to which any rights, revenues, or
2433 other assets of the corporation are pledged or sold to secure
2434 the repayment of such bonds or indebtedness, together with the
2435 payment of interest on such bonds or such indebtedness, or the
2436 payment of any other obligation or financial product, as defined

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2437 in the plan of operation of the corporation related to such
2438 bonds or indebtedness.

2439 4. Any such pledge or sale of assessments, revenues,
2440 contract rights, or other rights or assets of the corporation
2441 shall constitute a lien and security interest, or sale, as the
2442 case may be, that is immediately effective and attaches to such
2443 assessments, revenues, or contract rights or other rights or
2444 assets, whether or not imposed or collected at the time the
2445 pledge or sale is made. Any such pledge or sale is effective,
2446 valid, binding, and enforceable against the corporation or other
2447 entity making such pledge or sale, and valid and binding against
2448 and superior to any competing claims or obligations owed to any
2449 other person or entity, including policyholders in this state,
2450 asserting rights in any such assessments, revenues, or contract
2451 rights or other rights or assets to the extent set forth in and
2452 in accordance with the terms of the pledge or sale contained in
2453 the applicable financing documents, whether or not any such
2454 person or entity has notice of such pledge or sale and without
2455 the need for any physical delivery, recordation, filing, or
2456 other action.

2457 5. As long as the corporation has any bonds outstanding,
2458 the corporation may not file a voluntary petition under chapter
2459 9 of the federal Bankruptcy Code or such corresponding chapter
2460 or sections as may be in effect, from time to time, and a public
2461 officer or any organization, entity, or other person may not
2462 authorize the corporation to be or become a debtor under chapter
2463 9 of the federal Bankruptcy Code or such corresponding chapter
2464 or sections as may be in effect, from time to time, during any
2465 such period.

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2466 6. If ordered by a court of competent jurisdiction, the
2467 corporation may assume policies or otherwise provide coverage
2468 for policyholders of an insurer placed in liquidation under
2469 chapter 631, under such forms, rates, terms, and conditions as
2470 the corporation deems appropriate, subject to approval by the
2471 office.

2472 (x)1. The following records of the corporation are
2473 confidential and exempt from the provisions of s. 119.07(1) and
2474 s. 24(a), Art. I of the State Constitution:

2475 a. Underwriting files, except that a policyholder or an
2476 applicant shall have access to his or her own underwriting
2477 files. Confidential and exempt underwriting file records may
2478 also be released to other governmental agencies upon written
2479 request and demonstration of need; such records held by the
2480 receiving agency remain confidential and exempt as provided
2481 herein.

2482 b. Claims files, until termination of all litigation and
2483 settlement of all claims arising out of the same incident,
2484 although portions of the claims files may remain exempt, as
2485 otherwise provided by law. Confidential and exempt claims file
2486 records may be released to other governmental agencies upon
2487 written request and demonstration of need; such records held by
2488 the receiving agency remain confidential and exempt as provided
2489 herein.

2490 c. Records obtained or generated by an internal auditor
2491 pursuant to a routine audit, until the audit is completed, or if
2492 the audit is conducted as part of an investigation, until the
2493 investigation is closed or ceases to be active. An investigation
2494 is considered "active" while the investigation is being

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2495 conducted with a reasonable, good faith belief that it could
2496 lead to the filing of administrative, civil, or criminal
2497 proceedings.

2498 d. Matters reasonably encompassed in privileged attorney-
2499 client communications.

2500 e. Proprietary information licensed to the corporation
2501 under contract and the contract provides for the confidentiality
2502 of such proprietary information.

2503 f. All information relating to the medical condition or
2504 medical status of a corporation employee which is not relevant
2505 to the employee's capacity to perform his or her duties, except
2506 as otherwise provided in this paragraph. Information that is
2507 exempt shall include, but is not limited to, information
2508 relating to workers' compensation, insurance benefits, and
2509 retirement or disability benefits.

2510 g. Upon an employee's entrance into the employee assistance
2511 program, a program to assist any employee who has a behavioral
2512 or medical disorder, substance abuse problem, or emotional
2513 difficulty that affects the employee's job performance, all
2514 records relative to that participation shall be confidential and
2515 exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I
2516 of the State Constitution, except as otherwise provided in s.
2517 112.0455(11).

2518 h. Information relating to negotiations for financing,
2519 reinsurance, depopulation, or contractual services, until the
2520 conclusion of the negotiations.

2521 i. Minutes of closed meetings regarding underwriting files,
2522 and minutes of closed meetings regarding an open claims file
2523 until termination of all litigation and settlement of all claims

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2524 with regard to that claim, except that information otherwise
2525 confidential or exempt by law shall be redacted.

2526 2. If an authorized insurer is considering underwriting a
2527 risk insured by the corporation, relevant underwriting files and
2528 confidential claims files may be released to the insurer
2529 provided the insurer agrees in writing, notarized and under
2530 oath, to maintain the confidentiality of such files. If a file
2531 is transferred to an insurer, that file is no longer a public
2532 record because it is not held by an agency subject to the
2533 provisions of the public records law. Underwriting files and
2534 confidential claims files may also be released to staff and the
2535 board of governors of the market assistance plan established
2536 pursuant to s. 627.3515, who must retain the confidentiality of
2537 such files, except such files may be released to authorized
2538 insurers that are considering assuming the risks to which the
2539 files apply, provided the insurer agrees in writing, notarized
2540 and under oath, to maintain the confidentiality of such files.
2541 Finally, the corporation or the board or staff of the market
2542 assistance plan may make the following information obtained from
2543 underwriting files and confidential claims files available to an
2544 entity that has obtained a permit to become an authorized
2545 insurer, a reinsurer that may provide reinsurance under s.
2546 624.610, a licensed reinsurance broker, a licensed rating
2547 organization, a modeling company, a licensed surplus lines
2548 agent, or a licensed general lines insurance agent: name,
2549 address, and telephone number of the residential property owner
2550 or insured; location of the risk; rating information; loss
2551 history; and policy type. The receiving person must retain the
2552 confidentiality of the information received and may use the

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2553 information only for the purposes of developing a take-out plan
2554 or a rating plan to be submitted to the office for approval or
2555 otherwise analyzing the underwriting of a risk or risks insured
2556 by the corporation on behalf of the private insurance market. A
2557 licensed surplus lines agent licensed general lines insurance
2558 agent may not use such information for the direct solicitation
2559 of policyholders.

2560 3. A policyholder who has filed suit against the
2561 corporation has the right to discover the contents of his or her
2562 own claims file to the same extent that discovery of such
2563 contents would be available from a private insurer in litigation
2564 as provided by the Florida Rules of Civil Procedure, the Florida
2565 Evidence Code, and other applicable law. Pursuant to subpoena, a
2566 third party has the right to discover the contents of an
2567 insured's or applicant's underwriting or claims file to the same
2568 extent that discovery of such contents would be available from a
2569 private insurer by subpoena as provided by the Florida Rules of
2570 Civil Procedure, the Florida Evidence Code, and other applicable
2571 law, and subject to any confidentiality protections requested by
2572 the corporation and agreed to by the seeking party or ordered by
2573 the court. The corporation may release confidential underwriting
2574 and claims file contents and information as it deems necessary
2575 and appropriate to underwrite or service insurance policies and
2576 claims, subject to any confidentiality protections deemed
2577 necessary and appropriate by the corporation.

2578 4. Portions of meetings of the corporation are exempt from
2579 the provisions of s. 286.011 and s. 24(b), Art. I of the State
2580 Constitution wherein confidential underwriting files or
2581 confidential open claims files are discussed. All portions of

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2582 corporation meetings which are closed to the public shall be
2583 recorded by a court reporter. The court reporter shall record
2584 the times of commencement and termination of the meeting, all
2585 discussion and proceedings, the names of all persons present at
2586 any time, and the names of all persons speaking. No portion of
2587 any closed meeting shall be off the record. Subject to the
2588 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's
2589 notes of any closed meeting shall be retained by the corporation
2590 for a minimum of 5 years. A copy of the transcript, less any
2591 exempt matters, of any closed meeting wherein claims are
2592 discussed shall become public as to individual claims after
2593 settlement of the claim.

2594 (z) In enacting the provisions of this section, the
2595 Legislature recognizes that both the Florida Windstorm
2596 Underwriting Association and the Residential Property and
2597 Casualty Joint Underwriting Association have entered into
2598 financing arrangements that obligate each entity to service its
2599 debts and maintain the capacity to repay funds secured under
2600 these financing arrangements. It is the intent of the
2601 Legislature that nothing in this section be construed to
2602 compromise, diminish, or interfere with the rights of creditors
2603 under such financing arrangements. It is further the intent of
2604 the Legislature to preserve the obligations of the Florida
2605 Windstorm Underwriting Association and Residential Property and
2606 Casualty Joint Underwriting Association with regard to
2607 outstanding financing arrangements, with such obligations
2608 passing entirely and unchanged to the corporation and,
2609 specifically, to the Citizens ~~applicable~~ account ~~of the~~
2610 ~~corporation~~. So long as any bonds, notes, indebtedness, or other

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2611 financing obligations of the Florida Windstorm Underwriting
2612 Association or the Residential Property and Casualty Joint
2613 Underwriting Association are outstanding, under the terms of the
2614 financing documents pertaining to them, the governing board of
2615 the corporation shall have and shall exercise the authority to
2616 levy, charge, collect, and receive all premiums, assessments,
2617 surcharges, charges, revenues, and receipts that the
2618 associations had authority to levy, charge, collect, or receive
2619 under the provisions of subsection (2) and this subsection,
2620 respectively, as they existed on January 1, 2002, to provide
2621 moneys, without exercise of the authority provided by this
2622 subsection, in at least the amounts, and by the times, as would
2623 be provided under those former provisions of subsection (2) or
2624 this subsection, respectively, so that the value, amount, and
2625 collectability of any assets, revenues, or revenue source
2626 pledged or committed to, or any lien thereon securing such
2627 outstanding bonds, notes, indebtedness, or other financing
2628 obligations will not be diminished, impaired, or adversely
2629 affected by the amendments made by this act and to permit
2630 compliance with all provisions of financing documents pertaining
2631 to such bonds, notes, indebtedness, or other financing
2632 obligations, or the security or credit enhancement for them, and
2633 any reference in this subsection to bonds, notes, indebtedness,
2634 financing obligations, or similar obligations, of the
2635 corporation shall include like instruments or contracts of the
2636 Florida Windstorm Underwriting Association and the Residential
2637 Property and Casualty Joint Underwriting Association to the
2638 extent not inconsistent with the provisions of the financing
2639 documents pertaining to them.

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2640 (aa) Except as otherwise provided in this paragraph, the
2641 corporation shall require the securing and maintaining of flood
2642 insurance as a condition of coverage of a personal lines
2643 residential risk. The insured or applicant must execute a form
2644 approved by the office affirming that flood insurance is not
2645 provided by the corporation and that if flood insurance is not
2646 secured by the applicant or insured from an insurer other than
2647 the corporation and in addition to coverage by the corporation,
2648 the risk will not be eligible for coverage by the corporation.
2649 The corporation may deny coverage of a personal lines
2650 residential risk to an applicant or insured who refuses to
2651 secure and maintain flood insurance. The requirement to purchase
2652 flood insurance shall be implemented as follows:

2653 1. Except as provided in subparagraphs 2. and 3., all
2654 personal lines residential policyholders must have flood
2655 coverage in place for policies effective on or after:

2656 a. January 1, 2024, for property valued at ~~a structure that~~
2657 ~~has a dwelling replacement cost of~~ \$600,000 or more.

2658 b. January 1, 2025, for property valued at ~~a structure that~~
2659 ~~has a dwelling replacement cost of~~ \$500,000 or more.

2660 c. January 1, 2026, for property valued at ~~a structure that~~
2661 ~~has a dwelling replacement cost of~~ \$400,000 or more.

2662 d. January 1, 2027, for all other personal lines
2663 residential property insured by the corporation.

2664 2. All personal lines residential policyholders whose
2665 property insured by the corporation is located within the
2666 special flood hazard area defined by the Federal Emergency
2667 Management Agency must have flood coverage in place:

2668 a. At the time of initial policy issuance for all new

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2669 personal lines residential policies issued by the corporation on
2670 or after April 1, 2023.

2671 b. By the time of the policy renewal for all personal lines
2672 residential policies renewing on or after July 1, 2023.

2673 3. Policyholders are not required to purchase flood
2674 insurance as a condition for maintaining the following policies
2675 issued by the corporation:

2676 a. Policies that do not provide coverage for the peril of
2677 wind.

2678 b. Policies that provide coverage under a condominium unit
2679 owners form.

2680

2681 The flood insurance required under this paragraph must meet, at
2682 a minimum, the coverage available from the National Flood
2683 Insurance Program or the requirements of subparagraphs s.
2684 627.715(1)(a)1., 2., and 3.

2685 (ii) The corporation shall revise the programs adopted
2686 pursuant to sub-subparagraph (q)3.a. for personal lines
2687 residential policies to maximize policyholder options and
2688 encourage increased participation by insurers and agents. After
2689 January 1, 2017, a policy may not be taken out of the
2690 corporation unless the provisions of this paragraph are met.

2691 1. The corporation must publish a periodic schedule of
2692 cycles during which an insurer may identify, and notify the
2693 corporation of, policies that the insurer is requesting to take
2694 out. A request must include a description of the coverage
2695 offered and an estimated premium and must be submitted to the
2696 corporation in a form and manner prescribed by the corporation.

2697 2. The corporation must maintain and make available to the

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2698 agent of record a consolidated list of all insurers requesting
2699 to take out a policy. The list must include a description of the
2700 coverage offered and the estimated premium for each take-out
2701 request.

2702 3. If a policyholder receives a take-out offer from an
2703 authorized insurer, the risk is no longer eligible for coverage
2704 with the corporation unless the premium for coverage from the
2705 authorized insurer is more than 20 percent greater than the
2706 renewal premium for comparable coverage from the corporation
2707 pursuant to sub-subparagraph (c)5.c. This subparagraph applies
2708 to take-out offers that are part of an application to
2709 participate in depopulation submitted to the office on or after
2710 January 1, 2023. However, notwithstanding any other provision of
2711 law, this sub-subparagraph does not apply to a policy that does
2712 not cover a primary residence.

2713 4. The corporation must provide written notice to the
2714 policyholder and the agent of record regarding all insurers
2715 requesting to take out the policy. The notice must be in a
2716 format prescribed by the corporation and include, for each take-
2717 out offer:

- 2718 a. The amount of the estimated premium;
2719 b. A description of the coverage; and
2720 c. A comparison of the estimated premium and coverage
2721 offered by the insurer to the estimated premium and coverage
2722 provided by the corporation.

2723 (nn) The corporation may share its claims data with the
2724 National Insurance Crime Bureau, provided that the National
2725 Insurance Crime Bureau agrees to maintain the confidentiality of
2726 such documents as otherwise provided for in paragraph (x).

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2727 (7) TRADEMARKS, COPYRIGHTS, OR PATENTS.—Notwithstanding any
 2728 other law to the contrary, the corporation is authorized, in its
 2729 own name, to:

2730 (a) Perform all things necessary to secure letters of
 2731 patent, copyrights, or trademarks on any work products and
 2732 enforce its rights therein.

2733 (b) License, lease, assign, or otherwise give written
 2734 consent to any person, firm, or corporation for the manufacture
 2735 or use thereof, on a royalty basis or for such other
 2736 consideration as the corporation deems proper.

2737 (c) Take any action necessary, including legal action, to
 2738 protect the same against improper or unlawful use or
 2739 infringement.

2740 (d) Enforce the collection of any sums due the corporation
 2741 for the manufacture or use thereof by any other party.

2742 (e) Sell any of the same and execute all instruments
 2743 necessary to consummate any such sale.

2744 (f) Do all other acts necessary and proper for the
 2745 execution of powers and duties herein conferred upon the
 2746 corporation in order to administer this subsection.

2747 Section 2. Paragraphs (a), (b), and (c) of subsection (3)
 2748 and paragraphs (d), (e), and (f) of subsection (6) of section
 2749 627.3511, Florida Statutes, are amended to read:

2750 627.3511 Depopulation of Citizens Property Insurance
 2751 Corporation.—

2752 (3) EXEMPTION FROM DEFICIT ASSESSMENTS.—

2753 (a) The calculation of an insurer's ~~assessment~~ liability
 2754 ~~under s. 627.351(6)(b)3.a.~~ shall, for an insurer that in any
 2755 calendar year removes 50,000 or more risks from the Citizens

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2756 Property Insurance Corporation, either by issuance of a policy
2757 upon expiration or cancellation of the corporation policy or by
2758 assumption of the corporation's obligations with respect to in-
2759 force policies, exclude such removed policies for the succeeding
2760 3 years, as follows:

2761 1. In the first year following removal of the risks, the
2762 risks are excluded from the calculation to the extent of 100
2763 percent.

2764 2. In the second year following removal of the risks, the
2765 risks are excluded from the calculation to the extent of 75
2766 percent.

2767 3. In the third year following removal of the risks, the
2768 risks are excluded from the calculation to the extent of 50
2769 percent.

2770

2771 If the removal of risks is accomplished through assumption of
2772 obligations with respect to in-force policies, the corporation
2773 shall pay to the assuming insurer all unearned premium with
2774 respect to such policies less any policy acquisition costs
2775 agreed to by the corporation and assuming insurer. The term
2776 "policy acquisition costs" is defined as costs of issuance of
2777 the policy by the corporation which includes agent commissions,
2778 servicing company fees, and premium tax. This paragraph does not
2779 apply to an insurer that, at any time within 5 years before
2780 removing the risks, had a market share in excess of 0.1 percent
2781 of the statewide aggregate gross direct written premium for any
2782 line of property insurance, or to an affiliate of such an
2783 insurer. This paragraph does not apply unless either at least 40
2784 percent of the risks removed from the corporation are located in

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2785 Miami-Dade, Broward, and Palm Beach Counties, or at least 30
 2786 percent of the risks removed from the corporation are located in
 2787 such counties and an additional 50 percent of the risks removed
 2788 from the corporation are located in other coastal counties.

2789 (b) An insurer that first wrote personal lines residential
 2790 property coverage in this state on or after July 1, 1994, is
 2791 exempt from liability ~~regular deficit assessments imposed~~
 2792 ~~pursuant to s. 627.351(6)(b)3.a.~~, but not emergency assessments
 2793 collected from policyholders pursuant to s. 627.351(6)(b)3.c. ~~s.~~
 2794 ~~627.351(6)(b)3.e.~~, of the Citizens Property Insurance
 2795 Corporation until the earlier of the following:

2796 1. The end of the calendar year in which it first wrote 0.5
 2797 percent or more of the statewide aggregate direct written
 2798 premium for any line of residential property coverage; or

2799 2. December 31, 1997, or December 31 of the third year in
 2800 which it wrote such coverage in this state, whichever is later.

2801 (c) Other than an insurer that is exempt under paragraph
 2802 (b), an insurer that in any calendar year increases its total
 2803 structure exposure subject to wind coverage by 25 percent or
 2804 more over its exposure for the preceding calendar year is, with
 2805 respect to that year, exempt from liability ~~deficit assessments~~
 2806 ~~imposed pursuant to s. 627.351(6)(b)3.a.~~, but not from emergency
 2807 assessments collected from policyholders pursuant to s.
 2808 627.351(6)(b)3.c. ~~s. 627.351(6)(b)3.e.~~, of the Citizens Property
 2809 Insurance Corporation attributable to such increase in exposure.

2810 (6) COMMERCIAL RESIDENTIAL TAKE-OUT PLANS.—

2811 (d) The calculation of an insurer's ~~regular assessment~~
 2812 ~~liability under s. 627.351(6)(b)3.a.~~, but not emergency
 2813 assessments collected from policyholders pursuant to s.

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2814 627.351(6)(b)3.c. ~~s. 627.351(6)(b)3.e.~~, shall, with respect to
 2815 commercial residential policies removed from the corporation
 2816 under an approved take-out plan, exclude such removed policies
 2817 for the succeeding 3 years, as follows:

2818 1. In the first year following removal of the policies, the
 2819 policies are excluded from the calculation to the extent of 100
 2820 percent.

2821 2. In the second year following removal of the policies,
 2822 the policies are excluded from the calculation to the extent of
 2823 75 percent.

2824 3. In the third year following removal of the policies, the
 2825 policies are excluded from the calculation to the extent of 50
 2826 percent.

2827 (e) An insurer that first wrote commercial residential
 2828 property coverage in this state on or after June 1, 1996, is
 2829 exempt from liability ~~regular assessments under s.~~
 2830 ~~627.351(6)(b)3.a.~~, but not from emergency assessments collected
 2831 from policyholders pursuant to s. 627.351(6)(b)3.c. ~~s.~~
 2832 ~~627.351(6)(b)3.e.~~, with respect to commercial residential
 2833 policies until the earlier of:

2834 1. The end of the calendar year in which such insurer first
 2835 wrote 0.5 percent or more of the statewide aggregate direct
 2836 written premium for commercial residential property coverage; or

2837 2. December 31 of the third year in which such insurer
 2838 wrote commercial residential property coverage in this state.

2839 (f) An insurer that is not otherwise exempt from liability
 2840 ~~regular assessments under s. 627.351(6)(b)3.a.~~ with respect to
 2841 commercial residential policies is, for any calendar year in
 2842 which such insurer increased its total commercial residential

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2843 hurricane exposure by 25 percent or more over its exposure for
2844 the preceding calendar year, exempt from liability ~~regular~~
2845 ~~assessments under s. 627.351(6)(b)3.a.~~, but not emergency
2846 assessments collected from policyholders pursuant to s.
2847 627.351(6)(b)3.c. ~~s. 627.351(6)(b)3.e.~~, attributable to such
2848 increased exposure.

2849 Section 3. Subsections (5), (6), and (7) of section
2850 627.3518, Florida Statutes, are amended to read:

2851 627.3518 Citizens Property Insurance Corporation
2852 policyholder eligibility clearinghouse program.—The purpose of
2853 this section is to provide a framework for the corporation to
2854 implement a clearinghouse program by January 1, 2014.

2855 (5) Notwithstanding s. 627.3517, any applicant for new
2856 coverage from the corporation is not eligible for coverage from
2857 the corporation if provided an offer of coverage from an
2858 authorized insurer through the program at a premium that is at
2859 or below the eligibility threshold for applicants for new
2860 coverage established in s. 627.351(6)(c)5.a. Whenever an offer
2861 of coverage for a personal lines risk is received for a
2862 policyholder of the corporation at renewal from an authorized
2863 insurer through the program which is at or below the eligibility
2864 threshold for policyholders of the corporation established in s.
2865 627.351(6)(c)5.a., the risk is not eligible for coverage with
2866 the corporation. In the event an offer of coverage for a new
2867 applicant is received from an authorized insurer through the
2868 program, and the premium offered exceeds the eligibility
2869 threshold for applicants for new coverage established in s.
2870 627.351(6)(c)5.a., the applicant or insured may elect to accept
2871 such coverage, or may elect to accept or continue coverage with

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2872 the corporation. In the event an offer of coverage for a
2873 personal lines risk is received from an authorized insurer at
2874 renewal through the program, and the premium offered exceeds the
2875 eligibility threshold for policyholders of the corporation
2876 established in s. 627.351(6)(c)5.a., the insured may elect to
2877 accept such coverage, or may elect to accept or continue
2878 coverage with the corporation. Section 627.351(6)(c)5.a.(I) does
2879 not apply to an offer of coverage from an authorized insurer
2880 obtained through the program. However, notwithstanding any other
2881 provision of law, this subsection does not apply to a policy
2882 that does not cover a primary residence. As used in this
2883 subsection, the term "primary residence" has the same mean as in
2884 sub-subparagraph s. 627.351 (6)(c)2.a.

2885 (6) Independent insurance agents submitting new
2886 applications for coverage or that are the agent of record on a
2887 renewal policy submitted to the program:

2888 (a) Are granted and must maintain ownership and the
2889 exclusive use of expirations, records, or other written or
2890 electronic information directly related to such applications or
2891 renewals written through the corporation or through an insurer
2892 participating in the program, notwithstanding s.
2893 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted
2894 for as long as the insured remains with the agency or until sold
2895 or surrendered in writing by the agent. Contracts with the
2896 corporation or required by the corporation must not amend,
2897 modify, interfere with, or limit such rights of ownership. Such
2898 expirations, records, or other written or electronic information
2899 may be used to review an application, issue a policy, or for any
2900 other purpose necessary for placing such business through the

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2901 program.

2902 (b) May not be required to be appointed by any insurer
2903 participating in the program for policies written solely through
2904 the program, notwithstanding the provisions of s. 626.112.

2905 (c) May accept an appointment from any insurer
2906 participating in the program.

2907 (d) May enter into either a standard or limited agency
2908 agreement with the insurer, at the insurer's option.

2909

2910 Applicants ineligible for coverage in accordance with subsection
2911 (5) remain ineligible if their independent agent is unwilling or
2912 unable for any reason, including the failure of such agent to be
2913 licensed as a surplus lines agent, to enter into a standard or
2914 limited agency agreement with an insurer participating in the
2915 program.

2916 (7) Exclusive agents submitting new applications for
2917 coverage or that are the agent of record on a renewal policy
2918 submitted to the program:

2919 (a) Must maintain ownership and the exclusive use of
2920 expirations, records, or other written or electronic information
2921 directly related to such applications or renewals written
2922 through the corporation or through an insurer participating in
2923 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and
2924 (II)(B). Contracts with the corporation or required by the
2925 corporation must not amend, modify, interfere with, or limit
2926 such rights of ownership. Such expirations, records, or other
2927 written or electronic information may be used to review an
2928 application, issue a policy, or for any other purpose necessary
2929 for placing such business through the program.

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2930 (b) May not be required to be appointed by any insurer
2931 participating in the program for policies written solely through
2932 the program, notwithstanding the provisions of s. 626.112.

2933 (c) Must only facilitate the placement of an offer of
2934 coverage from an insurer whose limited servicing agreement is
2935 approved by that exclusive agent's exclusive insurer.

2936 (d) May enter into a limited servicing agreement with the
2937 insurer making an offer of coverage, and only after the
2938 exclusive agent's insurer has approved the limited servicing
2939 agreement terms. The exclusive agent's insurer must approve a
2940 limited service agreement for the program for any insurer for
2941 which it has approved a service agreement for other purposes.

2942
2943 Applicants ineligible for coverage in accordance with subsection
2944 (5) remain ineligible if their exclusive agent is unwilling or
2945 unable for any reason, including the failure of such agent to be
2946 licensed as a surplus lines agent, to enter into a standard or
2947 limited agency agreement with an insurer making an offer of
2948 coverage to that applicant.

2949 Section 4. This act shall take effect July 1, 2024.