

By the Committee on Banking and Insurance; and 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, liabilities, 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 the  
20      terms "approved surplus lines insurer" and "primary  
21      residence"; providing applicability of certain  
22      provisions relating to personal lines residential  
23      risks coverage by the corporation; revising  
24      eligibility for commercial lines residential risks  
25      coverage by the corporation; providing that commercial  
26      lines residential risks are not eligible for coverage  
27      by the corporation under certain circumstances;  
28      providing that comparisons of comparable coverages  
29      under certain personal lines residential risks and

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

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59 corporation to share its claims data with a specified  
60 entity; deleting provisions relating to resolutions of  
61 disputes and to determinations of risks ineligible for  
62 coverage; amending s. 627.3511, F.S.; conforming  
63 provisions to changes made by the act; conforming  
64 cross-references; amending s. 627.3518, F.S.; revising  
65 eligibility requirements for applicants for new  
66 coverage; defining the term "primary residence";  
67 providing an effective date.

68  
69 Be It Enacted by the Legislature of the State of Florida:

70  
71 Section 1. Present subsection (7) of section 627.351,  
72 Florida Statutes, is redesignated as subsection (8), a new  
73 subsection (7) is added to that section, paragraph (nn) is added  
74 to subsection (6) of that section, and paragraph (b) of  
75 subsection (2) and paragraphs (a), (b), (c), (e), (n) through  
76 (q), (v), (w), (x), (z), and (ii) of subsection (6) of that  
77 section are amended, to read:

78 627.351 Insurance risk apportionment plans.—

79 (2) WINDSTORM INSURANCE RISK APPORTIONMENT.—

80 (b) The department shall require all insurers holding a  
81 certificate of authority to transact property insurance on a  
82 direct basis in this state, other than joint underwriting  
83 associations and other entities formed pursuant to this section,  
84 to provide windstorm coverage to applicants from areas  
85 determined to be eligible pursuant to paragraph (c) who in good  
86 faith are entitled to, but are unable to procure, such coverage  
87 through ordinary means; or it shall adopt a reasonable plan or

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88 plans for the equitable apportionment or sharing among such  
89 insurers of windstorm coverage, which may include formation of  
90 an association for this purpose. As used in this subsection, the  
91 term "property insurance" means insurance on real or personal  
92 property, as defined in s. 624.604, including insurance for  
93 fire, industrial fire, allied lines, farmowners multiperil,  
94 homeowners multiperil, commercial multiperil, and mobile homes,  
95 and including liability coverages on all such insurance, but  
96 excluding inland marine as defined in s. 624.607(3) and  
97 excluding vehicle insurance as defined in s. 624.605(1)(a) other  
98 than insurance on mobile homes used as permanent dwellings. The  
99 department shall adopt rules that provide a formula for the  
100 recovery and repayment of any deferred assessments.

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

111 2.a.(I) All insurers required to be members of such  
112 association shall participate in its writings, expenses, and  
113 losses. Surplus of the association shall be retained for the  
114 payment of claims and shall not be distributed to the member  
115 insurers. Such participation by member insurers shall be in the  
116 proportion that the net direct premiums of each member insurer

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117 written for property insurance in this state during the  
118 preceding calendar year bear to the aggregate net direct  
119 premiums for property insurance of all member insurers, as  
120 reduced by any credits for voluntary writings, in this state  
121 during the preceding calendar year. For the purposes of this  
122 subsection, the term "net direct premiums" means direct written  
123 premiums for property insurance, reduced by premium for  
124 liability coverage and for the following if included in allied  
125 lines: rain and hail on growing crops; livestock; association  
126 direct premiums booked; National Flood Insurance Program direct  
127 premiums; and similar deductions specifically authorized by the  
128 plan of operation and approved by the department. A member's  
129 participation shall begin on the first day of the calendar year  
130 following the year in which it is issued a certificate of  
131 authority to transact property insurance in the state and shall  
132 terminate 1 year after the end of the calendar year during which  
133 it no longer holds a certificate of authority to transact  
134 property insurance in the state. The commissioner, after review  
135 of annual statements, other reports, and any other statistics  
136 that the commissioner deems necessary, shall certify to the  
137 association the aggregate direct premiums written for property  
138 insurance in this state by all member insurers.

139 (II) Effective July 1, 2002, the association shall operate  
140 subject to the supervision and approval of a board of governors  
141 who are the same individuals that have been appointed by the  
142 Treasurer to serve on the board of governors of the Citizens  
143 Property Insurance Corporation.

144 (III) The plan of operation shall provide a formula whereby  
145 a company voluntarily providing windstorm coverage in affected

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146 areas will be relieved wholly or partially from apportionment of  
147 a regular assessment pursuant to sub-sub-subparagraph d.(I) or  
148 sub-sub-subparagraph d.(II).

149 (IV) A company which is a member of a group of companies  
150 under common management may elect to have its credits applied on  
151 a group basis, and any company or group may elect to have its  
152 credits applied to any other company or group.

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

156 (VI) The plan of operation may also provide for the award  
157 of credits, for a period not to exceed 3 years, from a regular  
158 assessment pursuant to sub-sub-subparagraph d.(I) or sub-sub-  
159 subparagraph d.(II) as an incentive for taking policies out of  
160 the Residential Property and Casualty Joint Underwriting  
161 Association. In order to qualify for the exemption under this  
162 sub-sub-subparagraph, the take-out plan must provide that at  
163 least 40 percent of the policies removed from the Residential  
164 Property and Casualty Joint Underwriting Association cover risks  
165 located in Miami-Dade, Broward, and Palm Beach Counties or at  
166 least 30 percent of the policies so removed cover risks located  
167 in Miami-Dade, Broward, and Palm Beach Counties and an  
168 additional 50 percent of the policies so removed cover risks  
169 located in other coastal counties, and must also provide that no  
170 more than 15 percent of the policies so removed may exclude  
171 windstorm coverage. With the approval of the department, the  
172 association may waive these geographic criteria for a take-out  
173 plan that removes at least the lesser of 100,000 Residential  
174 Property and Casualty Joint Underwriting Association policies or

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175 15 percent of the total number of Residential Property and  
176 Casualty Joint Underwriting Association policies, provided the  
177 governing board of the Residential Property and Casualty Joint  
178 Underwriting Association certifies that the take-out plan will  
179 materially reduce the Residential Property and Casualty Joint  
180 Underwriting Association's 100-year probable maximum loss from  
181 hurricanes. With the approval of the department, the board may  
182 extend such credits for an additional year if the insurer  
183 guarantees an additional year of renewability for all policies  
184 removed from the Residential Property and Casualty Joint  
185 Underwriting Association, or for 2 additional years if the  
186 insurer guarantees 2 additional years of renewability for all  
187 policies removed from the Residential Property and Casualty  
188 Joint Underwriting Association.

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

192       c. The Legislature finds that the potential for unlimited  
193 deficit assessments under this subparagraph may induce insurers  
194 to attempt to reduce their writings in the voluntary market, and  
195 that such actions would worsen the availability problems that  
196 the association was created to remedy. It is the intent of the  
197 Legislature that insurers remain fully responsible for paying  
198 regular assessments and collecting emergency assessments for any  
199 deficits of the association; however, it is also the intent of  
200 the Legislature to provide a means by which assessment  
201 liabilities may be amortized over a period of years.

202       d.(I) When the deficit incurred in a particular calendar  
203 year is 10 percent or less of the aggregate statewide direct

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204 written premium for property insurance for the prior calendar  
205 year for all member insurers, the association shall levy an  
206 assessment on member insurers in an amount equal to the deficit.

207 (II) When the deficit incurred in a particular calendar  
208 year exceeds 10 percent 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 greater  
212 of 10 percent of the deficit or 10 percent of the aggregate  
213 statewide direct written premium for property insurance for the  
214 prior calendar year for member insurers. Any remaining deficit  
215 shall be recovered through emergency assessments under sub-sub-  
216 subparagraph (III).

217 (III) Upon a determination by the board of directors that a  
218 deficit exceeds the amount that will be recovered through  
219 regular assessments on member insurers, pursuant to sub-sub-  
220 subparagraph (I) or sub-sub-subparagraph (II), the board shall  
221 levy, after verification by the department, emergency  
222 assessments to be collected by member insurers and by  
223 underwriting associations created pursuant to this section which  
224 write property insurance, upon issuance or renewal of property  
225 insurance policies other than National Flood Insurance policies  
226 in the year or years following levy of the regular assessments.  
227 The amount of the emergency assessment collected in a particular  
228 year shall be a uniform percentage of that year's direct written  
229 premium for property insurance for all member insurers and  
230 underwriting associations, excluding National Flood Insurance  
231 policy premiums, as annually determined by the board and  
232 verified by the department. The department shall verify the



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

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262 document governing such bonds or other indebtedness. Emergency  
263 assessments collected under this sub-sub-subparagraph are not  
264 part of an insurer's rates, are not premium, and are not subject  
265 to premium tax, fees, or commissions; however, failure to pay  
266 the emergency assessment shall be treated as failure to pay  
267 premium.

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

276 (V) If regular deficit assessments are made under sub-sub-  
277 subparagraph (I) or sub-sub-subparagraph (II), ~~or by the~~  
278 ~~Residential Property and Casualty Joint Underwriting Association~~  
279 ~~under sub-subparagraph (6)(b)3.a.~~, the association shall levy  
280 upon the association's policyholders, as part of its next rate  
281 filing, or by a separate rate filing solely for this purpose, a  
282 market equalization surcharge in a percentage equal to the total  
283 amount of such regular assessments divided by the aggregate  
284 statewide direct written premium for property insurance for  
285 member insurers for the prior calendar year. Market equalization  
286 surcharges under this sub-sub-subparagraph are not considered  
287 premium and are not subject to commissions, fees, or premium  
288 taxes; however, failure to pay a market equalization surcharge  
289 shall be treated as failure to pay premium.

290 e. The governing body of any unit of local government, any

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

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

334 3. The plan shall also provide that any member with a  
335 surplus as to policyholders of \$25 million or less writing 25  
336 percent or more of its total countrywide property insurance  
337 premiums in this state may petition the department, within the  
338 first 90 days of each calendar year, to qualify as a limited  
339 apportionment company. The apportionment of such a member  
340 company in any calendar year for which it is qualified shall not  
341 exceed its gross participation, which shall not be affected by  
342 the formula for voluntary writings. In no event shall a limited  
343 apportionment company be required to participate in any  
344 apportionment of losses pursuant to sub-sub-subparagraph 2.d.(I)  
345 or sub-sub-subparagraph 2.d.(II) in the aggregate which exceeds  
346 \$50 million after payment of available plan funds in any  
347 calendar year. However, a limited apportionment company shall  
348 collect from its policyholders any emergency assessment imposed

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349 under sub-sub-subparagraph 2.d.(III). The plan shall provide  
350 that, if the department determines that any regular assessment  
351 will result in an impairment of the surplus of a limited  
352 apportionment company, the department may direct that all or  
353 part of such assessment be deferred. However, there shall be no  
354 limitation or deferment of an emergency assessment to be  
355 collected from policyholders under sub-sub-subparagraph  
356 2.d.(III).

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

369 5.a. The plan of operation may include deductibles and  
370 rules for classification of risks and rate modifications  
371 consistent with the objective of providing and maintaining funds  
372 sufficient to pay catastrophe losses.

373 b. It is the intent of the Legislature that the rates for  
374 coverage provided by the association be actuarially sound and  
375 not competitive with approved rates charged in the admitted  
376 voluntary market such that the association functions as a  
377 residual market mechanism to provide insurance only when the

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378 insurance cannot be procured in the voluntary market. The plan  
379 of operation shall provide a mechanism to assure that, beginning  
380 no later than January 1, 1999, the rates charged by the  
381 association for each line of business are reflective of approved  
382 rates in the voluntary market for hurricane coverage for each  
383 line of business in the various areas eligible for association  
384 coverage.

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

400 d. The plan of operation must provide objective criteria  
401 and procedures, approved by the department, to be uniformly  
402 applied for all applicants in determining whether an individual  
403 risk is so hazardous as to be uninsurable. In making this  
404 determination and in establishing the criteria and procedures,  
405 the following shall be considered:

406 (I) Whether the likelihood of a loss for the individual

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407 risk is substantially higher than for other risks of the same  
408 class; and

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

411

412 The acceptance or rejection of a risk by the association  
413 pursuant to such criteria and procedures must be construed as  
414 the private placement of insurance, and the provisions of  
415 chapter 120 do not apply.

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

423 (I) Pay to the producing agent of record of the policy, for  
424 the first year, an amount that is the greater of the insurer's  
425 usual and customary commission for the type of policy written or  
426 a fee equal to the usual and customary commission of the  
427 association; or

428 (II) Offer to allow the producing agent of record of the  
429 policy to continue servicing the policy for a period of not less  
430 than 1 year and offer to pay the agent the greater of the  
431 insurer's or the association's usual and customary commission  
432 for the type of policy written.

433

434 If the producing agent is unwilling or unable to accept  
435 appointment, the new insurer shall pay the agent in accordance

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436 with sub-sub-subparagraph (I). Subject to the provisions of s.  
437 627.3517, the policies issued by the association must provide  
438 that if the association obtains an offer from an authorized  
439 insurer to cover the risk at its approved rates under either a  
440 standard policy including wind coverage or, if consistent with  
441 the insurer's underwriting rules as filed with the department, a  
442 basic policy including wind coverage, the risk is no longer  
443 eligible for coverage through the association. Upon termination  
444 of eligibility, the association shall provide written notice to  
445 the policyholder and agent of record stating that the  
446 association policy must be canceled as of 60 days after the date  
447 of the notice because of the offer of coverage from an  
448 authorized insurer. Other provisions of the insurance code  
449 relating to cancellation and notice of cancellation do not apply  
450 to actions under this sub-subparagraph.

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

455 (I) Pay to the producing agent of record of the association  
456 policy, for the first year, an amount that is the greater of the  
457 insurer's usual and customary commission for the type of policy  
458 written or a fee equal to the usual and customary commission of  
459 the association; or

460 (II) Offer to allow the producing agent of record of the  
461 association policy to continue servicing the policy for a period  
462 of not less than 1 year and offer to pay the agent the greater  
463 of the insurer's or the association's usual and customary  
464 commission for the type of policy written.



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465

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

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

479         b. Any entity created under this subsection, or any entity  
480 formed for the purposes of this subsection, may sue and be sued,  
481 may borrow money; issue bonds, notes, or debt instruments;  
482 pledge or sell assessments, market equalization surcharges and  
483 other surcharges, rights, premiums, contractual rights,  
484 projected recoveries from the Florida Hurricane Catastrophe  
485 Fund, other reinsurance recoverables, and other assets as  
486 security for such bonds, notes, or debt instruments; enter into  
487 any contracts or agreements necessary or proper to accomplish  
488 such borrowings; and take other actions necessary to carry out  
489 the purposes of this subsection. The association may issue bonds  
490 or incur other indebtedness, or have bonds issued on its behalf  
491 by a unit of local government pursuant to subparagraph (6)(q)2.,  
492 in the absence of a hurricane or other weather-related event,  
493 upon a determination by the association subject to approval by

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494 the department that such action would enable it to efficiently  
495 meet the financial obligations of the association and that such  
496 financings are reasonably necessary to effectuate the  
497 requirements of this subsection. Any such entity may accumulate  
498 reserves and retain surpluses as of the end of any association  
499 year to provide for the payment of losses incurred by the  
500 association during that year or any future year. The association  
501 shall incorporate and continue the plan of operation and  
502 articles of agreement in effect on the effective date of chapter  
503 76-96, Laws of Florida, to the extent that it is not  
504 inconsistent with chapter 76-96, and as subsequently modified  
505 consistent with chapter 76-96. The board of directors and  
506 officers currently serving shall continue to serve until their  
507 successors are duly qualified as provided under the plan. The  
508 assets and obligations of the plan in effect immediately prior  
509 to the effective date of chapter 76-96 shall be construed to be  
510 the assets and obligations of the successor plan created herein.

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

518 7. On such coverage, an agent's remuneration shall be that  
519 amount of money payable to the agent by the terms of his or her  
520 contract with the company with which the business is placed.  
521 However, no commission will be paid on that portion of the  
522 premium which is in excess of the standard premium of that

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523 company.

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

540       9. Notwithstanding any other provision of law:

541       a. The pledge or sale of, the lien upon, and the security  
542 interest in any rights, revenues, or other assets of the  
543 association created or purported to be created pursuant to any  
544 financing documents to secure any bonds or other indebtedness of  
545 the association shall be and remain valid and enforceable,  
546 notwithstanding the commencement of and during the continuation  
547 of, and after, any rehabilitation, insolvency, liquidation,  
548 bankruptcy, receivership, conservatorship, reorganization, or  
549 similar proceeding against the association under the laws of  
550 this state or any other applicable laws.

551       b. No such proceeding shall relieve the association of its

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552 obligation, or otherwise affect its ability to perform its  
553 obligation, to continue to collect, or levy and collect,  
554 assessments, market equalization or other surcharges, projected  
555 recoveries from the Florida Hurricane Catastrophe Fund,  
556 reinsurance recoverables, or any other rights, revenues, or  
557 other assets of the association pledged.

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

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

578 e. Any such pledge or sale of assessments, revenues,  
579 contract rights or other rights or assets of the association  
580 shall constitute a lien and security interest, or sale, as the

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

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

604 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

608 1. The Legislature finds that private insurers are  
609 unwilling or unable to provide affordable property insurance

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

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639 the corporation continue to be an integral part of the state and  
640 that the income of the corporation be exempt from federal income  
641 taxation and that interest on the debt obligations issued by the  
642 corporation be exempt from federal income taxation.

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

663 3. With respect to coverage for personal lines residential  
664 structures:

665 a. ~~Effective January 1, 2014, a structure that has a~~  
666 ~~dwelling replacement cost of \$1 million or more, or a single~~  
667 ~~condominium unit that has a combined dwelling and contents~~

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

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

686 ~~c. Effective January 1, 2016, a structure that has a~~  
687 ~~dwelling replacement cost of \$800,000 or more, or a single~~  
688 ~~condominium unit that has a combined dwelling and contents~~  
689 ~~replacement cost of \$800,000 or more, is not eligible for~~  
690 ~~coverage by the corporation. Such dwellings insured by the~~  
691 ~~corporation on December 31, 2015, may continue to be covered by~~  
692 ~~the corporation until the end of the policy term.~~

693 ~~d. Effective January 1, 2017, a structure that has a~~  
694 ~~dwelling replacement cost of \$700,000 or more, or a single~~  
695 ~~condominium unit that has a combined dwelling and contents~~  
696 ~~replacement cost of \$700,000 or more, is not eligible for~~



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697 coverage by the corporation. ~~Such dwellings insured by the~~  
698 ~~corporation on December 31, 2016, may continue to be covered by~~  
699 ~~the corporation until the end of the policy term.~~

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

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

717 5.a. Effective January 1, 2009, a personal lines  
718 residential structure that is located in the "wind-borne debris  
719 region," as defined in s. 1609.2, International Building Code  
720 (2006), and that has an insured value on the structure of  
721 \$750,000 or more is not eligible for coverage by the corporation  
722 unless the structure has opening protections as required under  
723 the Florida Building Code for a newly constructed residential  
724 structure in that area. A residential structure is deemed to  
725 comply with this sub-subparagraph if it has shutters or opening

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726 protections on all openings and if such opening protections  
727 complied with the Florida Building Code at the time they were  
728 installed.

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

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

743       (b)1. All insurers authorized to write one or more subject  
744 lines of business in this state are subject to assessment by the  
745 corporation and, for the purposes of this subsection, are  
746 referred to collectively as "assessable insurers." Insurers  
747 writing one or more subject lines of business in this state  
748 pursuant to part VIII of chapter 626 are not assessable  
749 insurers; however, insureds who procure one or more subject  
750 lines of business in this state pursuant to part VIII of chapter  
751 626 are subject to assessment by the corporation and are  
752 referred to collectively as "assessable insureds." An insurer's  
753 assessment liability begins on the first day of the calendar  
754 year following the year in which the insurer was issued a

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755 certificate of authority to transact insurance for subject lines  
756 of business in this state and terminates 1 year after the end of  
757 the first calendar year during which the insurer no longer holds  
758 a certificate of authority to transact insurance for subject  
759 lines of business in this state.

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

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

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

779 ~~c.(III) A coastal account for~~ Personal residential policies  
780 and commercial residential and commercial nonresidential  
781 property policies that provide ~~issued by the corporation which~~  
782 ~~provides~~ coverage for the peril of wind on risks that are  
783 located in areas eligible for coverage by the Florida Windstorm

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

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

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

826 (II) Policies that provide multiperil coverage, if offered  
827 by the corporation, and policies that provide coverage only for  
828 the peril of wind for risks located in areas eligible for  
829 coverage by the Florida Windstorm Underwriting Association, as  
830 those areas were defined on January 1, 2002;

831 (III) Commercial residential wind-only policies;

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

834 (V) Commercial residential multiperil policies on a  
835 building that was insured by the corporation on June 30, 2014 ~~It~~  
836 is the goal of the Legislature that there be an overall average  
837 savings of 10 percent or more for a policyholder who currently  
838 has a wind-only policy with the corporation, and an ex-wind  
839 policy with a voluntary insurer or the corporation, and who  
840 obtains a multiperil policy from the corporation. It is the  
841 intent of the Legislature that the offer of multiperil coverage

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842 ~~in the coastal account be made and implemented in a manner that~~  
843 ~~does not adversely affect the tax-exempt status of the~~  
844 ~~corporation or creditworthiness of or security for currently~~  
845 ~~outstanding financing obligations or credit facilities of the~~  
846 ~~coastal account, the personal lines account, or the commercial~~  
847 ~~lines account. The coastal account must also include quota share~~  
848 ~~primary insurance under subparagraph (c)2.~~

849

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

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

856 a. Upon a determination by the board of governors that the  
857 Citizens account has a projected deficit, the board shall levy a  
858 Citizens policyholder surcharge against all policyholders of the  
859 corporation.

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

863 (II) The surcharge is payable upon cancellation or  
864 termination of the policy, upon renewal of the policy, or upon  
865 issuance of a new policy by the corporation within the first 12  
866 months after the date of the levy or the period of time  
867 necessary to fully collect the surcharge amount.

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

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

894 ~~e. Creditors of the Residential Property and Casualty Joint~~  
895 ~~Underwriting Association and the accounts specified in sub-sub-~~  
896 ~~subparagraphs a. (I) and (II) may have a claim against, and~~  
897 ~~recourse to, those accounts and no claim against, or recourse~~  
898 ~~to, the account referred to in sub-sub-subparagraph a. (III).~~  
899 ~~Creditors of the Florida Windstorm Underwriting Association have~~

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900 ~~a claim against, and recourse to, the account referred to in~~  
901 ~~sub-sub-subparagraph a.(III) and no claim against, or recourse~~  
902 ~~to, the accounts referred to in sub-sub-subparagraphs a.(I) and~~  
903 ~~(II).~~

904 ~~d. Revenues, assets, liabilities, losses, and expenses not~~  
905 ~~attributable to particular accounts shall be prorated among the~~  
906 ~~accounts.~~

907 ~~e. The Legislature finds that the revenues of the~~  
908 ~~corporation are revenues that are necessary to meet the~~  
909 ~~requirements set forth in documents authorizing the issuance of~~  
910 ~~bonds under this subsection.~~

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

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

914 ~~a. After accounting for the Citizens policyholder surcharge~~  
915 ~~imposed under sub-subparagraph j., if the remaining projected~~  
916 ~~deficit incurred in the coastal account in a particular calendar~~  
917 ~~year:~~

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

923 ~~(II) Exceeds 2 percent of the aggregate statewide direct~~  
924 ~~written premium for the subject lines of business for the prior~~  
925 ~~calendar year, the corporation shall levy regular assessments on~~  
926 ~~assessable insurers under paragraph (q) and on assessable~~  
927 ~~insureds in an amount equal to the greater of 2 percent of the~~  
928 ~~projected deficit or 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. Any remaining projected deficit shall be~~  
931 ~~recovered through emergency assessments under sub-subparagraph~~  
932 ~~e.~~

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

955 ~~e. The corporation may not levy regular assessments under~~  
956 ~~paragraph (q) pursuant to sub-subparagraph a. or sub-~~  
957 ~~subparagraph b. if the three separate accounts in sub-sub-~~

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958 ~~subparagraphs 2.a.(I)–(III) have been consolidated into the~~  
959 ~~Citizens account pursuant to sub-subparagraph 2.b. However, the~~  
960 ~~outstanding balance of any regular assessment levied by the~~  
961 ~~corporation before establishment of the Citizens account remains~~  
962 ~~payable to the corporation.~~

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

969 c.e. Upon a determination by the board of governors that a  
970 projected deficit in the Citizens ~~an~~ account exceeds the amount  
971 that is expected to be recovered through surcharges ~~regular~~  
972 ~~assessments under sub-subparagraph a., plus the amount that is~~  
973 ~~expected to be recovered through surcharges under sub-~~  
974 ~~subparagraph j.~~, the board, after verification by the office,  
975 shall levy emergency assessments for as many years as necessary  
976 to cover the deficits, to be collected by assessable insurers  
977 and the corporation and collected from assessable insureds upon  
978 issuance or renewal of policies for subject lines of business,  
979 excluding National Flood Insurance Program policies. The amount  
980 collected in a particular year must be a uniform percentage of  
981 that year's direct written premium for subject lines of business  
982 and the Citizens account ~~all accounts of the corporation,~~  
983 excluding National Flood Insurance Program policy premiums, as  
984 annually determined by the board and verified by the office. The  
985 office shall verify the arithmetic calculations involved in the  
986 board's determination within 30 days after receipt of the

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

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1016 financing the deficit.

1017 ~~d.f.~~ The corporation may pledge the proceeds of  
1018 assessments, projected recoveries from the Florida Hurricane  
1019 Catastrophe Fund, other insurance and reinsurance recoverables,  
1020 policyholder surcharges and other surcharges, and other funds  
1021 available to the corporation as the source of revenue for and to  
1022 secure bonds issued under paragraph (q), bonds or other  
1023 indebtedness issued under subparagraph (c)3., or lines of credit  
1024 or other financing mechanisms issued or created under this  
1025 subsection, or to retire any other debt incurred as a result of  
1026 deficits or events giving rise to deficits, or in any other way  
1027 that the board determines will efficiently recover such  
1028 deficits. The purpose of the lines of credit or other financing  
1029 mechanisms is to provide additional resources to assist the  
1030 corporation in covering claims and expenses attributable to a  
1031 catastrophe. As used in this subsection, the term "assessments"  
1032 includes emergency ~~regular~~ assessments under sub-subparagraph c.  
1033 ~~a. or subparagraph (q)1. and emergency assessments under sub-~~  
1034 ~~subparagraph e.~~ Emergency assessments collected under sub-  
1035 subparagraph c. ~~e.~~ are not part of an insurer's rates, are not  
1036 premium, and are not subject to premium tax, fees, or  
1037 commissions; however, failure to pay the emergency assessment  
1038 shall be treated as failure to pay premium. The emergency  
1039 assessments shall continue as long as any bonds issued or other  
1040 indebtedness incurred with respect to a deficit for which the  
1041 assessment was imposed remain outstanding, unless adequate  
1042 provision has been made for the payment of such bonds or other  
1043 indebtedness pursuant to the documents governing such bonds or  
1044 indebtedness.

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1045       ~~e.g.~~ As used in this subsection and for purposes of any  
1046 deficit incurred on or after January 25, 2007, the term "subject  
1047 lines of business" means insurance written by assessable  
1048 insurers or procured by assessable insureds for all property and  
1049 casualty lines of business in this state, but not including  
1050 workers' compensation or medical malpractice. As used in this  
1051 sub-subparagraph, the term "property and casualty lines of  
1052 business" includes all lines of business identified on Form 2,  
1053 Exhibit of Premiums and Losses, in the annual statement required  
1054 of authorized insurers under s. 624.424 and any rule adopted  
1055 under this section, except for those lines identified as  
1056 accident and health insurance and except for policies written  
1057 under the National Flood Insurance Program or the Federal Crop  
1058 Insurance Program. For purposes of this sub-subparagraph, the  
1059 term "workers' compensation" includes both workers' compensation  
1060 insurance and excess workers' compensation insurance.

1061       ~~f.h.~~ The Florida Surplus Lines Service Office shall  
1062 annually determine ~~annually~~ the aggregate statewide written  
1063 premium in subject lines of business procured by assessable  
1064 insureds and report that information to the corporation in a  
1065 form and at a time the corporation specifies to ensure that the  
1066 corporation can meet the requirements of this subsection and the  
1067 corporation's financing obligations.

1068       ~~g.i.~~ The Florida Surplus Lines Service Office shall verify  
1069 the proper application by surplus lines agents of assessment  
1070 percentages for ~~regular assessments and~~ emergency assessments  
1071 levied under this subparagraph on assessable insureds and assist  
1072 the corporation in ensuring the accurate, timely collection and  
1073 payment of assessments by surplus lines agents as required by

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1074 the corporation.

1075 ~~j. Upon determination by the board of governors that an~~  
1076 ~~account has a projected deficit, the board shall levy a Citizens~~  
1077 ~~policyholder surcharge against all policyholders of the~~  
1078 ~~corporation.~~

1079 ~~(I) The surcharge shall be levied as a uniform percentage~~  
1080 ~~of the premium for the policy of up to 15 percent of such~~  
1081 ~~premium, which funds shall be used to offset the deficit.~~

1082 ~~(II) The surcharge is payable upon cancellation or~~  
1083 ~~termination of the policy, upon renewal of the policy, or upon~~  
1084 ~~issuance of a new policy by the corporation within the first 12~~  
1085 ~~months after the date of the levy or the period of time~~  
1086 ~~necessary to fully collect the surcharge amount.~~

1087 ~~(III) The corporation may not levy any regular assessments~~  
1088 ~~under paragraph (q) pursuant to sub-subparagraph a. or sub-~~  
1089 ~~subparagraph b. with respect to a particular year's deficit~~  
1090 ~~until the corporation has first levied the full amount of the~~  
1091 ~~surcharge authorized by this sub-subparagraph.~~

1092 ~~(IV) The surcharge is not considered premium and is not~~  
1093 ~~subject to commissions, fees, or premium taxes. However, failure~~  
1094 ~~to pay the surcharge shall be treated as failure to pay premium.~~

1095 h.k. If the amount of any assessments or surcharges  
1096 collected from corporation policyholders, assessable insurers or  
1097 their policyholders, or assessable insureds exceeds the amount  
1098 of the deficits, such excess amounts shall be remitted to and  
1099 retained by the corporation in a reserve to be used by the  
1100 corporation, as determined by the board of governors and  
1101 approved by the office, to pay claims or reduce any past,  
1102 present, or future plan-year deficits or to reduce outstanding

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1103 debt.

1104 ~~4. The Citizens account, if established by the corporation~~  
1105 ~~pursuant to sub-subparagraph 2.b., is authorized to provide:~~

1106 ~~a. Personal residential policies that provide~~  
1107 ~~comprehensive, multiperil coverage on risks that are not located~~  
1108 ~~in areas eligible for coverage by the Florida Windstorm~~  
1109 ~~Underwriting Association, as those areas were defined on January~~  
1110 ~~1, 2002, and for policies that do not provide coverage for the~~  
1111 ~~peril of wind on risks that are located in such areas;~~

1112 ~~b. Commercial residential and commercial nonresidential~~  
1113 ~~policies that provide coverage for basic property perils on~~  
1114 ~~risks that are not located in areas eligible for coverage by the~~  
1115 ~~Florida Windstorm Underwriting Association, as those areas were~~  
1116 ~~defined on January 1, 2002, and for policies that do not provide~~  
1117 ~~coverage for the peril of wind on risks that are located in such~~  
1118 ~~areas; and~~

1119 ~~e. Personal residential policies and commercial residential~~  
1120 ~~and commercial nonresidential property policies that provide~~  
1121 ~~coverage for the peril of wind on risks that are located in~~  
1122 ~~areas eligible for coverage by the Florida Windstorm~~  
1123 ~~Underwriting Association, as those areas were defined on January~~  
1124 ~~1, 2002. The corporation may offer policies that provide~~  
1125 ~~multiperil coverage and shall offer policies that provide~~  
1126 ~~coverage only for the peril of wind for risks located in areas~~  
1127 ~~eligible for coverage by the Florida Windstorm Underwriting~~  
1128 ~~Association, as those areas were defined on January 1, 2002. The~~  
1129 ~~corporation may not offer new commercial residential policies~~  
1130 ~~providing multiperil coverage, but shall continue to offer~~  
1131 ~~commercial residential wind-only policies, and may offer~~

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1132 ~~commercial residential policies excluding wind. However, the~~  
1133 ~~corporation may continue to renew a commercial residential~~  
1134 ~~multi-peril policy on a building that was insured by the~~  
1135 ~~corporation on June 30, 2014, under a multi-peril policy. In~~  
1136 ~~issuing multi-peril coverage under this sub-subparagraph, the~~  
1137 ~~corporation may use its approved policy forms and rates for~~  
1138 ~~risks located in areas not eligible for coverage by the Florida~~  
1139 ~~Windstorm Underwriting Association as those areas were defined~~  
1140 ~~on January 1, 2002, and for policies that do not provide~~  
1141 ~~coverage for the peril of wind on risks that are located in such~~  
1142 ~~areas. An applicant or insured who is eligible to purchase a~~  
1143 ~~multi-peril policy from the corporation may purchase a multi-peril~~  
1144 ~~policy from an authorized insurer without prejudice to the~~  
1145 ~~applicant's or insured's eligibility to prospectively purchase a~~  
1146 ~~policy that provides coverage only for the peril of wind from~~  
1147 ~~the corporation. An applicant or insured who is eligible for a~~  
1148 ~~corporation policy that provides coverage only for the peril of~~  
1149 ~~wind may elect to purchase or retain such policy and also~~  
1150 ~~purchase or retain coverage excluding wind from an authorized~~  
1151 ~~insurer without prejudice to the applicant's or insured's~~  
1152 ~~eligibility to prospectively purchase a policy that provides~~  
1153 ~~multi-peril coverage from the corporation. The following~~  
1154 ~~policies, which provide coverage only for the peril of wind,~~  
1155 ~~must also include quota share primary insurance under~~  
1156 ~~subparagraph (c)2.: Personal residential policies and commercial~~  
1157 ~~residential and commercial nonresidential property policies that~~  
1158 ~~provide coverage for the peril of wind on risks that are located~~  
1159 ~~in areas eligible for coverage by the Florida Windstorm~~  
1160 ~~Underwriting Association, as those areas were defined on January~~



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

1175 ~~5. With respect to a deficit in the Citizens account:~~

1176 ~~a. Upon a determination by the board of governors that the~~  
1177 ~~Citizens account has a projected deficit, the board shall levy a~~  
1178 ~~Citizens policyholder surcharge against all policyholders of the~~  
1179 ~~corporation.~~

1180 ~~(I) The surcharge shall be levied as a uniform percentage~~  
1181 ~~of the premium for the policy of up to 15 percent of such~~  
1182 ~~premium, which funds shall be used to offset the deficit.~~

1183 ~~(II) The surcharge is payable upon cancellation or~~  
1184 ~~termination of the policy, upon renewal of the policy, or upon~~  
1185 ~~issuance of a new policy by the corporation within the first 12~~  
1186 ~~months after the date of the levy or the period of time~~  
1187 ~~necessary to fully collect the surcharge amount.~~

1188 ~~(III) The surcharge is not considered premium and is not~~  
1189 ~~subject to commissions, fees, or premium taxes. However, failure~~

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1190 ~~to pay the surcharge shall be treated as failure to pay premium.~~

1191 ~~b. After accounting for the Citizens policyholder surcharge~~  
1192 ~~imposed under sub-subparagraph a., the remaining projected~~  
1193 ~~deficit incurred in the Citizens account in a particular~~  
1194 ~~calendar year shall be recovered through emergency assessments~~  
1195 ~~under sub-subparagraph e.~~

1196 ~~e. Upon a determination by the board of governors that a~~  
1197 ~~projected deficit in the Citizens account exceeds the amount~~  
1198 ~~that is expected to be recovered through surcharges under sub-~~  
1199 ~~subparagraph a., the board, after verification by the office,~~  
1200 ~~shall levy emergency assessments for as many years as necessary~~  
1201 ~~to cover the deficits, to be collected by assessable insurers~~  
1202 ~~and the corporation and collected from assessable insureds upon~~  
1203 ~~issuance or renewal of policies for subject lines of business,~~  
1204 ~~excluding National Flood Insurance Program policies. The amount~~  
1205 ~~collected in a particular year must be a uniform percentage of~~  
1206 ~~that year's direct written premium for subject lines of business~~  
1207 ~~and the Citizens account, National Flood Insurance Program~~  
1208 ~~policy premiums, as annually determined by the board and~~  
1209 ~~verified by the office. The office shall verify the arithmetic~~  
1210 ~~calculations involved in the board's determination within 30~~  
1211 ~~days after receipt of the information on which the determination~~  
1212 ~~was based. The office shall notify assessable insurers and the~~  
1213 ~~Florida Surplus Lines Service Office of the date on which~~  
1214 ~~assessable insurers shall begin to collect and assessable~~  
1215 ~~insureds shall begin to pay such assessment. The date must be at~~  
1216 ~~least 90 days after the date the corporation levies emergency~~  
1217 ~~assessments pursuant to this sub-subparagraph. Notwithstanding~~  
1218 ~~any other law, the corporation and each assessable insurer that~~

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

1240 ~~d. The corporation may pledge the proceeds of assessments,~~  
1241 ~~projected recoveries from the Florida Hurricane Catastrophe~~  
1242 ~~Fund, other insurance and reinsurance recoverables, policyholder~~  
1243 ~~surcharges and other surcharges, and other funds available to~~  
1244 ~~the corporation as the source of revenue for and to secure bonds~~  
1245 ~~issued under paragraph (q), bonds or other indebtedness issued~~  
1246 ~~under subparagraph (c)3., or lines of credit or other financing~~  
1247 ~~mechanisms issued or created under this subsection; or to retire~~

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

1266 ~~e. As used in this subsection and for purposes of any~~  
1267 ~~deficit incurred on or after January 25, 2007, the term "subject~~  
1268 ~~lines of business" means insurance written by assessable~~  
1269 ~~insurers or procured by assessable insureds for all property and~~  
1270 ~~casualty lines of business in this state, but not including~~  
1271 ~~workers' compensation or medical malpractice. As used in this~~  
1272 ~~sub-subparagraph, the term "property and casualty lines of~~  
1273 ~~business" includes all lines of business identified on Form 2,~~  
1274 ~~Exhibit of Premiums and Losses, in the annual statement required~~  
1275 ~~of authorized insurers under s. 624.424 and any rule adopted~~  
1276 ~~under this section, except for those lines identified as~~

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1277 ~~accident and health insurance and except for policies written~~  
1278 ~~under the National Flood Insurance Program or the Federal Crop~~  
1279 ~~Insurance Program. For purposes of this sub-subparagraph, the~~  
1280 ~~term "workers' compensation" includes both workers' compensation~~  
1281 ~~insurance and excess workers' compensation insurance.~~

1282 ~~f. The Florida Surplus Lines Service Office shall annually~~  
1283 ~~determine the aggregate statewide written premium in subject~~  
1284 ~~lines of business procured by assessable insureds and report~~  
1285 ~~that information to the corporation in a form and at a time the~~  
1286 ~~corporation specifies to ensure that the corporation can meet~~  
1287 ~~the requirements of this subsection and the corporation's~~  
1288 ~~financing obligations.~~

1289 ~~g. The Florida Surplus Lines Service Office shall verify~~  
1290 ~~the proper application by surplus lines agents of assessment~~  
1291 ~~percentages for emergency assessments levied under this~~  
1292 ~~subparagraph on assessable insureds and assist the corporation~~  
1293 ~~in ensuring the accurate, timely collection and payment of~~  
1294 ~~assessments by surplus lines agents as required by the~~  
1295 ~~corporation.~~

1296 ~~h. If the amount of any assessments or surcharges collected~~  
1297 ~~from corporation policyholders, assessable insurers or their~~  
1298 ~~policyholders, or assessable insureds exceeds the amount of the~~  
1299 ~~deficits, such excess amounts shall be remitted to and retained~~  
1300 ~~by the corporation in a reserve to be used by the corporation,~~  
1301 ~~as determined by the board of governors and approved by the~~  
1302 ~~office, to pay claims or reduce any past, present, or future~~  
1303 ~~plan-year deficits or to reduce outstanding debt.~~

1304 (c) The corporation's plan of operation:

1305 1. Must provide for adoption of residential property and

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1306 casualty insurance policy forms and commercial residential and  
1307 nonresidential property insurance forms, which must be approved  
1308 by the office before use. The corporation shall adopt the  
1309 following policy forms:

1310 a. Standard personal lines policy forms that are  
1311 comprehensive multiperil policies providing full coverage of a  
1312 residential property equivalent to the coverage provided in the  
1313 private insurance market under an HO-3, HO-4, or HO-6 policy.

1314 b. Basic personal lines policy forms that are policies  
1315 similar to an HO-8 policy or a dwelling fire policy that provide  
1316 coverage meeting the requirements of the secondary mortgage  
1317 market, but which is more limited than the coverage under a  
1318 standard policy.

1319 c. Commercial lines residential and nonresidential policy  
1320 forms that are generally similar to the basic perils of full  
1321 coverage obtainable for commercial residential structures and  
1322 commercial nonresidential structures in the admitted voluntary  
1323 market.

1324 d. Personal lines and commercial lines residential property  
1325 insurance forms that cover the peril of wind only. The forms are  
1326 applicable only to residential properties located in areas  
1327 eligible for coverage by the Florida Windstorm Underwriting  
1328 Association, as those areas were defined on January 1, 2002.

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

1334 f. The corporation may adopt variations of the policy forms

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1335 listed in sub-subparagraphs a.-e. which contain more restrictive  
1336 coverage.

1337 g. The corporation shall offer a basic personal lines  
1338 policy similar to an HO-8 policy with dwelling repair based on  
1339 common construction materials and methods.

1340 2. Must provide that the corporation adopt a program in  
1341 which the corporation and authorized insurers enter into quota  
1342 share primary insurance agreements for hurricane coverage, as  
1343 defined in s. 627.4025(2)(a), for eligible risks, and adopt  
1344 property insurance forms for eligible risks which cover the  
1345 peril of wind only.

1346 a. As used in this subsection, the term:

1347 (I) "Approved surplus lines insurer" means an eligible  
1348 surplus lines insurer:

1349 (A) That has a financial strength rating of "A" or higher  
1350 from A.M. Best Company;

1351 (B) That has a personal lines residential risk program that  
1352 is managed by a Florida resident surplus lines broker; and

1353 (C) That offers coverage to applicants for new coverage  
1354 from the corporation or current policyholders of the corporation  
1355 through a take-out plan approved by the office.

1356 (III) "Primary residence" means the dwelling that is the  
1357 policyholder's primary home or is a rental property that is the  
1358 primary home of the tenant, and which the policyholder or tenant  
1359 occupies for more than 9 months of each year.

1360 (IV) ~~(H)~~ "Quota share primary insurance" means an  
1361 arrangement in which the primary hurricane coverage of an  
1362 eligible risk is provided in specified percentages by the  
1363 corporation and an authorized insurer. The corporation and

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1364 authorized insurer are each solely responsible for a specified  
1365 percentage of hurricane coverage of an eligible risk as set  
1366 forth in a quota share primary insurance agreement between the  
1367 corporation and an authorized insurer and the insurance  
1368 contract. The responsibility of the corporation or authorized  
1369 insurer to pay its specified percentage of hurricane losses of  
1370 an eligible risk, as set forth in the agreement, may not be  
1371 altered by the inability of the other party to pay its specified  
1372 percentage of losses. Eligible risks that are provided hurricane  
1373 coverage through a quota share primary insurance arrangement  
1374 must be provided policy forms that set forth the obligations of  
1375 the corporation and authorized insurer under the arrangement,  
1376 clearly specify the percentages of quota share primary insurance  
1377 provided by the corporation and authorized insurer, and  
1378 conspicuously and clearly state that the authorized insurer and  
1379 the corporation may not be held responsible beyond their  
1380 specified percentage of coverage of hurricane losses.

1381 (II) "Eligible risks" means personal lines residential and  
1382 commercial lines residential risks that meet the underwriting  
1383 criteria of the corporation and are located in areas that were  
1384 eligible for coverage by the Florida Windstorm Underwriting  
1385 Association on January 1, 2002.

1386 b. The corporation may enter into quota share primary  
1387 insurance agreements with authorized insurers at corporation  
1388 coverage levels of 90 percent and 50 percent.

1389 c. If the corporation determines that additional coverage  
1390 levels are necessary to maximize participation in quota share  
1391 primary insurance agreements by authorized insurers, the  
1392 corporation may establish additional coverage levels. However,



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1393 the corporation's quota share primary insurance coverage level  
1394 may not exceed 90 percent.

1395 d. Any quota share primary insurance agreement entered into  
1396 between an authorized insurer and the corporation must provide  
1397 for a uniform specified percentage of coverage of hurricane  
1398 losses, by county or territory as set forth by the corporation  
1399 board, for all eligible risks of the authorized insurer covered  
1400 under the agreement.

1401 e. Any quota share primary insurance agreement entered into  
1402 between an authorized insurer and the corporation is subject to  
1403 review and approval by the office. However, such agreement shall  
1404 be authorized only as to insurance contracts entered into  
1405 between an authorized insurer and an insured who is already  
1406 insured by the corporation for wind coverage.

1407 f. For all eligible risks covered under quota share primary  
1408 insurance agreements, the exposure and coverage levels for both  
1409 the corporation and authorized insurers shall be reported by the  
1410 corporation to the Florida Hurricane Catastrophe Fund. For all  
1411 policies of eligible risks covered under such agreements, the  
1412 corporation and the authorized insurer must maintain complete  
1413 and accurate records for the purpose of exposure and loss  
1414 reimbursement audits as required by fund rules. The corporation  
1415 and the authorized insurer shall each maintain duplicate copies  
1416 of policy declaration pages and supporting claims documents.

1417 g. The corporation board shall establish in its plan of  
1418 operation standards for quota share agreements which ensure that  
1419 there is no discriminatory application among insurers as to the  
1420 terms of the agreements, pricing of the agreements, incentive  
1421 provisions if any, and consideration paid for servicing policies

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1422 or adjusting claims.

1423 h. The quota share primary insurance agreement between the  
1424 corporation and an authorized insurer must set forth the  
1425 specific terms under which coverage is provided, including, but  
1426 not limited to, the sale and servicing of policies issued under  
1427 the agreement by the insurance agent of the authorized insurer  
1428 producing the business, the reporting of information concerning  
1429 eligible risks, the payment of premium to the corporation, and  
1430 arrangements for the adjustment and payment of hurricane claims  
1431 incurred on eligible risks by the claims adjuster and personnel  
1432 of the authorized insurer. Entering into a quota sharing  
1433 insurance agreement between the corporation and an authorized  
1434 insurer is voluntary and at the discretion of the authorized  
1435 insurer.

1436 3. May provide that the corporation may employ or otherwise  
1437 contract with individuals or other entities to provide  
1438 administrative or professional services that may be appropriate  
1439 to effectuate the plan. The corporation may borrow funds by  
1440 issuing bonds or by incurring other indebtedness, and shall have  
1441 other powers reasonably necessary to effectuate the requirements  
1442 of this subsection, including, without limitation, the power to  
1443 issue bonds and incur other indebtedness in order to refinance  
1444 outstanding bonds or other indebtedness. The corporation may  
1445 seek judicial validation of its bonds or other indebtedness  
1446 under chapter 75. The corporation may issue bonds or incur other  
1447 indebtedness, or have bonds issued on its behalf by a unit of  
1448 local government pursuant to subparagraph (q)2. in the absence  
1449 of a hurricane or other weather-related event, upon a  
1450 determination by the corporation, subject to approval by the

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1451 office, that such action would enable it to efficiently meet the  
1452 financial obligations of the corporation and that such  
1453 financings are reasonably necessary to effectuate the  
1454 requirements of this subsection. The corporation may take all  
1455 actions needed to facilitate tax-free status for such bonds or  
1456 indebtedness, including formation of trusts or other affiliated  
1457 entities. The corporation may pledge assessments, projected  
1458 recoveries from the Florida Hurricane Catastrophe Fund, other  
1459 reinsurance recoverables, policyholder surcharges and other  
1460 surcharges, and other funds available to the corporation as  
1461 security for bonds or other indebtedness. In recognition of s.  
1462 10, Art. I of the State Constitution, prohibiting the impairment  
1463 of obligations of contracts, it is the intent of the Legislature  
1464 that no action be taken whose purpose is to impair any bond  
1465 indenture or financing agreement or any revenue source committed  
1466 by contract to such bond or other indebtedness.

1467 4. Must require that the corporation operate subject to the  
1468 supervision and approval of a board of governors consisting of  
1469 nine individuals who are residents of this state and who are  
1470 from different geographical areas of the state, one of whom is  
1471 appointed by the Governor and serves solely to advocate on  
1472 behalf of the consumer. The appointment of a consumer  
1473 representative by the Governor is deemed to be within the scope  
1474 of the exemption provided in s. 112.313(7)(b) and is in addition  
1475 to the appointments authorized under sub-subparagraph a.

1476 a. The Governor, the Chief Financial Officer, the President  
1477 of the Senate, and the Speaker of the House of Representatives  
1478 shall each appoint two members of the board. At least one of the  
1479 two members appointed by each appointing officer must have

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1480 demonstrated expertise in insurance and be deemed to be within  
1481 the scope of the exemption provided in s. 112.313(7)(b). The  
1482 Chief Financial Officer shall designate one of the appointees as  
1483 chair. All board members serve at the pleasure of the appointing  
1484 officer. All members of the board are subject to removal at will  
1485 by the officers who appointed them. All board members, including  
1486 the chair, must be appointed to serve for 3-year terms beginning  
1487 annually on a date designated by the plan. However, for the  
1488 first term beginning on or after July 1, 2009, each appointing  
1489 officer shall appoint one member of the board for a 2-year term  
1490 and one member for a 3-year term. A board vacancy shall be  
1491 filled for the unexpired term by the appointing officer. The  
1492 Chief Financial Officer shall appoint a technical advisory group  
1493 to provide information and advice to the board in connection  
1494 with the board's duties under this subsection. The executive  
1495 director and senior managers of the corporation shall be engaged  
1496 by the board and serve at the pleasure of the board. Any  
1497 executive director appointed on or after July 1, 2006, is  
1498 subject to confirmation by the Senate. The executive director is  
1499 responsible for employing other staff as the corporation may  
1500 require, subject to review and concurrence by the board.

1501       b. The board shall create a Market Accountability Advisory  
1502 Committee to assist the corporation in developing awareness of  
1503 its rates and its customer and agent service levels in  
1504 relationship to the voluntary market insurers writing similar  
1505 coverage.

1506       (I) The members of the advisory committee consist of the  
1507 following 11 persons, one of whom must be elected chair by the  
1508 members of the committee: four representatives, one appointed by

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1509 the Florida Association of Insurance Agents, one by the Florida  
1510 Association of Insurance and Financial Advisors, one by the  
1511 Professional Insurance Agents of Florida, and one by the Latin  
1512 American Association of Insurance Agencies; three  
1513 representatives appointed by the insurers with the three highest  
1514 voluntary market share of residential property insurance  
1515 business in the state; one representative from the Office of  
1516 Insurance Regulation; one consumer appointed by the board who is  
1517 insured by the corporation at the time of appointment to the  
1518 committee; one representative appointed by the Florida  
1519 Association of Realtors; and one representative appointed by the  
1520 Florida Bankers Association. All members shall be appointed to  
1521 3-year terms and may serve for consecutive terms.

1522 (II) The committee shall report to the corporation at each  
1523 board meeting on insurance market issues which may include rates  
1524 and rate competition with the voluntary market; service,  
1525 including policy issuance, claims processing, and general  
1526 responsiveness to policyholders, applicants, and agents; and  
1527 matters relating to depopulation.

1528 5. Must provide a procedure for determining the eligibility  
1529 of a risk for coverage, as follows:

1530 a. Subject to s. 627.3517, with respect to personal lines  
1531 residential risks that are primary residences, if the risk is  
1532 offered coverage from an authorized insurer at the insurer's  
1533 approved rate under a standard policy including wind coverage  
1534 or, if consistent with the insurer's underwriting rules as filed  
1535 with the office, a basic policy including wind coverage, for a  
1536 new application to the corporation for coverage, the risk is not  
1537 eligible for any policy issued by the corporation unless the

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1538 premium for coverage from the authorized insurer is more than 20  
1539 percent greater than the premium for comparable coverage from  
1540 the corporation. Whenever an offer of coverage for a personal  
1541 lines residential risk that is a primary residence is received  
1542 for a policyholder of the corporation at renewal from an  
1543 authorized insurer, if the offer is equal to or less than the  
1544 corporation's renewal premium for comparable coverage, the risk  
1545 is not eligible for coverage with the corporation for policies  
1546 that renew before April 1, 2023; for policies that renew on or  
1547 after that date, the risk is not eligible for coverage with the  
1548 corporation unless the premium for coverage from the authorized  
1549 insurer is more than 20 percent greater than the corporation's  
1550 renewal premium for comparable coverage. If the risk is not able  
1551 to obtain such offer, the risk is eligible for a standard policy  
1552 including wind coverage or a basic policy including wind  
1553 coverage issued by the corporation; however, if the risk could  
1554 not be insured under a standard policy including wind coverage  
1555 regardless of market conditions, the risk is eligible for a  
1556 basic policy including wind coverage unless rejected under  
1557 subparagraph 8. The corporation shall determine the type of  
1558 policy to be provided on the basis of objective standards  
1559 specified in the underwriting manual and based on generally  
1560 accepted underwriting practices. A policyholder removed from the  
1561 corporation through an assumption agreement does not remain  
1562 eligible for coverage from the corporation after the end of the  
1563 policy term. However, any policy removed from the corporation  
1564 through an assumption agreement remains on the corporation's  
1565 policy forms through the end of the policy term. This sub-  
1566 subparagraph applies only to risks that are primary residences.

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1567 (I) If the risk accepts an offer of coverage through the  
1568 market assistance plan or through a mechanism established by the  
1569 corporation other than a plan established by s. 627.3518, before  
1570 a policy is issued to the risk by the corporation or during the  
1571 first 30 days of coverage by the corporation, and the producing  
1572 agent who submitted the application to the plan or to the  
1573 corporation is not currently appointed by the insurer, the  
1574 insurer shall:

1575 (A) Pay to the producing agent of record of the policy for  
1576 the first year, an amount that is the greater of the insurer's  
1577 usual and customary commission for the type of policy written or  
1578 a fee equal to the usual and customary commission of the  
1579 corporation; or

1580 (B) Offer to allow the producing agent of record of the  
1581 policy to continue servicing the policy for at least 1 year and  
1582 offer to pay the agent the greater of the insurer's or the  
1583 corporation's usual and customary commission for the type of  
1584 policy written.

1585  
1586 If the producing agent is unwilling or unable to accept  
1587 appointment, the new insurer shall pay the agent in accordance  
1588 with sub-sub-sub-subparagraph (A).

1589 (II) If the corporation enters into a contractual agreement  
1590 for a take-out plan, the producing agent of record of the  
1591 corporation policy is entitled to retain any unearned commission  
1592 on the policy, and the insurer shall:

1593 (A) Pay to the producing agent of record, for the first  
1594 year, an amount that is the greater of the insurer's usual and  
1595 customary commission for the type of policy written or a fee

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1596 equal to the usual and customary commission of the corporation;  
1597 or

1598 (B) Offer to allow the producing agent of record to  
1599 continue servicing the policy for at least 1 year and offer to  
1600 pay the agent the greater of the insurer's or the corporation's  
1601 usual and customary commission for the type of policy written.

1602  
1603 If the producing agent is unwilling or unable to accept  
1604 appointment, the new insurer shall pay the agent in accordance  
1605 with sub-sub-sub-subparagraph (A).

1606 b. With respect to commercial lines residential risks, for  
1607 a new application to the corporation for coverage, if the risk  
1608 is offered coverage under a policy including wind coverage from  
1609 an authorized insurer at its approved rate, the risk is not  
1610 eligible for a policy issued by the corporation unless the  
1611 premium for coverage from the authorized insurer is more than 20  
1612 percent greater than the premium for comparable coverage from  
1613 the corporation. Whenever an offer of coverage for a commercial  
1614 lines residential risk is received for a policyholder of the  
1615 corporation at renewal from an authorized insurer, the risk is  
1616 not eligible for coverage with the corporation unless the  
1617 premium for coverage from the authorized insurer is more than 20  
1618 percent greater than the corporation's renewal premium for  
1619 comparable coverage. If the risk is not able to obtain any such  
1620 offer, the risk is eligible for a policy including wind coverage  
1621 issued by the corporation. A policyholder removed from the  
1622 corporation through an assumption agreement remains eligible for  
1623 coverage from the corporation until the end of the policy term.  
1624 However, any policy removed from the corporation through an



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1625 assumption agreement remains on the corporation's policy forms  
1626 through the end of the policy term.

1627 (I) If the risk accepts an offer of coverage through the  
1628 market assistance plan or through a mechanism established by the  
1629 corporation other than a plan established by s. 627.3518, before  
1630 a policy is issued to the risk by the corporation or during the  
1631 first 30 days of coverage by the corporation, and the producing  
1632 agent who submitted the application to the plan or the  
1633 corporation is not currently appointed by the insurer, the  
1634 insurer shall:

1635 (A) Pay to the producing agent of record of the policy, for  
1636 the first year, an amount that is the greater of the insurer's  
1637 usual and customary commission for the type of policy written or  
1638 a fee equal to the usual and customary commission of the  
1639 corporation; or

1640 (B) Offer to allow the producing agent of record of the  
1641 policy to continue servicing the policy for at least 1 year and  
1642 offer to pay the agent the greater of the insurer's or the  
1643 corporation's usual and customary commission for the type of  
1644 policy written.

1645  
1646 If the producing agent is unwilling or unable to accept  
1647 appointment, the new insurer shall pay the agent in accordance  
1648 with sub-sub-sub-subparagraph (A).

1649 (II) If the corporation enters into a contractual agreement  
1650 for a take-out plan, the producing agent of record of the  
1651 corporation policy is entitled to retain any unearned commission  
1652 on the policy, and the insurer shall:

1653 (A) Pay to the producing agent of record, for the first

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1654 year, an amount that is the greater of the insurer's usual and  
1655 customary commission for the type of policy written or a fee  
1656 equal to the usual and customary commission of the corporation;  
1657 or

1658 (B) Offer to allow the producing agent of record to  
1659 continue servicing the policy for at least 1 year and offer to  
1660 pay the agent the greater of the insurer's or the corporation's  
1661 usual and customary commission for the type of policy written.  
1662

1663 If the producing agent is unwilling or unable to accept  
1664 appointment, the new insurer shall pay the agent in accordance  
1665 with sub-sub-sub-subparagraph (A).

1666 c. For purposes of determining comparable coverage under  
1667 sub-subparagraphs a. and b., the comparison must be based on  
1668 those forms and coverages that are reasonably comparable. The  
1669 corporation may rely on a determination of comparable coverage  
1670 and premium made by the producing agent who submits the  
1671 application to the corporation, made in the agent's capacity as  
1672 the corporation's agent. For purposes of comparing the premium  
1673 for comparable coverage under sub-subparagraphs a. and b.,  
1674 premium includes any surcharge or assessment that is actually  
1675 applied to such policy. A comparison may be made solely of the  
1676 premium with respect to the main building or structure only on  
1677 the following basis: the same Coverage A or other building  
1678 limits; the same percentage hurricane deductible that applies on  
1679 an annual basis or that applies to each hurricane for commercial  
1680 residential property; the same percentage of ordinance and law  
1681 coverage, if the same limit is offered by both the corporation  
1682 and the authorized insurer; the same mitigation credits, to the

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1683 extent the same types of credits are offered both by the  
1684 corporation and the authorized insurer; the same method for loss  
1685 payment, such as replacement cost or actual cash value, if the  
1686 same method is offered both by the corporation and the  
1687 authorized insurer in accordance with underwriting rules; and  
1688 any other form or coverage that is reasonably comparable as  
1689 determined by the board. If an application is submitted to the  
1690 corporation for wind-only coverage on a risk that is located in  
1691 an area eligible for coverage by the Florida Windstorm  
1692 Underwriting Association, as that area was defined on January 1,  
1693 2002, the premium for the corporation's wind-only policy plus  
1694 the premium for the ex-wind policy that is offered by an  
1695 authorized insurer to the applicant must be compared to the  
1696 premium for multiperil coverage offered by an authorized  
1697 insurer, subject to the standards for comparison specified in  
1698 this subparagraph. If the corporation or the applicant requests  
1699 from the authorized insurer a breakdown of the premium of the  
1700 offer by types of coverage so that a comparison may be made by  
1701 the corporation or its agent and the authorized insurer refuses  
1702 or is unable to provide such information, the corporation may  
1703 treat the offer as not being an offer of coverage from an  
1704 authorized insurer at the insurer's approved rate. However,  
1705 notwithstanding any other law, this sub-subparagraph does not  
1706 apply to a personal lines residential policy that does not cover  
1707 a primary residence.

1708 d. Subject to s. 627.3517, with respect to personal lines  
1709 residential risks that are not primary residences, if the risk  
1710 is offered coverage from an authorized insurer at the insurer's  
1711 approved rate or from an approved surplus lines insurer at the

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1712 rate approved by the office as part of such surplus lines  
1713 insurer's take-out plan for a new application to the corporation  
1714 for coverage, the risk is not eligible for any policy issued by  
1715 the corporation. Whenever an offer of coverage for a personal  
1716 lines residential risk that is not a primary residence is  
1717 received for a policyholder of the corporation at renewal from  
1718 an authorized insurer at the insurer's approved rate or an  
1719 approved surplus lines insurer at the rate approved by the  
1720 office as part of such insurer's take-out plan, the risk is not  
1721 eligible for coverage with the corporation for policies that  
1722 renew on or after July 1, 2024. If the risk is not able to  
1723 obtain such offer, the risk is eligible for a standard policy  
1724 including wind coverage or a basic policy including wind  
1725 coverage issued by the corporation. If the risk could not be  
1726 insured under a standard policy including wind coverage  
1727 regardless of market conditions, the risk is eligible for a  
1728 basic policy including wind coverage unless rejected under  
1729 subparagraph 8. The corporation shall determine the type of  
1730 policy to be provided on the basis of objective standards  
1731 specified in the underwriting manual and based on generally  
1732 accepted underwriting practices. A policyholder removed from the  
1733 corporation through an assumption agreement does not remain  
1734 eligible for coverage from the corporation after the end of the  
1735 policy term. However, any policy removed from the corporation  
1736 through an assumption agreement remains on the corporation's  
1737 policy forms through the end of the policy term.

1738 (I) If the risk accepts an offer of coverage through the  
1739 market assistance plan or through a mechanism established by the  
1740 corporation other than a plan established by s. 627.3518, before

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1741 a policy is issued to the risk by the corporation or during the  
1742 first 30 days of coverage by the corporation, and the producing  
1743 agent who submitted the application to the plan or to the  
1744 corporation is not currently appointed by the insurer, the  
1745 insurer shall:

1746 (A) Pay to the producing agent of record of the policy, for  
1747 the first year, an amount that is the greater of the insurer's  
1748 usual and customary commission for the type of policy written or  
1749 a fee equal to the usual and customary commission of the  
1750 corporation; or

1751 (B) Offer to allow the producing agent of record of the  
1752 policy to continue servicing the policy for at least 1 year and  
1753 offer to pay the agent the greater of the insurer's or the  
1754 corporation's usual and customary commission for the type of  
1755 policy written.

1756  
1757 If the producing agent is unwilling or unable to accept  
1758 appointment, the new insurer shall pay the agent in accordance  
1759 with sub-sub-sub-subparagraph (A).

1760 (II) If the corporation enters into a contractual agreement  
1761 for a take-out plan, the producing agent of record of the  
1762 corporation policy is entitled to retain any unearned commission  
1763 on the policy, and the insurer shall:

1764 (A) Pay to the producing agent of record, for the first  
1765 year, an amount that is the greater of the insurer's usual and  
1766 customary commission for the type of policy written or a fee  
1767 equal to the usual and customary commission of the corporation;  
1768 or

1769 (B) Offer to allow the producing agent of record to

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1770 continue servicing the policy for at least 1 year and offer to  
1771 pay the agent the greater of the insurer's or the corporation's  
1772 usual and customary commission for the type of policy written.

1773  
1774 If the producing agent is unwilling or unable to accept  
1775 appointment, the new insurer shall pay the agent in accordance  
1776 with sub-sub-sub-subparagraph (A).

1777         6. Must include rules for classifications of risks and  
1778 rates.

1779         7. Must provide that if premium and investment income:

1780         a. for the Citizens an account, which are attributable to a  
1781 particular calendar year, are in excess of projected losses and  
1782 expenses for the Citizens account attributable to that year,  
1783 such excess shall be held in surplus in the Citizens account.  
1784 Such surplus must be available to defray deficits in the  
1785 Citizens that account as to future years and used for that  
1786 purpose before assessing assessable insurers and assessable  
1787 insureds as to any calendar year; or

1788         ~~b. For the Citizens account, if established by the~~  
1789 ~~corporation, which are attributable to a particular calendar~~  
1790 ~~year are in excess of projected losses and expenses for the~~  
1791 ~~Citizens account attributable to that year, such excess shall be~~  
1792 ~~held in surplus in the Citizens account. Such surplus must be~~  
1793 ~~available to defray deficits in the Citizens account as to~~  
1794 ~~future years and used for that purpose before assessing~~  
1795 ~~assessable insurers and assessable insureds as to any calendar~~  
1796 ~~year.~~

1797         8. Must provide objective criteria and procedures to be  
1798 uniformly applied to all applicants in determining whether an

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1799 individual risk is so hazardous as to be uninsurable. In making  
1800 this determination and in establishing the criteria and  
1801 procedures, the following must be considered:

1802 a. Whether the likelihood of a loss for the individual risk  
1803 is substantially higher than for other risks of the same class;  
1804 and

1805 b. Whether the uncertainty associated with the individual  
1806 risk is such that an appropriate premium cannot be determined.

1807

1808 The acceptance or rejection of a risk by the corporation shall  
1809 be construed as the private placement of insurance, and the  
1810 provisions of chapter 120 do not apply.

1811 9. Must provide that the corporation make its best efforts  
1812 to procure catastrophe reinsurance at reasonable rates, to cover  
1813 its projected 100-year probable maximum loss as determined by  
1814 the board of governors. If catastrophe reinsurance is not  
1815 available at reasonable rates, the corporation need not purchase  
1816 it, but the corporation shall include the costs of reinsurance  
1817 to cover its projected 100-year probable maximum loss in its  
1818 rate calculations even if it does not purchase catastrophe  
1819 reinsurance.

1820 10. The policies issued by the corporation must provide  
1821 that if the corporation or the market assistance plan obtains an  
1822 offer from an authorized insurer to cover the risk at its  
1823 approved rates, the risk is no longer eligible for renewal  
1824 through the corporation, except as otherwise provided in this  
1825 subsection.

1826 11. Corporation policies and applications must include a  
1827 notice that the corporation policy could, under this section, be

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1828 replaced with a policy issued by an authorized insurer which  
1829 does not provide coverage identical to the coverage provided by  
1830 the corporation. The notice must also specify that acceptance of  
1831 corporation coverage creates a conclusive presumption that the  
1832 applicant or policyholder is aware of this potential.

1833 12. May establish, subject to approval by the office,  
1834 different eligibility requirements and operational procedures  
1835 for any line or type of coverage for any specified county or  
1836 area if the board determines that such changes are justified due  
1837 to the voluntary market being sufficiently stable and  
1838 competitive in such area or for such line or type of coverage  
1839 and that consumers who, in good faith, are unable to obtain  
1840 insurance through the voluntary market through ordinary methods  
1841 continue to have access to coverage from the corporation. If  
1842 coverage is sought in connection with a real property transfer,  
1843 the requirements and procedures may not provide an effective  
1844 date of coverage later than the date of the closing of the  
1845 transfer as established by the transferor, the transferee, and,  
1846 if applicable, the lender.

1847 13. ~~Must provide that:~~

1848 ~~a. With respect to the coastal account, any assessable~~  
1849 ~~insurer with a surplus as to policyholders of \$25 million or~~  
1850 ~~less writing 25 percent or more of its total countrywide~~  
1851 ~~property insurance premiums in this state may petition the~~  
1852 ~~office, within the first 90 days of each calendar year, to~~  
1853 ~~qualify as a limited apportionment company. A regular assessment~~  
1854 ~~levied by the corporation on a limited apportionment company for~~  
1855 ~~a deficit incurred by the corporation for the coastal account~~  
1856 ~~may be paid to the corporation on a monthly basis as the~~



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1857 ~~assessments are collected by the limited apportionment company~~  
1858 ~~from its insureds, but a limited apportionment company must~~  
1859 ~~begin collecting the regular assessments not later than 90 days~~  
1860 ~~after the regular assessments are levied by the corporation, and~~  
1861 ~~the regular assessments must be paid in full within 15 months~~  
1862 ~~after being levied by the corporation. A limited apportionment~~  
1863 ~~company shall collect from its policyholders any emergency~~  
1864 ~~assessment imposed under sub-subparagraph (b)3.e. The plan must~~  
1865 ~~provide that, if the office determines that any regular~~  
1866 ~~assessment will result in an impairment of the surplus of a~~  
1867 ~~limited apportionment company, the office may direct that all or~~  
1868 ~~part of such assessment be deferred as provided in subparagraph~~  
1869 ~~(q)4. However, an emergency assessment to be collected from~~  
1870 ~~policyholders under sub-subparagraph (b)3.e. may not be limited~~  
1871 ~~or deferred; or~~

1872 ~~b. With respect to the Citizens account, if established by~~  
1873 ~~the corporation pursuant to sub-subparagraph (b)2.b., any~~  
1874 ~~assessable insurer with a surplus as to policyholders of \$25~~  
1875 ~~million or less and writing 25 percent or more of its total~~  
1876 ~~countrywide property insurance premiums in this state may~~  
1877 ~~petition the office, within the first 90 days of each calendar~~  
1878 ~~year, to qualify as a limited apportionment company. A limited~~  
1879 ~~apportionment company shall collect from its policyholders any~~  
1880 ~~emergency assessment imposed under sub-subparagraph (b)5.c. An~~  
1881 ~~emergency assessment to be collected from policyholders under~~  
1882 ~~sub-subparagraph (b)5.c. may not be limited or deferred.~~

1883 ~~14. Must provide that the corporation appoint as its~~  
1884 ~~licensed agents only those agents who throughout such~~  
1885 ~~appointments also hold an appointment as defined in s. 626.015~~

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1886 by at least three insurers ~~an insurer~~ who are ~~is~~ authorized to  
1887 write and are ~~is~~ actually writing or renewing personal lines  
1888 residential property coverage, commercial residential property  
1889 coverage, or commercial nonresidential property coverage within  
1890 the state.

1891 14.15. Must provide a premium payment plan option to its  
1892 policyholders which, at a minimum, allows for quarterly and  
1893 semiannual payment of premiums. A monthly payment plan may, but  
1894 is not required to, be offered.

1895 15.16. Must limit coverage on mobile homes or manufactured  
1896 homes built before 1994 to actual cash value of the dwelling  
1897 rather than replacement costs of the dwelling.

1898 16.17. Must provide coverage for manufactured or mobile  
1899 home dwellings. Such coverage must also include the following  
1900 attached structures:

1901 a. Screened enclosures that are aluminum framed or screened  
1902 enclosures that are not covered by the same or substantially the  
1903 same materials as those of the primary dwelling;

1904 b. Carports that are aluminum or carports that are not  
1905 covered by the same or substantially the same materials as those  
1906 of the primary dwelling; and

1907 c. Patios that have a roof covering that is constructed of  
1908 materials that are not the same or substantially the same  
1909 materials as those of the primary dwelling.

1910  
1911 The corporation shall make available a policy for mobile homes  
1912 or manufactured homes for a minimum insured value of at least  
1913 \$3,000.

1914 17.18. May provide such limits of coverage as the board

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1915 determines, consistent with the requirements of this subsection.

1916 ~~18.19.~~ May require commercial property to meet specified  
1917 hurricane mitigation construction features as a condition of  
1918 eligibility for coverage.

1919 ~~19.20.~~ Must provide that new or renewal policies issued by  
1920 the corporation on or after January 1, 2012, which cover  
1921 sinkhole loss do not include coverage for any loss to  
1922 appurtenant structures, driveways, sidewalks, decks, or patios  
1923 that are directly or indirectly caused by sinkhole activity. The  
1924 corporation shall exclude such coverage using a notice of  
1925 coverage change, which may be included with the policy renewal,  
1926 and not by issuance of a notice of nonrenewal of the excluded  
1927 coverage upon renewal of the current policy.

1928 ~~20.a.21.a. As of January 1, 2012, unless the Citizens~~  
1929 ~~account has been established pursuant to sub-subparagraph~~  
1930 ~~(b)2.b.,~~ Must require that the agent obtain from an applicant  
1931 for coverage from the corporation an acknowledgment signed by  
1932 the applicant, which includes, at a minimum, the following  
1933 statement:

1934  
1935 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE  
1936 AND ASSESSMENT LIABILITY:

1937  
1938 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
1939 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
1940 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
1941 MY POLICY COULD BE SUBJECT TO SURCHARGES AND ASSESSMENTS, WHICH  
1942 WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR  
1943 TERMINATION OF THE POLICY, AND THAT THE SURCHARGES AND

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1944 ASSESSMENTS COULD BE AS HIGH AS 25 ~~45~~ PERCENT OF MY PREMIUM, OR  
 1945 A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.

1946 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER  
 1947 SURCHARGE, WHICH COULD BE AS HIGH AS 15 ~~45~~ PERCENT OF MY  
 1948 PREMIUM, BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND  
 1949 THAT TO BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY  
 1950 TO OBTAIN PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR  
 1951 RENEWING COVERAGE WITH CITIZENS. I UNDERSTAND THAT PRIVATE  
 1952 MARKET INSURANCE RATES ARE REGULATED AND APPROVED BY THE STATE.

1953 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
 1954 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
 1955 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
 1956 FLORIDA LEGISLATURE.

1957 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE  
 1958 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
 1959 STATE OF FLORIDA.

1960  
 1961 ~~b. The corporation must require, if it has established the~~  
 1962 ~~Citizens account pursuant to sub-subparagraph (b)2.b., that the~~  
 1963 ~~agent obtain from an applicant for coverage from the corporation~~  
 1964 ~~the following acknowledgment signed by the applicant, which~~  
 1965 ~~includes, at a minimum, the following statement:~~

1966  
 1967 ~~ACKNOWLEDGMENT OF POTENTIAL SURCHARGE~~  
 1968 ~~AND ASSESSMENT LIABILITY:~~

1969  
 1970 ~~1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE~~  
 1971 ~~CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A~~  
 1972 ~~DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,~~

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1973 ~~MY POLICY COULD BE SUBJECT TO SURCHARGES AND ASSESSMENTS, WHICH~~  
1974 ~~WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR~~  
1975 ~~TERMINATION OF THE POLICY, AND THAT THE SURCHARGES AND~~  
1976 ~~ASSESSMENTS COULD BE AS HIGH AS 25 PERCENT OF MY PREMIUM, OR A~~  
1977 ~~DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.~~

1978 ~~2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER~~  
1979 ~~SURCHARGE, WHICH COULD BE AS HIGH AS 15 PERCENT OF MY PREMIUM,~~  
1980 ~~BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO~~  
1981 ~~BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN~~  
1982 ~~PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE~~  
1983 ~~WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES~~  
1984 ~~ARE REGULATED AND APPROVED BY THE STATE.~~

1985 ~~3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY~~  
1986 ~~ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER~~  
1987 ~~INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE~~  
1988 ~~FLORIDA LEGISLATURE.~~

1989 ~~4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE~~  
1990 ~~CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE~~  
1991 ~~STATE OF FLORIDA.~~

1992  
1993 ~~b.e.~~ The corporation shall maintain, in electronic format  
1994 or otherwise, a copy of the applicant's signed acknowledgment  
1995 and provide a copy of the statement to the policyholder as part  
1996 of the first renewal after the effective date of sub-  
1997 subparagraph a. ~~or sub-subparagraph b., as applicable.~~

1998 ~~c.d.~~ The signed acknowledgment form creates a conclusive  
1999 presumption that the policyholder understood and accepted his or  
2000 her potential surcharge and assessment liability as a  
2001 policyholder of the corporation.

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2002 (e) The corporation is subject to s. 287.057 for the  
2003 purchase of commodities and contractual services except as  
2004 otherwise provided in this paragraph. Services provided by  
2005 tradepersons or technical experts to assist a licensed adjuster  
2006 in the evaluation of individual claims are not subject to the  
2007 procurement requirements of this section. Additionally, the  
2008 procurement of financial services providers and underwriters  
2009 must be made pursuant to s. 627.3513. Contracts for goods or  
2010 services valued at or more than \$100,000 are subject to approval  
2011 by the board.

2012 1. The corporation is an agency for purposes of s. 287.057,  
2013 except that, for purposes of s. 287.057(24), the corporation is  
2014 an eligible user.

2015 a. The authority of the Department of Management Services  
2016 and the Chief Financial Officer under s. 287.057 extends to the  
2017 corporation as if the corporation were an agency.

2018 b. The executive director of the corporation is the agency  
2019 head under s. 287.057, ~~except for resolution of bid protests for~~  
2020 ~~which the board would serve as the agency head.~~ The executive  
2021 director of the corporation may assign or appoint a designee to  
2022 act on his or her behalf.

2023 2. The corporation must provide notice of a decision or  
2024 intended decision concerning a solicitation, contract award, or  
2025 exceptional purchase by electronic posting. Such notice must  
2026 contain the following statement: "Failure to file a protest  
2027 within the time prescribed in this section constitutes a waiver  
2028 of proceedings."

2029 a. A person adversely affected by the corporation's  
2030 decision or intended decision to award a contract pursuant to s.

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2031 287.057(1) or (3)(c) who elects to challenge the decision must  
2032 file a written notice of protest with the executive director of  
2033 the corporation within 72 hours after the corporation posts a  
2034 notice of its decision or intended decision. For a protest of  
2035 the terms, conditions, and specifications contained in a  
2036 solicitation, including provisions governing the methods for  
2037 ranking bids, proposals, replies, awarding contracts, reserving  
2038 rights of further negotiation, or modifying or amending any  
2039 contract, the notice of protest must be filed in writing within  
2040 72 hours after posting the solicitation. Saturdays, Sundays, and  
2041 state holidays are excluded in the computation of the 72-hour  
2042 time period.

2043       b. A formal written protest must be filed within 10 days  
2044 after the date the notice of protest is filed. The formal  
2045 written protest must state with particularity the facts and law  
2046 upon which the protest is based. Upon receipt of a formal  
2047 written protest that has been timely filed, the corporation must  
2048 stop the solicitation or contract award process until the  
2049 subject of the protest is resolved by final board action unless  
2050 the executive director sets forth in writing particular facts  
2051 and circumstances that require the continuance of the  
2052 solicitation or contract award process without delay in order to  
2053 avoid an immediate and serious danger to the public health,  
2054 safety, or welfare.

2055       (I) The corporation must provide an opportunity to resolve  
2056 the protest by mutual agreement between the parties within 7  
2057 business days after receipt of the formal written protest.

2058       (II) If the subject of a protest is not resolved by mutual  
2059 agreement within 7 business days, the corporation's board must

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2060 transmit the protest to the Division of Administrative Hearings  
2061 and contract with the division to conduct a hearing to determine  
2062 the merits of the protest and to issue a recommended order. The  
2063 contract must provide for the corporation to reimburse the  
2064 division for any costs incurred by the division for court  
2065 reporters, transcript preparation, travel, facility rental, and  
2066 other customary hearing costs in the manner set forth in s.  
2067 120.65(9). The division has jurisdiction to determine the facts  
2068 and law concerning the protest and to issue a recommended order.  
2069 The division's rules and procedures apply to these proceedings;  
2070 ~~the division's applicable bond requirements do not apply.~~ The  
2071 protest must be heard by the division at a publicly noticed  
2072 meeting in accordance with procedures established by the  
2073 division.

2074 c. In a protest of an invitation-to-bid or request-for-  
2075 proposals procurement, submissions made after the bid or  
2076 proposal opening which amend or supplement the bid or proposal  
2077 may not be considered. In protesting an invitation-to-negotiate  
2078 procurement, submissions made after the corporation announces  
2079 its intent to award a contract, reject all replies, or withdraw  
2080 the solicitation that amends or supplements the reply may not be  
2081 considered. Unless otherwise provided by law, the burden of  
2082 proof rests with the party protesting the corporation's action.  
2083 In a competitive-procurement protest, other than a rejection of  
2084 all bids, proposals, or replies, the administrative law judge  
2085 must conduct a de novo proceeding to determine whether the  
2086 corporation's proposed action is contrary to the corporation's  
2087 governing statutes, the corporation's rules or policies, or the  
2088 solicitation specifications. The standard of proof for the



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2089 proceeding is whether the corporation's action was clearly  
2090 erroneous, contrary to competition, arbitrary, or capricious. In  
2091 any bid-protest proceeding contesting an intended corporation  
2092 action to reject all bids, proposals, or replies, the standard  
2093 of review by the board is whether the corporation's intended  
2094 action is illegal, arbitrary, dishonest, or fraudulent.

2095 d. Failure to file a notice of protest or failure to file a  
2096 formal written protest constitutes a waiver of proceedings.

2097 3. The ~~board, acting as~~ agency head or his or her designee,  
2098 shall consider the recommended order of an administrative law  
2099 judge ~~in a public meeting~~ and take final action on the protest.  
2100 Any further legal remedy lies with the First District Court of  
2101 Appeal.

2102 (n)1. Rates for coverage provided by the corporation must  
2103 be actuarially sound pursuant to s. 627.062 and not competitive  
2104 with approved rates charged in the admitted voluntary market so  
2105 that the corporation functions as a residual market mechanism to  
2106 provide insurance only when insurance cannot be procured in the  
2107 voluntary market, except as otherwise provided in this  
2108 paragraph. The office shall provide the corporation such  
2109 information as would be necessary to determine whether rates are  
2110 competitive.

2111  
2112 The corporation shall file its recommended rates with the office  
2113 at least annually. The corporation shall provide any additional  
2114 information regarding the rates which the office requires. The  
2115 office shall consider the recommendations of the board and issue  
2116 a final order establishing the rates for the corporation within  
2117 45 days after the recommended rates are filed. The corporation

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2118 may not pursue an administrative challenge or judicial review of  
2119 the final order of the office.

2120       2. In addition to the rates otherwise determined pursuant  
2121 to this paragraph, the corporation shall impose and collect an  
2122 amount equal to the premium tax provided in s. 624.509 to  
2123 augment the financial resources of the corporation.

2124       3. After the public hurricane loss-projection model under  
2125 s. 627.06281 has been found to be accurate and reliable by the  
2126 Florida Commission on Hurricane Loss Projection Methodology, the  
2127 model shall be considered when establishing the windstorm  
2128 portion of the corporation's rates. The corporation may use the  
2129 public model results in combination with the results of private  
2130 models to calculate rates for the windstorm portion of the  
2131 corporation's rates. This subparagraph does not require or allow  
2132 the corporation to adopt rates lower than the rates otherwise  
2133 required or allowed by this paragraph.

2134       4. The corporation must make a recommended actuarially  
2135 sound rate filing for each personal and commercial line of  
2136 business it writes.

2137       5. Notwithstanding the board's recommended rates and the  
2138 office's final order regarding the corporation's filed rates  
2139 under subparagraph 1., the corporation shall annually implement  
2140 a rate increase which, except for sinkhole coverage, does not  
2141 exceed the following for any single policy issued by the  
2142 corporation, excluding coverage changes and surcharges:

- 2143       a. ~~Twelve percent for 2023.~~  
2144       **b.** Thirteen percent for 2024.  
2145       **b.e.** Fourteen percent for 2025.  
2146       **c.d.** Fifteen percent for 2026 and all subsequent years.

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2147           6. The corporation may also implement an increase to  
2148 reflect the effect on the corporation of the cash buildup factor  
2149 pursuant to s. 215.555(5)(b).

2150           7. The corporation's implementation of rates as prescribed  
2151 in subparagraphs 5. and 8. shall cease for any line of business  
2152 written by the corporation upon the corporation's implementation  
2153 of actuarially sound rates. Thereafter, the corporation shall  
2154 annually make a recommended actuarially sound rate filing that  
2155 is not competitive with approved rates in the admitted voluntary  
2156 market for each commercial and personal line of business the  
2157 corporation writes.

2158           8. The following new or renewal personal lines policies  
2159 written on or after November 1, 2023, are not subject to the  
2160 rate increase limitations in subparagraph 5., but may not be  
2161 charged more than 50 percent above, and may not be charged not  
2162 less than, the prior year's established rate for the  
2163 corporation:

2164           a. Policies that do not cover a primary residence;

2165           b. New policies under which the coverage for the insured  
2166 risk, before the date of application with the corporation, was  
2167 last provided by an insurer determined by the office to be  
2168 unsound or an insurer placed in receivership under chapter 631;  
2169 or

2170           c. Subsequent renewals of those policies, including the new  
2171 policies in sub-subparagraph b., under which the coverage for  
2172 the insured risk, before the date of application with the  
2173 corporation, was last provided by an insurer determined by the  
2174 office to be unsound or an insurer placed in receivership under  
2175 chapter 631.

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2176 9. As used in this paragraph, the term "primary residence"  
2177 means the dwelling that is the policyholder's primary home or is  
2178 a rental property that is the primary home of the tenant, and  
2179 which the policyholder or tenant occupies for more than 9 months  
2180 of each year.

2181 (o) If coverage in ~~an account, or~~ the Citizens account ~~if~~  
2182 ~~established by the corporation,~~ is deactivated pursuant to  
2183 paragraph (p), coverage through the corporation shall be  
2184 reactivated by order of the office only under one of the  
2185 following circumstances:

2186 1. If the market assistance plan receives a minimum of 100  
2187 applications for coverage within a 3-month period, or 200  
2188 applications for coverage within a 1-year period or less for  
2189 residential coverage, unless the market assistance plan provides  
2190 a quotation from authorized ~~admitted~~ carriers at their approved  
2191 ~~filed~~ rates for at least 90 percent of such applicants. Any  
2192 market assistance plan application that is rejected because an  
2193 individual risk is so hazardous as to be uninsurable using the  
2194 criteria specified in subparagraph (c)8. shall not be included  
2195 in the minimum percentage calculation provided herein. In the  
2196 event that there is a legal or administrative challenge to a  
2197 determination by the office that the conditions of this  
2198 subparagraph have been met for eligibility for coverage in the  
2199 corporation, any eligible risk may obtain coverage during the  
2200 pendency of such challenge.

2201 2. In response to a state of emergency declared by the  
2202 Governor under s. 252.36, the office may activate coverage by  
2203 order for the period of the emergency upon a finding by the  
2204 office that the emergency significantly affects the availability

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2205 of residential property insurance.

2206 (p)1. The corporation shall file with the office quarterly  
2207 statements of financial condition, an annual statement of  
2208 financial condition, and audited financial statements in the  
2209 manner prescribed by law. In addition, the corporation shall  
2210 report to the office monthly on the types, premium, exposure,  
2211 and distribution by county of its policies in force, and shall  
2212 submit other reports as the office requires to carry out its  
2213 oversight of the corporation.

2214 2. The activities of the corporation shall be reviewed at  
2215 least annually by the office to determine whether coverage shall  
2216 be deactivated in ~~an account, or in~~ the Citizens account ~~if~~  
2217 ~~established by the corporation,~~ on the basis that the conditions  
2218 giving rise to its activation no longer exist.

2219 (q)1. The corporation shall certify to the office its needs  
2220 for annual assessments as to a particular calendar year, and for  
2221 any interim assessments that it deems to be necessary to sustain  
2222 operations as to a particular year pending the receipt of annual  
2223 assessments. Upon verification, the office shall approve such  
2224 certification, and the corporation shall levy such annual or  
2225 interim assessments. Such assessments shall be prorated, if  
2226 authority to levy exists, as provided in paragraph (b). The  
2227 corporation shall take all reasonable and prudent steps  
2228 necessary to collect the amount of assessments due from each  
2229 assessable insurer, including, if prudent, filing suit to  
2230 collect the assessments, and the office may provide such  
2231 assistance to the corporation it deems appropriate. If the  
2232 corporation is unable to collect an assessment from any  
2233 assessable insurer, the uncollected assessments shall be levied

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2234 as an additional assessment against the assessable insurers and  
2235 any assessable insurer required to pay an additional assessment  
2236 as a result of such failure to pay shall have a cause of action  
2237 against such nonpaying assessable insurer. Assessments shall be  
2238 included as an appropriate factor in the making of rates. The  
2239 failure of a surplus lines agent to collect and remit any  
2240 regular or emergency assessment levied by the corporation is  
2241 considered to be a violation of s. 626.936 and subjects the  
2242 surplus lines agent to the penalties provided in that section.

2243       2. The governing body of any unit of local government, any  
2244 residents of which are insured by the corporation, may issue  
2245 bonds as defined in s. 125.013 or s. 166.101 from time to time  
2246 to fund an assistance program, in conjunction with the  
2247 corporation, for the purpose of defraying deficits of the  
2248 corporation. In order to avoid needless and indiscriminate  
2249 proliferation, duplication, and fragmentation of such assistance  
2250 programs, any unit of local government, any residents of which  
2251 are insured by the corporation, may provide for the payment of  
2252 losses, regardless of whether or not the losses occurred within  
2253 or outside of the territorial jurisdiction of the local  
2254 government. Revenue bonds under this subparagraph may not be  
2255 issued until validated pursuant to chapter 75, unless a state of  
2256 emergency is declared by executive order or proclamation of the  
2257 Governor pursuant to s. 252.36 making such findings as are  
2258 necessary to determine that it is in the best interests of, and  
2259 necessary for, the protection of the public health, safety, and  
2260 general welfare of residents of this state and declaring it an  
2261 essential public purpose to permit certain municipalities or  
2262 counties to issue such bonds as will permit relief to claimants

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2263 and policyholders of the corporation. Any such unit of local  
2264 government may enter into such contracts with the corporation  
2265 and with any other entity created pursuant to this subsection as  
2266 are necessary to carry out this paragraph. Any bonds issued  
2267 under this subparagraph shall be payable from and secured by  
2268 moneys received by the corporation from emergency assessments  
2269 under sub-subparagraph (b)3.c. ~~(b)3.e.~~, and assigned and pledged  
2270 to or on behalf of the unit of local government for the benefit  
2271 of the holders of such bonds. The funds, credit, property, and  
2272 taxing power of the state or of the unit of local government  
2273 shall not be pledged for the payment of such bonds.

2274 3.a. The corporation shall adopt one or more programs  
2275 subject to approval by the office for the reduction of both new  
2276 and renewal writings in the corporation. Beginning January 1,  
2277 2008, any program the corporation adopts for the payment of  
2278 bonuses to an insurer for each risk the insurer removes from the  
2279 corporation shall comply with s. 627.3511(2) and may not exceed  
2280 the amount referenced in s. 627.3511(2) for each risk removed.  
2281 The corporation may consider any prudent and not unfairly  
2282 discriminatory approach to reducing corporation writings, and  
2283 may adopt a credit against assessment liability or other  
2284 liability that provides an incentive for insurers to take risks  
2285 out of the corporation and to keep risks out of the corporation  
2286 by maintaining or increasing voluntary writings in counties or  
2287 areas in which corporation risks are highly concentrated and a  
2288 program to provide a formula under which an insurer voluntarily  
2289 taking risks out of the corporation by maintaining or increasing  
2290 voluntary writings will be relieved wholly or partially from  
2291 assessments ~~under sub-subparagraph (b)3.a.~~ In addition, in the

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2292 event policies are taken out by an approved surplus lines  
2293 insurer, such insurer's assessable insureds may also be relieved  
2294 wholly or partially from assessments. However, any "take-out  
2295 bonus" or payment to an insurer must be conditioned on the  
2296 property being insured for at least 5 years by the insurer,  
2297 unless canceled or nonrenewed by the policyholder. If the policy  
2298 is canceled or nonrenewed by the policyholder before the end of  
2299 the 5-year period, the amount of the take-out bonus must be  
2300 prorated for the time period the policy was insured. When the  
2301 corporation enters into a contractual agreement for a take-out  
2302 plan, the producing agent of record of the corporation policy is  
2303 entitled to retain any unearned commission on such policy, and  
2304 the insurer shall either:

2305 (I) Pay to the producing agent of record of the policy, for  
2306 the first year, an amount which is the greater of the insurer's  
2307 usual and customary commission for the type of policy written or  
2308 a policy fee equal to the usual and customary commission of the  
2309 corporation; or

2310 (II) Offer to allow the producing agent of record of the  
2311 policy to continue servicing the policy for a period of not less  
2312 than 1 year and offer to pay the agent the insurer's usual and  
2313 customary commission for the type of policy written. If the  
2314 producing agent is unwilling or unable to accept appointment by  
2315 the new insurer, the new insurer shall pay the agent in  
2316 accordance with sub-sub-subparagraph (I).

2317 b. Any credit or exemption from regular assessments adopted  
2318 under this subparagraph shall last no longer than the 3 years  
2319 following the cancellation or expiration of the policy by the  
2320 corporation. With the approval of the office, the board may



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2321 extend such credits for an additional year if the insurer  
2322 guarantees an additional year of renewability for all policies  
2323 removed from the corporation, or for 2 additional years if the  
2324 insurer guarantees 2 additional years of renewability for all  
2325 policies so removed.

2326 c. There shall be no credit, limitation, exemption, or  
2327 deferment from emergency assessments to be collected from  
2328 policyholders pursuant to sub-subparagraph (b)3.c. ~~sub-~~  
2329 ~~subparagraph (b)3.e. or sub-subparagraph (b)5.e.~~

2330 4. ~~The plan shall provide for the deferment, in whole or in~~  
2331 ~~part, of the assessment of an assessable insurer, other than an~~  
2332 ~~emergency assessment collected from policyholders pursuant to~~  
2333 ~~sub-subparagraph (b)3.c. or sub-subparagraph (b)5.c., if the~~  
2334 ~~office finds that payment of the assessment would endanger or~~  
2335 ~~impair the solvency of the insurer. In the event an assessment~~  
2336 ~~against an assessable insurer is deferred in whole or in part,~~  
2337 ~~the amount by which such assessment is deferred may be assessed~~  
2338 ~~against the other assessable insurers in a manner consistent~~  
2339 ~~with the basis for assessments set forth in paragraph (b).~~

2340 5. Effective July 1, 2007, in order to evaluate the costs  
2341 and benefits of approved take-out plans, if the corporation pays  
2342 a bonus or other payment to an insurer for an approved take-out  
2343 plan, it shall maintain a record of the address or such other  
2344 identifying information on the property or risk removed in order  
2345 to track if and when the property or risk is later insured by  
2346 the corporation.

2347 5.6. Any policy taken out, assumed, or removed from the  
2348 corporation is, as of the effective date of the take-out,  
2349 assumption, or removal, direct insurance issued by the insurer

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2350 and not by the corporation, even if the corporation continues to  
2351 service the policies. This subparagraph applies to policies of  
2352 the corporation and not policies taken out, assumed, or removed  
2353 from any other entity.

2354 ~~6.7.~~ For a policy taken out, assumed, or removed from the  
2355 corporation, the insurer may, for a period of no more than 3  
2356 years, continue to use any of the corporation's policy forms or  
2357 endorsements that apply to the policy taken out, removed, or  
2358 assumed without obtaining approval from the office for use of  
2359 such policy form or endorsement.

2360 (v)1. Effective July 1, 2002, policies of the Residential  
2361 Property and Casualty Joint Underwriting Association become  
2362 policies of the corporation. All obligations, rights, assets and  
2363 liabilities of the association, including bonds, note and debt  
2364 obligations, and the financing documents pertaining to them  
2365 become those of the corporation as of July 1, 2002. The  
2366 corporation is not required to issue endorsements or  
2367 certificates of assumption to insureds during the remaining term  
2368 of in-force transferred policies.

2369 2. Effective July 1, 2002, policies of the Florida  
2370 Windstorm Underwriting Association are transferred to the  
2371 corporation and become policies of the corporation. All  
2372 obligations, rights, assets, and liabilities of the association,  
2373 including bonds, note and debt obligations, and the financing  
2374 documents pertaining to them are transferred to and assumed by  
2375 the corporation on July 1, 2002. The corporation is not required  
2376 to issue endorsements or certificates of assumption to insureds  
2377 during the remaining term of in-force transferred policies.

2378 3. The Florida Windstorm Underwriting Association and the

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2379 Residential Property and Casualty Joint Underwriting Association  
2380 shall take all actions necessary to further evidence the  
2381 transfers and provide the documents and instruments of further  
2382 assurance as may reasonably be requested by the corporation for  
2383 that purpose. The corporation shall execute assumptions and  
2384 instruments as the trustees or other parties to the financing  
2385 documents of the Florida Windstorm Underwriting Association or  
2386 the Residential Property and Casualty Joint Underwriting  
2387 Association may reasonably request to further evidence the  
2388 transfers and assumptions, which transfers and assumptions,  
2389 however, are effective on the date provided under this paragraph  
2390 whether or not, and regardless of the date on which, the  
2391 assumptions or instruments are executed by the corporation.  
2392 ~~Subject to the relevant financing documents pertaining to their~~  
2393 ~~outstanding bonds, notes, indebtedness, or other financing~~  
2394 ~~obligations, the moneys, investments, receivables, choses in~~  
2395 ~~action, and other intangibles of the Florida Windstorm~~  
2396 ~~Underwriting Association shall be credited to the coastal~~  
2397 ~~account of the corporation, and those of the personal lines~~  
2398 ~~residential coverage account and the commercial lines~~  
2399 ~~residential coverage account of the Residential Property and~~  
2400 ~~Casualty Joint Underwriting Association shall be credited to the~~  
2401 ~~personal lines account and the commercial lines account,~~  
2402 ~~respectively, of the corporation.~~

2403 4. Effective July 1, 2002, a new applicant for property  
2404 insurance coverage who would otherwise have been eligible for  
2405 coverage in the Florida Windstorm Underwriting Association is  
2406 eligible for coverage from the corporation as provided in this  
2407 subsection.

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2408           5. The transfer of all policies, obligations, rights,  
2409 assets, and liabilities from the Florida Windstorm Underwriting  
2410 Association to the corporation and the renaming of the  
2411 Residential Property and Casualty Joint Underwriting Association  
2412 as the corporation does not affect the coverage with respect to  
2413 covered policies as defined in s. 215.555(2)(c) provided to  
2414 these entities by the Florida Hurricane Catastrophe Fund. ~~The~~  
2415 ~~coverage provided by the fund to the Florida Windstorm~~  
2416 ~~Underwriting Association based on its exposures as of June 30,~~  
2417 ~~2002, and each June 30 thereafter, unless the corporation has~~  
2418 ~~established the Citizens account, shall be redesignated as~~  
2419 ~~coverage for the coastal account of the corporation.~~  
2420 ~~Notwithstanding any other provision of law, the coverage~~  
2421 ~~provided by the fund to the Residential Property and Casualty~~  
2422 ~~Joint Underwriting Association based on its exposures as of June~~  
2423 ~~30, 2002, and each June 30 thereafter, unless the corporation~~  
2424 ~~has established the Citizens account, shall be transferred to~~  
2425 ~~the personal lines account and the commercial lines account of~~  
2426 ~~the corporation. Notwithstanding any other provision of law, the~~  
2427 ~~coastal account, unless the corporation has established the~~  
2428 ~~Citizens account, shall be treated, for all Florida Hurricane~~  
2429 ~~Catastrophe Fund purposes, as if it were a separate~~  
2430 ~~participating insurer with its own exposures, reimbursement~~  
2431 ~~premium, and loss reimbursement. Likewise, the personal lines~~  
2432 ~~and commercial lines accounts, unless the corporation has~~  
2433 ~~established the Citizens account, shall be viewed together, for~~  
2434 ~~all fund purposes, as if the two accounts were one and represent~~  
2435 ~~a single, separate participating insurer with its own exposures,~~  
2436 ~~reimbursement premium, and loss reimbursement. The coverage~~

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2437 provided by the fund to the corporation shall constitute and  
2438 operate as a full transfer of coverage from the Florida  
2439 Windstorm Underwriting Association and Residential Property and  
2440 Casualty Joint Underwriting Association to the corporation.

2441 (w) Notwithstanding any other provision of law:

2442 1. The pledge or sale of, the lien upon, and the security  
2443 interest in any rights, revenues, or other assets of the  
2444 corporation created or purported to be created pursuant to any  
2445 financing documents to secure any bonds or other indebtedness of  
2446 the corporation shall be and remain valid and enforceable,  
2447 notwithstanding the commencement of and during the continuation  
2448 of, and after, any rehabilitation, insolvency, liquidation,  
2449 bankruptcy, receivership, conservatorship, reorganization, or  
2450 similar proceeding against the corporation under the laws of  
2451 this state.

2452 2. The proceeding does not relieve the corporation of its  
2453 obligation, or otherwise affect its ability to perform its  
2454 obligation, to continue to collect, or levy and collect,  
2455 assessments, policyholder surcharges or other surcharges ~~under~~  
2456 ~~sub-subparagraph (b)3.j.~~, or any other rights, revenues, or  
2457 other assets of the corporation pledged pursuant to any  
2458 financing documents.

2459 3. Each such pledge or sale of, lien upon, and security  
2460 interest in, including the priority of such pledge, lien, or  
2461 security interest, any such assessments, policyholder surcharges  
2462 or other surcharges, or other rights, revenues, or other assets  
2463 which are collected, or levied and collected, after the  
2464 commencement of and during the pendency of, or after, any such  
2465 proceeding shall continue unaffected by such proceeding. As used

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2466 in this subsection, the term "financing documents" means any  
2467 agreement or agreements, instrument or instruments, or other  
2468 document or documents now existing or hereafter created  
2469 evidencing any bonds or other indebtedness of the corporation or  
2470 pursuant to which any such bonds or other indebtedness has been  
2471 or may be issued and pursuant to which any rights, revenues, or  
2472 other assets of the corporation are pledged or sold to secure  
2473 the repayment of such bonds or indebtedness, together with the  
2474 payment of interest on such bonds or such indebtedness, or the  
2475 payment of any other obligation or financial product, as defined  
2476 in the plan of operation of the corporation related to such  
2477 bonds or indebtedness.

2478 4. Any such pledge or sale of assessments, revenues,  
2479 contract rights, or other rights or assets of the corporation  
2480 shall constitute a lien and security interest, or sale, as the  
2481 case may be, that is immediately effective and attaches to such  
2482 assessments, revenues, or contract rights or other rights or  
2483 assets, whether or not imposed or collected at the time the  
2484 pledge or sale is made. Any such pledge or sale is effective,  
2485 valid, binding, and enforceable against the corporation or other  
2486 entity making such pledge or sale, and valid and binding against  
2487 and superior to any competing claims or obligations owed to any  
2488 other person or entity, including policyholders in this state,  
2489 asserting rights in any such assessments, revenues, or contract  
2490 rights or other rights or assets to the extent set forth in and  
2491 in accordance with the terms of the pledge or sale contained in  
2492 the applicable financing documents, whether or not any such  
2493 person or entity has notice of such pledge or sale and without  
2494 the need for any physical delivery, recordation, filing, or

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2495 other action.

2496         5. As long as the corporation has any bonds outstanding,  
2497 the corporation may not file a voluntary petition under chapter  
2498 9 of the federal Bankruptcy Code or such corresponding chapter  
2499 or sections as may be in effect, from time to time, and a public  
2500 officer or any organization, entity, or other person may not  
2501 authorize the corporation to be or become a debtor under chapter  
2502 9 of the federal Bankruptcy Code or such corresponding chapter  
2503 or sections as may be in effect, from time to time, during any  
2504 such period.

2505         6. If ordered by a court of competent jurisdiction, the  
2506 corporation may assume policies or otherwise provide coverage  
2507 for policyholders of an insurer placed in liquidation under  
2508 chapter 631, under such forms, rates, terms, and conditions as  
2509 the corporation deems appropriate, subject to approval by the  
2510 office.

2511         (x)1. The following records of the corporation are  
2512 confidential and exempt from the provisions of s. 119.07(1) and  
2513 s. 24(a), Art. I of the State Constitution:

2514         a. Underwriting files, except that a policyholder or an  
2515 applicant shall have access to his or her own underwriting  
2516 files. Confidential and exempt underwriting file records may  
2517 also be released to other governmental agencies upon written  
2518 request and demonstration of need; such records held by the  
2519 receiving agency remain confidential and exempt as provided  
2520 herein.

2521         b. Claims files, until termination of all litigation and  
2522 settlement of all claims arising out of the same incident,  
2523 although portions of the claims files may remain exempt, as

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2524 otherwise provided by law. Confidential and exempt claims file  
2525 records may be released to other governmental agencies upon  
2526 written request and demonstration of need; such records held by  
2527 the receiving agency remain confidential and exempt as provided  
2528 herein.

2529 c. Records obtained or generated by an internal auditor  
2530 pursuant to a routine audit, until the audit is completed, or if  
2531 the audit is conducted as part of an investigation, until the  
2532 investigation is closed or ceases to be active. An investigation  
2533 is considered "active" while the investigation is being  
2534 conducted with a reasonable, good faith belief that it could  
2535 lead to the filing of administrative, civil, or criminal  
2536 proceedings.

2537 d. Matters reasonably encompassed in privileged attorney-  
2538 client communications.

2539 e. Proprietary information licensed to the corporation  
2540 under contract and the contract provides for the confidentiality  
2541 of such proprietary information.

2542 f. All information relating to the medical condition or  
2543 medical status of a corporation employee which is not relevant  
2544 to the employee's capacity to perform his or her duties, except  
2545 as otherwise provided in this paragraph. Information that is  
2546 exempt shall include, but is not limited to, information  
2547 relating to workers' compensation, insurance benefits, and  
2548 retirement or disability benefits.

2549 g. Upon an employee's entrance into the employee assistance  
2550 program, a program to assist any employee who has a behavioral  
2551 or medical disorder, substance abuse problem, or emotional  
2552 difficulty that affects the employee's job performance, all



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2553 records relative to that participation shall be confidential and  
2554 exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I  
2555 of the State Constitution, except as otherwise provided in s.  
2556 112.0455(11).

2557 h. Information relating to negotiations for financing,  
2558 reinsurance, depopulation, or contractual services, until the  
2559 conclusion of the negotiations.

2560 i. Minutes of closed meetings regarding underwriting files,  
2561 and minutes of closed meetings regarding an open claims file  
2562 until termination of all litigation and settlement of all claims  
2563 with regard to that claim, except that information otherwise  
2564 confidential or exempt by law shall be redacted.

2565 2. If an authorized insurer is considering underwriting a  
2566 risk insured by the corporation, relevant underwriting files and  
2567 confidential claims files may be released to the insurer  
2568 provided the insurer agrees in writing, notarized and under  
2569 oath, to maintain the confidentiality of such files. If a file  
2570 is transferred to an insurer, that file is no longer a public  
2571 record because it is not held by an agency subject to the  
2572 provisions of the public records law. Underwriting files and  
2573 confidential claims files may also be released to staff and the  
2574 board of governors of the market assistance plan established  
2575 pursuant to s. 627.3515, who must retain the confidentiality of  
2576 such files, except such files may be released to authorized  
2577 insurers that are considering assuming the risks to which the  
2578 files apply, provided the insurer agrees in writing, notarized  
2579 and under oath, to maintain the confidentiality of such files.  
2580 Finally, the corporation or the board or staff of the market  
2581 assistance plan may make the following information obtained from

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2582 underwriting files and confidential claims files available to an  
2583 entity that has obtained a permit to become an authorized  
2584 insurer, a reinsurer that may provide reinsurance under s.  
2585 624.610, a licensed reinsurance broker, a licensed rating  
2586 organization, a modeling company, a licensed surplus lines  
2587 agent, or a licensed general lines insurance agent: name,  
2588 address, and telephone number of the residential property owner  
2589 or insured; location of the risk; rating information; loss  
2590 history; and policy type. The receiving person must retain the  
2591 confidentiality of the information received and may use the  
2592 information only for the purposes of developing a take-out plan  
2593 or a rating plan to be submitted to the office for approval or  
2594 otherwise analyzing the underwriting of a risk or risks insured  
2595 by the corporation on behalf of the private insurance market. A  
2596 licensed surplus lines agent or licensed general lines insurance  
2597 agent may not use such information for the direct solicitation  
2598 of policyholders.

2599 3. A policyholder who has filed suit against the  
2600 corporation has the right to discover the contents of his or her  
2601 own claims file to the same extent that discovery of such  
2602 contents would be available from a private insurer in litigation  
2603 as provided by the Florida Rules of Civil Procedure, the Florida  
2604 Evidence Code, and other applicable law. Pursuant to subpoena, a  
2605 third party has the right to discover the contents of an  
2606 insured's or applicant's underwriting or claims file to the same  
2607 extent that discovery of such contents would be available from a  
2608 private insurer by subpoena as provided by the Florida Rules of  
2609 Civil Procedure, the Florida Evidence Code, and other applicable  
2610 law, and subject to any confidentiality protections requested by

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2611 the corporation and agreed to by the seeking party or ordered by  
2612 the court. The corporation may release confidential underwriting  
2613 and claims file contents and information as it deems necessary  
2614 and appropriate to underwrite or service insurance policies and  
2615 claims, subject to any confidentiality protections deemed  
2616 necessary and appropriate by the corporation.

2617 4. Portions of meetings of the corporation are exempt from  
2618 the provisions of s. 286.011 and s. 24(b), Art. I of the State  
2619 Constitution wherein confidential underwriting files or  
2620 confidential open claims files are discussed. All portions of  
2621 corporation meetings which are closed to the public shall be  
2622 recorded by a court reporter. The court reporter shall record  
2623 the times of commencement and termination of the meeting, all  
2624 discussion and proceedings, the names of all persons present at  
2625 any time, and the names of all persons speaking. No portion of  
2626 any closed meeting shall be off the record. Subject to the  
2627 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's  
2628 notes of any closed meeting shall be retained by the corporation  
2629 for a minimum of 5 years. A copy of the transcript, less any  
2630 exempt matters, of any closed meeting wherein claims are  
2631 discussed shall become public as to individual claims after  
2632 settlement of the claim.

2633 (z) In enacting the provisions of this section, the  
2634 Legislature recognizes that both the Florida Windstorm  
2635 Underwriting Association and the Residential Property and  
2636 Casualty Joint Underwriting Association have entered into  
2637 financing arrangements that obligate each entity to service its  
2638 debts and maintain the capacity to repay funds secured under  
2639 these financing arrangements. It is the intent of the

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2640 Legislature that nothing in this section be construed to  
2641 compromise, diminish, or interfere with the rights of creditors  
2642 under such financing arrangements. It is further the intent of  
2643 the Legislature to preserve the obligations of the Florida  
2644 Windstorm Underwriting Association and Residential Property and  
2645 Casualty Joint Underwriting Association with regard to  
2646 outstanding financing arrangements, with such obligations  
2647 passing entirely and unchanged to the corporation and,  
2648 specifically, to the Citizens ~~applicable~~ account ~~of the~~  
2649 ~~corporation~~. So long as any bonds, notes, indebtedness, or other  
2650 financing obligations of the Florida Windstorm Underwriting  
2651 Association or the Residential Property and Casualty Joint  
2652 Underwriting Association are outstanding, under the terms of the  
2653 financing documents pertaining to them, the governing board of  
2654 the corporation shall have and shall exercise the authority to  
2655 levy, charge, collect, and receive all premiums, assessments,  
2656 surcharges, charges, revenues, and receipts that the  
2657 associations had authority to levy, charge, collect, or receive  
2658 under the provisions of subsection (2) and this subsection,  
2659 respectively, as they existed on January 1, 2002, to provide  
2660 moneys, without exercise of the authority provided by this  
2661 subsection, in at least the amounts, and by the times, as would  
2662 be provided under those former provisions of subsection (2) or  
2663 this subsection, respectively, so that the value, amount, and  
2664 collectability of any assets, revenues, or revenue source  
2665 pledged or committed to, or any lien thereon securing such  
2666 outstanding bonds, notes, indebtedness, or other financing  
2667 obligations will not be diminished, impaired, or adversely  
2668 affected by the amendments made by this act and to permit

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2669 compliance with all provisions of financing documents pertaining  
2670 to such bonds, notes, indebtedness, or other financing  
2671 obligations, or the security or credit enhancement for them, and  
2672 any reference in this subsection to bonds, notes, indebtedness,  
2673 financing obligations, or similar obligations, of the  
2674 corporation shall include like instruments or contracts of the  
2675 Florida Windstorm Underwriting Association and the Residential  
2676 Property and Casualty Joint Underwriting Association to the  
2677 extent not inconsistent with the provisions of the financing  
2678 documents pertaining to them.

2679 (ii) The corporation shall revise the programs adopted  
2680 pursuant to sub-subparagraph (q)3.a. for personal lines  
2681 residential policies to maximize policyholder options and  
2682 encourage increased participation by insurers and agents. After  
2683 January 1, 2017, a policy may not be taken out of the  
2684 corporation unless the provisions of this paragraph are met.

2685 1. The corporation must publish a periodic schedule of  
2686 cycles during which an insurer may identify, and notify the  
2687 corporation of, policies that the insurer is requesting to take  
2688 out. A request must include a description of the coverage  
2689 offered and an estimated premium and must be submitted to the  
2690 corporation in a form and manner prescribed by the corporation.

2691 2. The corporation must maintain and make available to the  
2692 agent of record a consolidated list of all insurers requesting  
2693 to take out a policy. The list must include a description of the  
2694 coverage offered and the estimated premium for each take-out  
2695 request.

2696 3. If a policyholder receives a take-out offer from an  
2697 authorized insurer, the risk is no longer eligible for coverage

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2698 with the corporation unless the premium for coverage from the  
2699 authorized insurer is more than 20 percent greater than the  
2700 renewal premium for comparable coverage from the corporation  
2701 pursuant to sub-subparagraph (c)5.c. This subparagraph applies  
2702 to take-out offers that are part of an application to  
2703 participate in depopulation submitted to the office on or after  
2704 January 1, 2023. This subparagraph only applies to a policy that  
2705 covers a primary residence.

2706 4. The corporation must provide written notice to the  
2707 policyholder and the agent of record regarding all insurers  
2708 requesting to take out the policy. The notice must be in a  
2709 format prescribed by the corporation and include, for each take-  
2710 out offer:

- 2711 a. The amount of the estimated premium;  
2712 b. A description of the coverage; and  
2713 c. A comparison of the estimated premium and coverage  
2714 offered by the insurer to the estimated premium and coverage  
2715 provided by the corporation.

2716 (nn) The corporation may share its claims data with the  
2717 National Insurance Crime Bureau, provided that the National  
2718 Insurance Crime Bureau agrees to maintain the confidentiality of  
2719 such documents as otherwise provided for in paragraph (x).

2720 (7) TRADEMARKS, COPYRIGHTS, OR PATENTS.—Notwithstanding any  
2721 other law, the corporation is authorized, in its own name, to:

2722 (a) Perform all things necessary to secure letters of  
2723 patent, copyrights, or trademarks on any work products and  
2724 enforce its rights therein.

2725 (b) License, lease, assign, or otherwise give written  
2726 consent to any person, firm, or corporation for the manufacture

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2727 or use thereof, on a royalty basis or for such other  
2728 consideration as the corporation deems proper.

2729 (c) Take any action necessary, including legal action, to  
2730 protect trademarks, copyrights, or patents against improper or  
2731 unlawful use or infringement.

2732 (d) Enforce the collection of any sums due the corporation  
2733 for the manufacture or use thereof by any other party.

2734 (e) Sell any of its trademarks, copyrights, or patents and  
2735 execute all instruments necessary to consummate any such sale.

2736 (f) Do all other acts necessary and proper for the  
2737 execution of powers and duties herein conferred upon the  
2738 corporation in order to administer this subsection.

2739 Section 2. Paragraphs (a), (b), and (c) of subsection (3)  
2740 and paragraphs (d), (e), and (f) of subsection (6) of section  
2741 627.3511, Florida Statutes, are amended to read:

2742 627.3511 Depopulation of Citizens Property Insurance  
2743 Corporation.—

2744 (3) EXEMPTION FROM DEFICIT ASSESSMENTS.—

2745 (a) The calculation of an insurer's ~~assessment~~ liability  
2746 ~~under s. 627.351(6)(b)3.a.~~ shall, for an insurer that in any  
2747 calendar year removes 50,000 or more risks from the Citizens  
2748 Property Insurance Corporation, either by issuance of a policy  
2749 upon expiration or cancellation of the corporation policy or by  
2750 assumption of the corporation's obligations with respect to in-  
2751 force policies, exclude such removed policies for the succeeding  
2752 3 years, as follows:

2753 1. In the first year following removal of the risks, the  
2754 risks are excluded from the calculation to the extent of 100  
2755 percent.

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2756           2. In the second year following removal of the risks, the  
2757 risks are excluded from the calculation to the extent of 75  
2758 percent.

2759           3. In the third year following removal of the risks, the  
2760 risks are excluded from the calculation to the extent of 50  
2761 percent.

2762

2763 If the removal of risks is accomplished through assumption of  
2764 obligations with respect to in-force policies, the corporation  
2765 shall pay to the assuming insurer all unearned premium with  
2766 respect to such policies less any policy acquisition costs  
2767 agreed to by the corporation and assuming insurer. The term  
2768 "policy acquisition costs" is defined as costs of issuance of  
2769 the policy by the corporation which includes agent commissions,  
2770 servicing company fees, and premium tax. This paragraph does not  
2771 apply to an insurer that, at any time within 5 years before  
2772 removing the risks, had a market share in excess of 0.1 percent  
2773 of the statewide aggregate gross direct written premium for any  
2774 line of property insurance, or to an affiliate of such an  
2775 insurer. This paragraph does not apply unless either at least 40  
2776 percent of the risks removed from the corporation are located in  
2777 Miami-Dade, Broward, and Palm Beach Counties, or at least 30  
2778 percent of the risks removed from the corporation are located in  
2779 such counties and an additional 50 percent of the risks removed  
2780 from the corporation are located in other coastal counties.

2781           (b) An insurer that first wrote personal lines residential  
2782 property coverage in this state on or after July 1, 1994, is  
2783 exempt from liability ~~regular deficit assessments imposed~~  
2784 ~~pursuant to s. 627.351(6)(b)3.a.~~, but not emergency assessments



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2785 collected from policyholders pursuant to s. 627.351(6)(b)3.c. ~~s.~~  
 2786 ~~627.351(6)(b)3.e.~~, of the Citizens Property Insurance  
 2787 Corporation until the earlier of the following:

2788 1. The end of the calendar year in which it first wrote 0.5  
 2789 percent or more of the statewide aggregate direct written  
 2790 premium for any line of residential property coverage; or

2791 2. December 31, 1997, or December 31 of the third year in  
 2792 which it wrote such coverage in this state, whichever is later.

2793 (c) Other than an insurer that is exempt under paragraph  
 2794 (b), an insurer that in any calendar year increases its total  
 2795 structure exposure subject to wind coverage by 25 percent or  
 2796 more over its exposure for the preceding calendar year is, with  
 2797 respect to that year, exempt from liability ~~deficit assessments~~  
 2798 ~~imposed pursuant to s. 627.351(6)(b)3.a.~~, but not from emergency  
 2799 assessments collected from policyholders pursuant to s.  
 2800 627.351(6)(b)3.c. ~~s. 627.351(6)(b)3.e.~~, of the Citizens Property  
 2801 Insurance Corporation attributable to such increase in exposure.

2802 (6) COMMERCIAL RESIDENTIAL TAKE-OUT PLANS.—

2803 (d) The calculation of an insurer's ~~regular assessment~~  
 2804 liability ~~under s. 627.351(6)(b)3.a.~~, but not emergency  
 2805 assessments collected from policyholders pursuant to s.  
 2806 627.351(6)(b)3.c. ~~s. 627.351(6)(b)3.e.~~, shall, with respect to  
 2807 commercial residential policies removed from the corporation  
 2808 under an approved take-out plan, exclude such removed policies  
 2809 for the succeeding 3 years, as follows:

2810 1. In the first year following removal of the policies, the  
 2811 policies are excluded from the calculation to the extent of 100  
 2812 percent.

2813 2. In the second year following removal of the policies,

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2814 the policies are excluded from the calculation to the extent of  
2815 75 percent.

2816 3. In the third year following removal of the policies, the  
2817 policies are excluded from the calculation to the extent of 50  
2818 percent.

2819 (e) An insurer that first wrote commercial residential  
2820 property coverage in this state on or after June 1, 1996, is  
2821 exempt from liability ~~regular assessments under s.~~  
2822 ~~627.351(6)(b)3.a.~~, but not from emergency assessments collected  
2823 from policyholders pursuant to s. 627.351(6)(b)3.c. ~~s.~~  
2824 ~~627.351(6)(b)3.e.~~, with respect to commercial residential  
2825 policies until the earlier of:

2826 1. The end of the calendar year in which such insurer first  
2827 wrote 0.5 percent or more of the statewide aggregate direct  
2828 written premium for commercial residential property coverage; or

2829 2. December 31 of the third year in which such insurer  
2830 wrote commercial residential property coverage in this state.

2831 (f) An insurer that is not otherwise exempt from liability  
2832 ~~regular assessments under s. 627.351(6)(b)3.a.~~ with respect to  
2833 commercial residential policies is, for any calendar year in  
2834 which such insurer increased its total commercial residential  
2835 hurricane exposure by 25 percent or more over its exposure for  
2836 the preceding calendar year, exempt from liability ~~regular~~  
2837 ~~assessments under s. 627.351(6)(b)3.a.~~, but not emergency  
2838 assessments collected from policyholders pursuant to s.  
2839 627.351(6)(b)3.c. ~~s. 627.351(6)(b)3.e.~~, attributable to such  
2840 increased exposure.

2841 Section 3. Subsections (5), (6), and (7) of section  
2842 627.3518, Florida Statutes, are amended to read:

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2843           627.3518 Citizens Property Insurance Corporation  
2844 policyholder eligibility clearinghouse program.—The purpose of  
2845 this section is to provide a framework for the corporation to  
2846 implement a clearinghouse program by January 1, 2014.

2847           (5) Notwithstanding s. 627.3517, any applicant for new  
2848 coverage from the corporation on a primary residence is not  
2849 eligible for coverage from the corporation if provided an offer  
2850 of coverage from an authorized insurer through the program at a  
2851 premium that is at or below the eligibility threshold for  
2852 applicants for new coverage established in s. 627.351(6)(c)5.a.  
2853 An applicant for new coverage from the corporation on a risk  
2854 that is not a primary residence is not eligible for coverage  
2855 from the corporation if provided an offer of coverage from an  
2856 authorized insurer through the program if such offer would  
2857 render the risk ineligible pursuant to s. 627.351(6)(c)5.d.  
2858 Whenever an offer of coverage for a personal lines risk that is  
2859 a primary residence is received for a policyholder of the  
2860 corporation at renewal from an authorized insurer through the  
2861 program which is at or below the eligibility threshold for  
2862 policyholders of the corporation established in s.  
2863 627.351(6)(c)5.a., the risk is not eligible for coverage with  
2864 the corporation. Whenever an offer of coverage for a personal  
2865 lines risk that is not a primary residence is received for a  
2866 policyholder of the corporation at renewal from an authorized  
2867 insurer through the program, the risk is not eligible for  
2868 coverage with the corporation if such offer would render the  
2869 risk ineligible pursuant to s. 627.351(6)(c)5.d. In the event an  
2870 offer of coverage on a primary residence for a new applicant is  
2871 received from an authorized insurer through the program, and the

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2872 premium offered exceeds the eligibility threshold for applicants  
2873 for new coverage established in s. 627.351(6)(c)5.a., the  
2874 applicant or insured may elect to accept such coverage, or may  
2875 elect to accept or continue coverage with the corporation. In  
2876 the event an offer of coverage for a personal lines risk that is  
2877 a primary residence is received from an authorized insurer at  
2878 renewal through the program, and the premium offered exceeds the  
2879 eligibility threshold for policyholders of the corporation  
2880 established in s. 627.351(6)(c)5.a., the insured may elect to  
2881 accept such coverage, or may elect to accept or continue  
2882 coverage with the corporation. Section 627.351(6)(c)5.a.(I) does  
2883 not apply to an offer of coverage from an authorized insurer  
2884 obtained through the program. As used in this subsection, the  
2885 term "primary residence" has the same meaning as in s.  
2886 627.351(6)(c)2.a.

2887 (6) Independent insurance agents submitting new  
2888 applications for coverage or that are the agent of record on a  
2889 renewal policy submitted to the program:

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

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2901 expirations, records, or other written or electronic information  
2902 may be used to review an application, issue a policy, or for any  
2903 other purpose necessary for placing such business through the  
2904 program.

2905 (b) May not be required to be appointed by any insurer  
2906 participating in the program for policies written solely through  
2907 the program, notwithstanding the provisions of s. 626.112.

2908 (c) May accept an appointment from any insurer  
2909 participating in the program.

2910 (d) May enter into either a standard or limited agency  
2911 agreement with the insurer, at the insurer's option.

2912

2913 Applicants ineligible for coverage in accordance with subsection  
2914 (5) remain ineligible if their independent agent is unwilling or  
2915 unable to enter into a standard or limited agency agreement with  
2916 an insurer participating in the program.

2917 (7) Exclusive agents submitting new applications for  
2918 coverage or that are the agent of record on a renewal policy  
2919 submitted to the program:

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

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2930 issue a policy, or for any other purpose necessary for placing  
2931 such business through the program.

2932 (b) May not be required to be appointed by any insurer  
2933 participating in the program for policies written solely through  
2934 the program, notwithstanding the provisions of s. 626.112.

2935 (c) Must only facilitate the placement of an offer of  
2936 coverage from an insurer whose limited servicing agreement is  
2937 approved by that exclusive agent's exclusive insurer.

2938 (d) May enter into a limited servicing agreement with the  
2939 insurer making an offer of coverage, and only after the  
2940 exclusive agent's insurer has approved the limited servicing  
2941 agreement terms. The exclusive agent's insurer must approve a  
2942 limited service agreement for the program for any insurer for  
2943 which it has approved a service agreement for other purposes.

2944

2945 Applicants ineligible for coverage in accordance with subsection  
2946 (5) remain ineligible if their exclusive agent is unwilling or  
2947 unable to enter into a standard or limited agency agreement with  
2948 an insurer making an offer of coverage to that applicant.

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