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26 | unwilling or unable to provide affordable property insurance
27 | coverage in this state to the extent sought and needed. The
28 | absence of affordable property insurance threatens the public
29 | health, safety, and welfare and likewise threatens the economic
30 | health of the state. The state therefore has a compelling public
31 | interest and a public purpose to assist in assuring that
32 | property in the state is insured and that it is insured at
33 | affordable rates so as to facilitate the remediation,
34 | reconstruction, and replacement of damaged or destroyed property
35 | in order to reduce or avoid the negative effects otherwise
36 | resulting to the public health, safety, and welfare, to the
37 | economy of the state, and to the revenues of the state and local
38 | governments which are needed to provide for the public welfare.
39 | It is necessary, therefore, to provide affordable property
40 | insurance to applicants who are in good faith entitled to
41 | procure insurance through the voluntary market but are unable to
42 | do so. The Legislature intends, therefore, that affordable
43 | property insurance be provided and that it continue to be
44 | provided, as long as necessary, through Citizens Property
45 | Insurance Corporation, a government entity that is an integral
46 | part of the state, and that is not a private insurance company.
47 | To that end, the corporation shall strive to increase the
48 | availability of affordable property insurance in this state,
49 | while achieving efficiencies and economies, and while providing
50 | service to policyholders, applicants, and agents which is no

51 less than the quality generally provided in the voluntary
52 market, for the achievement of the foregoing public purposes.
53 Because it is essential for this government entity to have the
54 maximum financial resources to pay claims following a
55 catastrophic hurricane, it is the intent of the Legislature that
56 the corporation continue to be an integral part of the state and
57 that the income of the corporation be exempt from federal income
58 taxation and that interest on the debt obligations issued by the
59 corporation be exempt from federal income taxation.

60 2. The Residential Property and Casualty Joint
61 Underwriting Association originally created by this statute
62 shall be known as the Citizens Property Insurance Corporation.
63 The corporation shall provide insurance for residential and
64 commercial property, for applicants who are entitled, but, in
65 good faith, are unable to procure insurance through the
66 voluntary market. The corporation shall operate pursuant to a
67 plan of operation approved by order of the Financial Services
68 Commission. The plan is subject to continuous review by the
69 commission. The commission may, by order, withdraw approval of
70 all or part of a plan if the commission determines that
71 conditions have changed since approval was granted and that the
72 purposes of the plan require changes in the plan. For the
73 purposes of this subsection, residential coverage includes both
74 personal lines residential coverage, which consists of the type
75 of coverage provided by homeowner, mobile home owner, dwelling,

76 | tenant, condominium unit owner, and similar policies; and
77 | commercial lines residential coverage, which consists of the
78 | type of coverage provided by condominium association, apartment
79 | building, and similar policies.

80 | 3. With respect to coverage for personal lines residential
81 | structures, ~~÷~~

82 | a. ~~effective~~ July 1, 2024 ~~January 1, 2014~~, a structure
83 | that has a dwelling replacement cost of \$1 million or more, or a
84 | single condominium unit that has a combined dwelling and
85 | contents replacement cost of \$1 million or more, is not eligible
86 | for coverage by the corporation. ~~Such dwellings insured by the~~
87 | ~~corporation on December 31, 2013, may continue to be covered by~~
88 | ~~the corporation until the end of the policy term. The office~~
89 | ~~shall approve the method used by the corporation for valuing the~~
90 | ~~dwelling replacement cost for the purposes of this subparagraph.~~
91 | ~~If a policyholder is insured by the corporation before being~~
92 | ~~determined to be ineligible pursuant to this subparagraph and~~
93 | ~~such policyholder files a lawsuit challenging the determination,~~
94 | ~~the policyholder may remain insured by the corporation until the~~
95 | ~~conclusion of the litigation.~~

96 | b. ~~Effective January 1, 2015, a structure that has a~~
97 | ~~dwelling replacement cost of \$900,000 or more, or a single~~
98 | ~~condominium unit that has a combined dwelling and contents~~
99 | ~~replacement cost of \$900,000 or more, is not eligible for~~
100 | ~~coverage by the corporation. Such dwellings insured by the~~

101 ~~corporation on December 31, 2014, may continue to be covered by~~
102 ~~the corporation only until the end of the policy term.~~

103 ~~e. Effective January 1, 2016, a structure that has a~~
104 ~~dwelling replacement cost of \$800,000 or more, or a single~~
105 ~~condominium unit that has a combined dwelling and contents~~
106 ~~replacement cost of \$800,000 or more, is not eligible for~~
107 ~~coverage by the corporation. Such dwellings insured by the~~
108 ~~corporation on December 31, 2015, may continue to be covered by~~
109 ~~the corporation until the end of the policy term.~~

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

117
118 ~~The requirements of sub-subparagraphs b.-d. do not apply in~~
119 ~~counties where the office determines there is not a reasonable~~
120 ~~degree of competition. In such counties a personal lines~~
121 ~~residential structure that has a dwelling replacement cost of~~
122 ~~less than \$1 million, or a single condominium unit that has a~~
123 ~~combined dwelling and contents replacement cost of less than \$1~~
124 ~~million, is eligible for coverage by the corporation.~~

125 4. It is the intent of the Legislature that policyholders,

126 applicants, and agents of the corporation receive service and
127 treatment of the highest possible level but never less than that
128 generally provided in the voluntary market. It is also intended
129 that the corporation be held to service standards no less than
130 those applied to insurers in the voluntary market by the office
131 with respect to responsiveness, timeliness, customer courtesy,
132 and overall dealings with policyholders, applicants, or agents
133 of the corporation.

134 5.a. Effective January 1, 2009, a personal lines
135 residential structure that is located in the "wind-borne debris
136 region," as defined in s. 1609.2, International Building Code
137 (2006), and that has an insured value on the structure of
138 \$750,000 or more is not eligible for coverage by the corporation
139 unless the structure has opening protections as required under
140 the Florida Building Code for a newly constructed residential
141 structure in that area. A residential structure is deemed to
142 comply with this sub-subparagraph if it has shutters or opening
143 protections on all openings and if such opening protections
144 complied with the Florida Building Code at the time they were
145 installed.

146 b. Any major structure, as defined in s. 161.54(6)(a),
147 that is newly constructed, or rebuilt, repaired, restored, or
148 remodeled to increase the total square footage of finished area
149 by more than 25 percent, pursuant to a permit applied for after
150 July 1, 2015, is not eligible for coverage by the corporation if

151 the structure is seaward of the coastal construction control
152 line established pursuant to s. 161.053 or is within the Coastal
153 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
154 3510.

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

160 (n)1. Rates for coverage provided by the corporation must
161 be actuarially sound pursuant to s. 627.062 and not competitive
162 with approved rates charged in the admitted voluntary market so
163 that the corporation functions as a residual market mechanism to
164 provide insurance only when insurance cannot be procured in the
165 voluntary market, except as otherwise provided in this
166 paragraph. The office shall provide the corporation such
167 information as would be necessary to determine whether rates are
168 competitive. The corporation shall file its recommended rates
169 with the office at least annually. The corporation shall provide
170 any additional information regarding the rates which the office
171 requires. The office shall consider the recommendations of the
172 board and issue a final order establishing the rates for the
173 corporation within 45 days after the recommended rates are
174 filed. The corporation may not pursue an administrative
175 challenge or judicial review of the final order of the office.

176 2. In addition to the rates otherwise determined pursuant
177 to this paragraph, the corporation shall impose and collect an
178 amount equal to the premium tax provided in s. 624.509 to
179 augment the financial resources of the corporation.

180 3. After the public hurricane loss-projection model under
181 s. 627.06281 has been found to be accurate and reliable by the
182 Florida Commission on Hurricane Loss Projection Methodology, the
183 model shall be considered when establishing the windstorm
184 portion of the corporation's rates. The corporation may use the
185 public model results in combination with the results of private
186 models to calculate rates for the windstorm portion of the
187 corporation's rates. This subparagraph does not require or allow
188 the corporation to adopt rates lower than the rates otherwise
189 required or allowed by this paragraph.

190 4. The corporation must make a recommended actuarially
191 sound rate filing for each personal and commercial line of
192 business it writes.

193 5. Notwithstanding the board's recommended rates and the
194 office's final order regarding the corporation's filed rates
195 under subparagraph 1., the corporation shall annually implement
196 a rate increase which, except for sinkhole coverage, does not
197 exceed the following for any single policy issued by the
198 corporation, excluding coverage changes and surcharges:

- 199 a. Twelve percent for 2023.
200 b. Thirteen percent for 2024.

- 201 c. Fourteen percent for 2025.
- 202 d. Fifteen percent for 2026 and all subsequent years.

203

204 This subparagraph does not apply to a personal lines residential
 205 structure that has a dwelling replacement cost of \$700,000 or
 206 more or a single condominium unit that has a combined dwelling
 207 and contents replacement cost of \$700,000 or more.

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

211 7. The corporation's implementation of rates as prescribed
 212 in subparagraph ~~subparagraphs~~ 5. and 9. ~~8.~~ shall cease for any
 213 line of business written by the corporation upon the
 214 corporation's implementation of actuarially sound rates.
 215 Thereafter, the corporation shall annually make a recommended
 216 actuarially sound rate filing that is not competitive with
 217 approved rates in the admitted voluntary market for each
 218 commercial and personal line of business the corporation writes.

219 8. Effective July 1, 2024, for the purpose of ensuring
 220 that the corporation's rates are not competitive with approved
 221 rates charged in the admitted voluntary market as required by
 222 subparagraph 1., a surcharge equal to the lesser of \$2,500 or 25
 223 percent of the corporation's rate for each policy applies to
 224 personal lines residential structures that have a dwelling
 225 replacement cost of \$700,000 or more and single condominium

226 units that have a combined dwelling and contents replacement
 227 cost of \$700,000 or more. Notwithstanding any other provision of
 228 this subsection, effective July 1, 2024, a personal lines
 229 residential structure that has a dwelling replacement cost of
 230 \$700,000 or more and a single condominium unit that has a
 231 combined dwelling and contents replacement cost of \$700,000 or
 232 more are not eligible for coverage by the corporation if the
 233 risk is offered comparable coverage from an authorized insurer
 234 at the insurer's approved rate under a standard policy including
 235 wind coverage.

236 9.8. The following new or renewal personal lines policies
 237 written on or after November 1, 2023, are not subject to the
 238 rate increase limitations in subparagraph 5., but may not be
 239 charged more than 50 percent above, nor less than, the prior
 240 year's established rate for the corporation:

241 a. Policies that do not cover a primary residence;
 242 b. New policies under which the coverage for the insured
 243 risk, before the date of application with the corporation, was
 244 last provided by an insurer determined by the office to be
 245 unsound or an insurer placed in receivership under chapter 631;
 246 or

247 c. Subsequent renewals of those policies, including the
 248 new policies in sub-subparagraph b., under which the coverage
 249 for the insured risk, before the date of application with the
 250 corporation, was last provided by an insurer determined by the

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251 office to be unsound or an insurer placed in receivership under
252 chapter 631.

253 ~~10.9.~~ As used in this paragraph, the term "primary
254 residence" means the dwelling that is the policyholder's primary
255 home or is a rental property that is the primary home of the
256 tenant, and which the policyholder or tenant occupies for more
257 than 9 months of each year.

258 Section 2. This act shall take effect July 1, 2024.