



613174

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/19/2025	.	
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The Committee on Banking and Insurance (DiCeglie) recommended the following:

Senate Amendment (with title amendment)

Delete lines 80 - 1291

and insert:

Section 3. Paragraphs (a) and (e) of subsection (1) and subsections (2) and (3) of section 626.916, Florida Statutes, are amended to read:

626.916 Eligibility for export.—

(1) No insurance coverage shall be eligible for export unless it meets all of the following conditions:



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11 ~~(a) The full amount of insurance required must not be~~
12 ~~procurable, after a diligent effort has been made by the~~
13 ~~producing agent to do so, from among the insurers authorized to~~
14 ~~transact and actually writing that kind and class of insurance~~
15 ~~in this state, and the amount of insurance exported shall be~~
16 ~~only the excess over the amount so procurable from authorized~~
17 ~~insurers. Surplus lines agents must verify that a diligent~~
18 ~~effort has been made by requiring a properly documented~~
19 ~~statement of diligent effort from the retail or producing agent.~~
20 ~~However, to be in compliance with the diligent effort~~
21 ~~requirement, the surplus lines agent's reliance must be~~
22 ~~reasonable under the particular circumstances surrounding the~~
23 ~~export of that particular risk. Reasonableness shall be assessed~~
24 ~~by taking into account factors which include, but are not~~
25 ~~limited to, a regularly conducted program of verification of the~~
26 ~~information provided by the retail or producing agent.~~
27 ~~Declinations must be documented on a risk-by-risk basis. If it~~
28 ~~is not possible to obtain the full amount of insurance required~~
29 ~~by layering the risk, it is permissible to export the full~~
30 ~~amount.~~

31 (d)(e) The insured has signed or otherwise provided
32 documented acknowledgment of a disclosure in substantially the
33 following form: "You are agreeing to place coverage in the
34 surplus lines market. Coverage may be available in the admitted
35 market. Persons insured by surplus lines carriers are not
36 protected under the Florida Insurance Guaranty Act with respect
37 to any right of recovery for the obligation of an insolvent
38 unlicensed insurer. Additionally, surplus lines insurers' policy
39 rates and forms are not approved by any Florida regulatory



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40 agency.” If the acknowledgment of the disclosure is signed by
41 the insured, the insured is presumed to have been informed and
42 to know that other coverage may be available.

43 ~~(2) The commission may by rule declare eligible for export~~
44 ~~generally, and notwithstanding the provisions of paragraphs (a),~~
45 ~~(b), (c), and (d) of subsection (1), any class or classes of~~
46 ~~insurance coverage or risk for which it finds, after a hearing,~~
47 ~~that there is no reasonable or adequate market among authorized~~
48 ~~insurers. Any such rules shall continue in effect during the~~
49 ~~existence of the conditions upon which predicated, but subject~~
50 ~~to termination by the commission.~~

51 ~~(3)(a) Subsection (1) does not apply to wet marine and~~
52 ~~transportation or aviation risks that are subject to s. 626.917.~~

53 ~~(b) Subsection (1) does not apply to classes of insurance~~
54 ~~which are related to indemnity of deductibles for property~~
55 ~~insurance or are subject to s. 627.062(3)(d)1. These classes may~~
56 ~~be exportable under the following conditions:~~

57 ~~1. The insurance must be placed only by or through a~~
58 ~~surplus lines agent licensed in this state;~~

59 ~~2. The insurer must be made eligible under s. 626.918; and~~

60 ~~3. The insured has complied with paragraph (1)(c). If the~~
61 ~~disclosure is signed by the insured, the insured is presumed to~~
62 ~~have been informed and to know that other coverage may be~~
63 ~~available, and, with respect to the diligent-effort requirement~~
64 ~~under subsection (1), there is no liability on the part of, and~~
65 ~~no cause of action arises against, the retail agent presenting~~
66 ~~the form.~~

67 Section 4. Section 627.4085, Florida Statutes, is amended
68 to read:



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69 627.4085 Insurer name, agent name, and license
70 identification number required on application.—

71 ~~(1)~~ All applications for an insurance policy or annuity
72 contract shall prominently display the name of the insuring
73 entity on the first page of the application form at the time the
74 coverage is bound or premium is quoted. Such applications shall
75 also disclose the name and license identification number of the
76 agent as shown on the agent's license issued by the department,
77 which information may be typed, printed, stamped, or handwritten
78 if legible.

79 ~~(2) This section does not apply to surplus lines business~~
80 ~~under the provisions of ss. 626.913-626.937.~~

81 Section 5. Paragraph (d) of subsection (6) of section
82 627.701, Florida Statutes, is amended to read:

83 627.701 Liability of insureds; coinsurance; deductibles.—

84 (6)

85 (d) The office shall draft and formally propose as a rule
86 the form for the certificate of security. The certificate of
87 security may be issued in any of the following circumstances:

88 1. A mortgage lender or other financial institution may
89 issue a certificate of security after granting the applicant a
90 line of credit, secured by equity in real property or other
91 reasonable security, which line of credit may be drawn on only
92 to pay for the deductible portion of insured construction or
93 reconstruction after a hurricane loss. In the sole discretion of
94 the mortgage lender or other financial institution, the line of
95 credit may be issued to an applicant on an unsecured basis.

96 2. A licensed insurance agent may issue a certificate of
97 security after obtaining for an applicant a line of credit,



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98 secured by equity in real property or other reasonable security,
99 which line of credit may be drawn on only to pay for the
100 deductible portion of insured construction or reconstruction
101 after a hurricane loss. The Florida Hurricane Catastrophe Fund
102 shall negotiate agreements creating a financing consortium to
103 serve as an additional source of lines of credit to secure
104 deductibles. Any licensed insurance agent may act as the agent
105 of such consortium.

106 3. Any person qualified to act as a trustee for any purpose
107 may issue a certificate of security secured by a pledge of
108 assets, with the restriction that the assets may be drawn on
109 only to pay for the deductible portion of insured construction
110 or reconstruction after a hurricane loss.

111 4. Any insurer, ~~including any admitted insurer or any~~
112 ~~surplus lines insurer,~~ may issue a certificate of security after
113 issuing the applicant a policy of supplemental insurance that
114 will pay for 100 percent of the deductible portion of insured
115 construction or reconstruction after a hurricane loss.

116 5. Any other method approved by the office upon finding
117 that such other method provides a similar level of security as
118 the methods specified in this paragraph and that such other
119 method has no negative impact on residential property insurance
120 catastrophic capacity. The legislative intent of this
121 subparagraph is to provide the flexibility needed to achieve the
122 public policy of expanding property insurance capacity while
123 improving the affordability of property insurance.

124 Section 6. Section 626.9261, Florida Statutes, is created
125 to read:

126 626.9261 Liability of insureds; deductibles.—A surplus



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127 lines insurer may issue a certificate of security after issuing
128 the applicant a policy of supplemental insurance which will pay
129 for 100 percent of the deductible portion of insured
130 construction or reconstruction after a hurricane loss.

131 Section 7. Subsection (9) of section 627.70131, Florida
132 Statutes, is amended to read:

133 627.70131 Insurer's duty to acknowledge communications
134 regarding claims; investigation.—

135 ~~(9) This section also applies to surplus lines insurers and~~
136 ~~surplus lines insurance authorized under ss. 626.913-626.937~~
137 ~~providing residential coverage.~~

138 Section 8. Section 626.9262, Florida Statutes, is created
139 to read:

140 626.9262 Insurer's duty to acknowledge communications
141 regarding residential property insurance claims; investigation.—

142 (1)(a) Upon an insurer's receipt of a communication with
143 respect to a residential property insurance claim, the insurer
144 shall, within 7 calendar days, review and acknowledge receipt of
145 such communication unless payment is made within that period of
146 time or unless the failure to acknowledge is caused by factors
147 beyond the control of the insurer. If the acknowledgment is not
148 in writing, a notification indicating acknowledgment must be
149 made in the insurer's claim file and dated. A communication made
150 to or by a representative of an insurer with respect to a claim
151 constitutes communication to or by the insurer.

152 (b) As used in this subsection, the term "representative"
153 means any person to whom an insurer has granted authority or
154 responsibility to receive or make such communications with
155 respect to claims on behalf of the insurer.



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156 (c) This subsection does not apply to claimants represented
157 by counsel beyond those communications necessary to provide
158 forms and instructions.

159 (2) Such acknowledgment must be responsive to the
160 communication. If the communication constitutes a notification
161 of a residential property insurance claim, unless the
162 acknowledgment reasonably advises the claimant that the claim
163 appears not to be covered by the insurer, the acknowledgment
164 must provide necessary claim forms, and instructions, including
165 an appropriate telephone number.

166 (3) (a) Unless otherwise provided by the policy of insurance
167 or by law, within 7 days after an insurer receives proof-of-loss
168 statements, the insurer shall begin such investigation as is
169 reasonably necessary unless the failure to begin such
170 investigation is caused by factors beyond the control of the
171 insurer.

172 (b) If such investigation involves a physical inspection of
173 the property, the licensed adjuster assigned by the insurer must
174 provide the policyholder with a printed or electronic document
175 containing his or her name and state adjuster license number. An
176 insurer must conduct any such physical inspection within 30 days
177 after its receipt of the proof-of-loss statements.

178 (c) Any subsequent communication with the policyholder
179 regarding the residential property insurance claim must also
180 include the name and license number of the adjuster
181 communicating about the claim. Communication of the adjuster's
182 name and license number may be included with other information
183 provided to the policyholder.

184 (d) An insurer may use electronic methods to investigate



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185 the loss. Such electronic methods may include any method that
186 provides the insurer with clear, color pictures or video
187 documenting the loss, including, but not limited to, electronic
188 photographs or video recordings of the loss; video conferencing
189 between the adjuster and the policyholder which includes video
190 recording of the loss; and video recordings or photographs of
191 the loss using a drone, driverless vehicle, or other machine
192 that can move independently or through remote control. The
193 insurer also may allow the policyholder to use such methods to
194 assist in the investigation of the loss. An insurer may void the
195 insurance policy if the policyholder or any other person at the
196 direction of the policyholder, with intent to injure, defraud,
197 or deceive any insurer, commits insurance fraud by providing
198 false, incomplete, or misleading information concerning any fact
199 or thing material to a claim using electronic methods. The use
200 of electronic methods to investigate the loss does not prohibit
201 an insurer from assigning a licensed adjuster to physically
202 inspect the property.

203 (e) The insurer shall send the policyholder a copy of any
204 detailed estimate of the amount of the loss within 7 days after
205 the estimate is generated by an insurer's adjuster. This
206 paragraph does not require that an insurer create a detailed
207 estimate of the amount of the loss if such estimate is not
208 reasonably necessary as part of the claim investigation.

209 (4) An insurer shall maintain:

210 (a) A record or log of each adjuster who communicates with
211 the policyholder as provided in paragraphs (3)(b) and (c) and
212 provide a list of such adjusters to the insured, office, or
213 department upon request.



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214 (b) Claim records, including dates, of all of the
215 following:

216 1. Any claim-related communication made between the insurer
217 and the policyholder or the policyholder's representative.

218 2. The insurer's receipt of the policyholder's proof-of-
219 loss statement.

220 3. Any claim-related request for information made by the
221 insurer to the policyholder or the policyholder's
222 representative.

223 4. Any claim-related inspections of the property made by
224 the insurer, including physical inspections and inspections made
225 by electronic means.

226 5. Any detailed estimate of the amount of the loss
227 generated by the insurer's adjuster.

228 6. The beginning and end of any tolling period provided for
229 in subsection (8).

230 7. The insurer's payment or denial of the claim.

231 (5) For purposes of this section, the term:

232 (a) "Factors beyond the control of the insurer" means:

233 1. Any of the following events which is the basis for the
234 office issuing an order finding that such event renders all or
235 specified residential property insurers reasonably unable to
236 meet the requirements of this section in specified locations and
237 ordering that such insurer or insurers may have additional time
238 as specified by the office to comply with the requirements of
239 this section: a state of emergency declared by the Governor
240 under s. 252.36, a breach of security that must be reported
241 under s. 501.171(3), or an information technology issue. The
242 office may not extend the period for payment or denial of a



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243 claim for more than 30 additional days.

244 2. Actions by the policyholder or the policyholder's
245 representative which constitute fraud, lack of cooperation, or
246 intentional misrepresentation regarding the claim for which
247 benefits are owed when such actions reasonably prevent the
248 insurer from complying with any requirement of this section.

249 (b) "Insurer" means an eligible surplus lines insurer that
250 issues residential property policies.

251 (6) (a) When providing a preliminary or partial estimate of
252 damage regarding a residential property insurance claim, an
253 insurer shall include with the estimate the following statement
254 printed in at least 12-point bold, uppercase type: THIS ESTIMATE
255 REPRESENTS OUR CURRENT EVALUATION OF THE COVERED DAMAGES TO YOUR
256 INSURED PROPERTY AND MAY BE REVISED AS WE CONTINUE TO EVALUATE
257 YOUR CLAIM. IF YOU HAVE QUESTIONS, CONCERNS, OR ADDITIONAL
258 INFORMATION REGARDING YOUR CLAIM, WE ENCOURAGE YOU TO CONTACT
259 US.

260 (b) When providing a payment on a claim which is not the
261 full and final payment for the claim, an insurer shall include
262 with the payment the following statement printed in at least 12-
263 point bold, uppercase type: WE ARE CONTINUING TO EVALUATE YOUR
264 CLAIM INVOLVING YOUR INSURED PROPERTY AND MAY ISSUE ADDITIONAL
265 PAYMENTS. IF YOU HAVE QUESTIONS, CONCERNS, OR ADDITIONAL
266 INFORMATION REGARDING YOUR CLAIM, WE ENCOURAGE YOU TO CONTACT
267 US.

268 (7) (a) Within 60 days after an insurer receives notice of
269 an initial, reopened, or supplemental property insurance claim
270 from a policyholder, the insurer shall pay or deny such claim or
271 a portion of the claim unless the failure to pay is caused by



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272 factors beyond the control of the insurer. The insurer shall
273 provide a reasonable explanation in writing to the policyholder
274 of the basis in the insurance policy, in relation to the facts
275 or applicable law, for the payment, denial, or partial denial of
276 a claim. If the insurer's claim payment is less than specified
277 in any insurer's detailed estimate of the amount of the loss,
278 the insurer must provide a reasonable explanation in writing of
279 the difference to the policyholder. Any payment of an initial or
280 supplemental claim or portion of such claim made 60 days after
281 the insurer receives notice of the claim, or made after the
282 expiration of any additional timeframe provided to pay or deny a
283 claim or a portion of a claim made pursuant to an order of the
284 office finding factors beyond the control of the insurer,
285 whichever is later, bears interest at the rate set forth in s.
286 55.03. Interest begins to accrue from the date the insurer
287 receives notice of the claim. The provisions of this subsection
288 may not be waived, voided, or nullified by the terms of the
289 insurance policy. If there is a right to prejudgment interest,
290 the insured must select whether to receive prejudgment interest
291 or interest under this subsection. Interest is payable when the
292 claim or portion of the claim is paid. Failure to comply with
293 this subsection constitutes a violation of this code. However,
294 failure to comply with this subsection does not form the sole
295 basis for a private cause of action.

296 (b) Notwithstanding the definitions in subsection (5), for
297 purposes of this subsection, the term "claim" means any of the
298 following:

299 1. A claim under an insurance policy providing residential
300 coverage as defined in s. 627.4025(1).



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301 2. A claim for structural or contents coverage under a
302 commercial property insurance policy if the insured structure is
303 10,000 square feet or less.

304 3. A claim for contents coverage under a commercial tenant
305 policy if the insured premises is 10,000 square feet or less.

306 (c) This subsection does not apply to claims under an
307 insurance policy covering structures or contents in more than
308 one state.

309 (8) The requirements of this section are tolled:

310 (a) During the pendency of any mediation proceeding under
311 s. 627.7015 or any alternative dispute resolution proceeding
312 provided for in the insurance contract. The tolling period ends
313 upon the end of the mediation or alternative dispute resolution
314 proceeding.

315 (b) Upon the failure of a policyholder or a representative
316 of the policyholder to provide material claims information
317 requested by the insurer within 10 days after the request was
318 received. The tolling period ends upon the insurer's receipt of
319 the requested information. Tolling under this paragraph applies
320 only to requests sent by the insurer to the policyholder or a
321 representative of the policyholder at least 15 days before the
322 insurer is required to pay or deny the claim or a portion of the
323 claim under subsection (7).

324 Section 9. Subsection (2) of section 627.70132, Florida
325 Statutes, is amended to read:

326 627.70132 Notice of property insurance claim.—

327 (2) A claim or reopened claim, but not a supplemental
328 claim, under an insurance policy that provides property
329 insurance, as defined in s. 624.604, ~~including a property~~



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330 ~~insurance policy issued by an eligible surplus lines insurer,~~
331 for loss or damage caused by any peril is barred unless notice
332 of the claim was given to the insurer in accordance with the
333 terms of the policy within 1 year after the date of loss. A
334 supplemental claim is barred unless notice of the supplemental
335 claim was given to the insurer in accordance with the terms of
336 the policy within 18 months after the date of loss. The time
337 limitations of this subsection are tolled during any term of
338 deployment to a combat zone or combat support posting which
339 materially affects the ability of a named insured who is a
340 servicemember as defined in s. 250.01 to file a claim,
341 supplemental claim, or reopened claim.

342 Section 10. Section 626.9263, Florida Statutes, is created
343 to read:

344 626.9263 Notice of property insurance claim.—

345 (1) As used in this section, the term:

346 (a) "Reopened claim" means a claim that an insurer has
347 previously closed, but that has been reopened upon an insured's
348 request for additional costs for loss or damage previously
349 disclosed to the insurer.

350 (b) "Supplemental claim" means a claim for additional loss
351 or damage from the same peril which the insurer has previously
352 adjusted or for which costs have been incurred while completing
353 repairs or replacement pursuant to an open claim for which
354 timely notice was previously provided to the insurer.

355 (2) A claim or reopened claim, but not a supplemental
356 claim, under an insurance policy that provides property
357 insurance, as defined in s. 624.604, for loss or damage caused
358 by any peril is barred unless notice of the claim was given to



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359 the insurer in accordance with the terms of the policy within 1
360 year after the date of loss. A supplemental claim is barred
361 unless notice of the supplemental claim was given to the insurer
362 in accordance with the terms of the policy within 18 months
363 after the date of loss. The time limitations of this subsection
364 are tolled during any term of deployment to a combat zone or
365 combat support posting which materially affects the ability of a
366 named insured who is a servicemember as defined in s. 250.01 to
367 file a claim, supplemental claim, or reopened claim.

368 (3) For claims resulting from hurricanes, tornadoes,
369 windstorms, severe rain, or other weather-related events, the
370 date of loss is the date that the hurricane made landfall or the
371 tornado, windstorm, severe rain, or other weather-related event
372 is verified by the National Oceanic and Atmospheric
373 Administration.

374 (4) (a) A notice of claim for loss assessment coverage under
375 s. 627.714 may not occur later than 3 years after the date of
376 loss and must be provided to the insurer the later of:

- 377 1. Within 1 year after the date of loss; or
378 2. Within 90 days after the date on which the condominium
379 association or its governing board votes to levy an assessment
380 resulting from a covered loss.

381 (b) For purposes of this subsection, the term "date of
382 loss" means the date of the covered loss event that created the
383 need for an assessment.

384 (5) This section does not affect any applicable limitation
385 on civil actions provided in s. 95.11 for claims, supplemental
386 claims, or reopened claims timely filed under this section.

387 Section 11. Subsection (1) of section 627.70152, Florida



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388 Statutes, is amended to read:

389 627.70152 Suits arising under a property insurance policy.—

390 (1) APPLICATION.—This section applies exclusively to all
391 suits arising under a residential or commercial property
392 insurance policy, ~~including a residential or commercial property~~
393 ~~insurance policy issued by an eligible surplus lines insurer.~~

394 Section 12. Section 626.9264, Florida Statutes, is created
395 to read:

396 626.9264 Suits arising under a property insurance policy.—

397 (1) APPLICATION.—This section applies exclusively to all
398 suits arising under a residential or commercial property
399 insurance policy.

400 (2) DEFINITIONS.—As used in this section, the term:

401 (a) "Claimant" means an insured who is filing suit under a
402 residential or commercial property insurance policy.

403 (b) "Disputed amount" means the difference between the
404 claimant's presuit settlement demand, not including attorney
405 fees and costs listed in the demand, and the insurer's presuit
406 settlement offer, not including attorney fees and costs, if part
407 of the offer.

408 (c) "Presuit settlement demand" means the demand made by
409 the claimant in the written notice of intent to initiate
410 litigation as required by paragraph (3) (a). The demand must
411 include the amount of reasonable and necessary attorney fees and
412 costs incurred by the claimant, to be calculated by multiplying
413 the number of hours actually worked on the claim by the
414 claimant's attorney as of the date of the notice by a reasonable
415 hourly rate.

416 (d) "Presuit settlement offer" means the offer made by the



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417 insurer in its written response to the notice required under
418 subsection (3).

419 (3) NOTICE.—

420 (a) As a condition precedent to filing a suit under a
421 property insurance policy, a claimant must provide the
422 department with written notice of intent to initiate litigation
423 on a form provided by the department. Such notice must be given
424 at least 10 business days before filing suit under the policy,
425 but may not be given before the insurer has made a determination
426 of coverage under s. 626.9263. Notice to the insurer must be
427 provided by the department to the e-mail address designated by
428 the insurer under s. 624.422. The notice must state with
429 specificity all of the following information:

430 1. That the notice is provided pursuant to this section.

431 2. The alleged acts or omissions of the insurer giving rise
432 to the suit, which may include a denial of coverage.

433 3. If provided by an attorney or other representative, that
434 a copy of the notice was provided to the claimant.

435 4. If the notice is provided following a denial of
436 coverage, an estimate of damages, if known.

437 5. If the notice is provided following acts or omissions by
438 the insurer other than denial of coverage, both of the
439 following:

440 a. The presuit settlement demand, which must itemize the
441 damages, attorney fees, and costs.

442 b. The disputed amount.

443

444 Documentation to support the information provided in this
445 paragraph may be provided along with the notice to the insurer.



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446 (b) A claimant must serve a notice of intent to initiate
447 litigation within the time limits provided in s. 95.11. However,
448 the notice is not required if the suit is a counterclaim.
449 Service of a notice tolls the time limits provided in s. 95.11
450 for 10 business days if such time limits will expire before the
451 end of the 10-day notice period.

452 (4) INSURER DUTIES.—An insurer must have a procedure for
453 the prompt investigation, review, and evaluation of the dispute
454 stated in the notice and must investigate each claim contained
455 in the notice in accordance with the Florida Insurance Code. An
456 insurer must respond in writing within 10 business days after
457 receiving the notice specified in subsection (3). The insurer
458 must provide the response to the claimant by e-mail if the
459 insured has designated an e-mail address in the notice.

460 (a) If an insurer is responding to a notice served on the
461 insurer following a denial of coverage by the insurer, the
462 insurer must respond by:

- 463 1. Accepting coverage;
464 2. Continuing to deny coverage; or
465 3. Asserting the right to reinspect the damaged property.

466 If the insurer responds by asserting the right to reinspect the
467 damaged property, it has 14 business days after the response
468 asserting that right to reinspect the property to accept or
469 continue to deny coverage. The time limits provided in s. 95.11
470 are tolled during the reinspection period if such time limits
471 expire before the end of the reinspection period. If the insurer
472 continues to deny coverage, the claimant may file suit without
473 providing additional notice to the insurer.

474 (b) If an insurer is responding to a notice provided to the



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475 insurer alleging an act or omission by the insurer other than a
476 denial of coverage, the insurer must respond by making a
477 settlement offer or requiring the claimant to participate in
478 appraisal or another method of alternative dispute resolution.
479 The time limits provided in s. 95.11 are tolled as long as
480 appraisal or other alternative dispute resolution is ongoing if
481 such time limits expire during the appraisal process or dispute
482 resolution process. If the appraisal or alternative dispute
483 resolution has not been concluded within 90 days after the
484 expiration of the 10-day notice of intent to initiate litigation
485 specified in subsection (3), the claimant or claimant's attorney
486 may immediately file suit without providing the insurer
487 additional notice.

488 (5) DISMISSAL OF SUIT.—A court must dismiss without
489 prejudice any claimant's suit relating to a claim for which a
490 notice of intent to initiate litigation was not given as
491 required by this section or if such suit is commenced before the
492 expiration of any time period provided under subsection (4), as
493 applicable.

494 (6) ADMISSIBILITY OF NOTICE AND RESPONSE.—The notice
495 provided pursuant to subsection (3) and, if applicable, the
496 documentation to support the information provided in the notice:

497 (a) Are not admissible as evidence in any proceeding.

498 (b) Do not relieve any obligation that an insured or
499 assignee has to give notice under any other provision of law.

500 (7) TOLLING.—If a claim is not resolved during the presuit
501 notice process and if the time limits provided in s. 95.11
502 expire in the 30 days following the conclusion of the presuit
503 notice process, such time limits are tolled for 30 days.



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504 Section 13. Section 626.9265, Florida Statutes, is created
505 to read:

506 626.9265 Assignment agreements.—A policyholder may not
507 assign, in whole or in part, any post-loss insurance benefit
508 under any residential property insurance policy or under any
509 commercial property insurance policy, as defined in s.
510 627.0625(1) (a). An attempt to assign post-loss property
511 insurance benefits under such a policy is void, invalid, and
512 unenforceable.

513 Section 14. Section 626.9266, Florida Statutes, is created
514 to read:

515 626.9266 Nonjoinder of insurers.—

516 (1) It shall be a condition precedent to the accrual or
517 maintenance of a cause of action against a liability insurer by
518 a person who is not an insured under the terms of the liability
519 insurance contract that such person must first obtain a
520 settlement or verdict against a person who is an insured under
521 the terms of such policy for a cause of action which is covered
522 by such policy.

523 (2) Notwithstanding subsection (1), any insurer that pays
524 any taxable costs or attorney fees that would be recoverable by
525 the insured but for the fact that such costs or fees were paid
526 by the insurer is considered a party for the purpose of
527 recovering such fees or costs. A person who is not an insured
528 under the terms of a liability insurance policy may not have any
529 interest in such policy, either as a third-party beneficiary or
530 otherwise, before first obtaining a settlement or verdict
531 against a person who is an insured under the terms of such
532 policy for a cause of action which is covered by such policy.



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533 (3) Insurers are affirmatively granted the substantive
534 right to insert in liability insurance policies contractual
535 provisions that preclude persons who are not designated as
536 insureds in such policies from joining a liability insurer as a
537 party defendant with its insured before the rendition of a
538 verdict. The contractual provisions authorized in this
539 subsection are fully enforceable.

540 (4) When a judgment is entered or a settlement is reached
541 during the pendency of litigation, a liability insurer may be
542 joined as a party defendant for the purposes of entering final
543 judgment or enforcing the settlement by the motion of any party,
544 unless the insurer denied coverage under s. 627.426(2) or
545 defended under a reservation of rights pursuant to s.
546 627.426(2). A copy of the motion to join the insurer must be
547 served on the insurer by certified mail. If a judgment is
548 reversed or remanded on appeal, the insurer's presence may not
549 be disclosed to the jury in a subsequent trial.

550 Section 15. Subsection (1) of section 627.952, Florida
551 Statutes, is amended to read:

552 627.952 Risk retention and purchasing group agents.—

553 (1) Any person offering, soliciting, selling, purchasing,
554 administering, or otherwise servicing insurance contracts,
555 certificates, or agreements for any purchasing group or risk
556 retention group to any resident of this state, either directly
557 or indirectly, by the use of mail, advertising, or other means
558 of communication, shall obtain a license and appointment to act
559 as a resident general lines agent, if a resident of this state,
560 or a nonresident general lines agent if not a resident. Any such
561 person shall be subject to all requirements of the Florida



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562 Insurance Code.

563 ~~(a)~~ All books, records, statements, and accounts required
564 to be established and maintained with respect to activities
565 described in this subsection shall be established and maintained
566 on a segregated basis, separate and apart from all other books,
567 records, statements, and accounts regarding the agent's other
568 transactions.

569 ~~(b)~~ Any person required to be licensed and appointed under
570 this subsection, in order to place business through Florida
571 eligible surplus lines carriers, must, if a resident of this
572 state, be licensed and appointed as a surplus lines agent. If
573 not a resident of this state, such person must be licensed and
574 appointed as a surplus lines agent in her or his state of
575 residence and be licensed and appointed as a nonresident surplus
576 lines agent in this state.

577 Section 16. Section 626.931, Florida Statutes, is amended
578 to read:

579 626.931 ~~Agent affidavit and Insurer reporting~~
580 requirements.-

581 ~~(1)~~ Each surplus lines agent that has transacted business
582 during a calendar quarter shall on or before the 45th day
583 following the calendar quarter file with the Florida Surplus
584 Lines Service Office an affidavit, on forms as prescribed and
585 furnished by the Florida Surplus Lines Service Office, stating
586 that all surplus lines insurance transacted by him or her during
587 such calendar quarter has been submitted to the Florida Surplus
588 Lines Service Office as required.

589 ~~(2)~~ The affidavit of the surplus lines agent shall include
590 efforts made to place coverages with authorized insurers and the



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591 ~~results thereof.~~

592 (1)~~(3)~~ Each foreign insurer accepting premiums shall, on or
593 before the end of the month following each calendar quarter,
594 file with the Florida Surplus Lines Service Office a verified
595 report of all surplus lines insurance transacted by such insurer
596 for insurance risks located in this state during such calendar
597 quarter.

598 (2)~~(4)~~ Each alien insurer accepting premiums shall, on or
599 before June 30 of each year, file with the Florida Surplus Lines
600 Service Office a verified report of all surplus lines insurance
601 transacted by such insurer for insurance risks located in this
602 state during the preceding calendar year.

603 (3)~~(5)~~ The department may waive the filing requirements
604 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

605 (4)~~(6)~~ Each insurer's report and supporting information
606 shall be in a computer-readable format as determined by the
607 Florida Surplus Lines Service Office or shall be submitted on
608 forms prescribed by the Florida Surplus Lines Service Office and
609 shall show for each applicable agent:

610 (a) A listing of all policies, certificates, cover notes,
611 or other forms of confirmation of insurance coverage or any
612 substitutions thereof or endorsements thereto and the
613 identifying number; and

614 (b) Any additional information required by the department
615 or Florida Surplus Lines Service Office.

616 Section 17. Paragraph (a) of subsection (2) and subsection
617 (6) of section 626.932, Florida Statutes, are amended to read:

618 626.932 Surplus lines tax.—

619 (2) (a) The surplus lines agent shall make payable to the



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620 department the tax related to each calendar quarter's business
621 as reported to the Florida Surplus Lines Service Office, and
622 remit the tax to the Florida Surplus Lines Service Office at the
623 same time as the fee required ~~provided for the filing of the~~
624 ~~quarterly affidavit,~~ under s. 626.9325 ~~s. 626.931~~. The Florida
625 Surplus Lines Service Office shall forward to the department the
626 taxes and any interest collected pursuant to paragraph (b)~~7~~
627 within 10 days after ~~of~~ receipt.

628 (6) For the purposes of this section, the term "premium"
629 means the consideration for insurance by whatever name called
630 and includes any assessment, or any membership, policy, survey,
631 inspection, service, or similar fee or charge in consideration
632 for an insurance contract, which items are deemed to be a part
633 of the premium. The per-policy fee authorized by s. 626.916(2)
634 ~~s. 626.916(4)~~ is specifically included within the meaning of the
635 term "premium." However, the service fee imposed pursuant to s.
636 626.9325 is excluded from the meaning of the term "premium."

637 Section 18. Paragraph (c) of subsection (6) of section
638 627.351, Florida Statutes, is amended to read:

639 627.351 Insurance risk apportionment plans.—

640 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

642 1. Must provide for adoption of residential property and
643 casualty insurance policy forms and commercial residential and
644 nonresidential property insurance forms, which must be approved
645 by the office before use. The corporation shall adopt the
646 following policy forms:

647 a. Standard personal lines policy forms that are
648 comprehensive multiperil policies providing full coverage of a



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649 residential property equivalent to the coverage provided in the
650 private insurance market under an HO-3, HO-4, or HO-6 policy.

651 b. Basic personal lines policy forms that are policies
652 similar to an HO-8 policy or a dwelling fire policy that provide
653 coverage meeting the requirements of the secondary mortgage
654 market, but which is more limited than the coverage under a
655 standard policy.

656 c. Commercial lines residential and nonresidential policy
657 forms that are generally similar to the basic perils of full
658 coverage obtainable for commercial residential structures and
659 commercial nonresidential structures in the admitted voluntary
660 market.

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

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

671 f. The corporation may adopt variations of the policy forms
672 listed in sub-subparagraphs a.-e. which contain more restrictive
673 coverage.

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

677 2. Must provide that the corporation adopt a program in



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678 which the corporation and authorized insurers enter into quota
679 share primary insurance agreements for hurricane coverage, as
680 defined in s. 627.4025(2)(a), for eligible risks, and adopt
681 property insurance forms for eligible risks which cover the
682 peril of wind only.

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

684 (I) "Approved surplus lines insurer" means an eligible
685 surplus lines insurer that:

686 (A) Has a financial strength rating of "A-" or higher from
687 A.M. Best Company;

688 (B) Has a personal lines residential risk program that is
689 managed by a Florida resident surplus lines broker;

690 (C) Applies to the office to participate in the take-out
691 process to offer coverage to applicants for new coverage from
692 the corporation or current policyholders of the corporation
693 through a take-out plan approved by the office;

694 (D) Does not, as part of any take-out plan approved by the
695 office, offer coverage on any personal lines residential risk
696 that is a primary residence or has a homestead exemption under
697 chapter 196;

698 (E) Files rates for review as part of a take-out plan with
699 the office. The office shall review whether the premium is more
700 than 20 percent greater than the premium for comparable coverage
701 from the corporation; and

702 (F) Provides data to the office related to coverage and
703 rates in a format promulgated by the commission.

704 (II) "Eligible risks" means personal lines residential and
705 commercial lines residential risks that meet the underwriting
706 criteria of the corporation and are located in areas that were



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707 eligible for coverage by the Florida Windstorm Underwriting
708 Association on January 1, 2002.

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

713 (IV) "Quota share primary insurance" means an arrangement
714 in which the primary hurricane coverage of an eligible risk is
715 provided in specified percentages by the corporation and an
716 authorized insurer. The corporation and authorized insurer are
717 each solely responsible for a specified percentage of hurricane
718 coverage of an eligible risk as set forth in a quota share
719 primary insurance agreement between the corporation and an
720 authorized insurer and the insurance contract. The
721 responsibility of the corporation or authorized insurer to pay
722 its specified percentage of hurricane losses of an eligible
723 risk, as set forth in the agreement, may not be altered by the
724 inability of the other party to pay its specified percentage of
725 losses. Eligible risks that are provided hurricane coverage
726 through a quota share primary insurance arrangement must be
727 provided policy forms that set forth the obligations of the
728 corporation and authorized insurer under the arrangement,
729 clearly specify the percentages of quota share primary insurance
730 provided by the corporation and authorized insurer, and
731 conspicuously and clearly state that the authorized insurer and
732 the corporation may not be held responsible beyond their
733 specified percentage of coverage of hurricane losses.

734 b. The corporation may enter into quota share primary
735 insurance agreements with authorized insurers at corporation



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736 coverage levels of 90 percent and 50 percent.

737 c. If the corporation determines that additional coverage
738 levels are necessary to maximize participation in quota share
739 primary insurance agreements by authorized insurers, the
740 corporation may establish additional coverage levels. However,
741 the corporation's quota share primary insurance coverage level
742 may not exceed 90 percent.

743 d. Any quota share primary insurance agreement entered into
744 between an authorized insurer and the corporation must provide
745 for a uniform specified percentage of coverage of hurricane
746 losses, by county or territory as set forth by the corporation
747 board, for all eligible risks of the authorized insurer covered
748 under the agreement.

749 e. Any quota share primary insurance agreement entered into
750 between an authorized insurer and the corporation is subject to
751 review and approval by the office. However, such agreement shall
752 be authorized only as to insurance contracts entered into
753 between an authorized insurer and an insured who is already
754 insured by the corporation for wind coverage.

755 f. For all eligible risks covered under quota share primary
756 insurance agreements, the exposure and coverage levels for both
757 the corporation and authorized insurers shall be reported by the
758 corporation to the Florida Hurricane Catastrophe Fund. For all
759 policies of eligible risks covered under such agreements, the
760 corporation and the authorized insurer must maintain complete
761 and accurate records for the purpose of exposure and loss
762 reimbursement audits as required by fund rules. The corporation
763 and the authorized insurer shall each maintain duplicate copies
764 of policy declaration pages and supporting claims documents.



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765 g. The corporation board shall establish in its plan of
766 operation standards for quota share agreements which ensure that
767 there is no discriminatory application among insurers as to the
768 terms of the agreements, pricing of the agreements, incentive
769 provisions if any, and consideration paid for servicing policies
770 or adjusting claims.

771 h. The quota share primary insurance agreement between the
772 corporation and an authorized insurer must set forth the
773 specific terms under which coverage is provided, including, but
774 not limited to, the sale and servicing of policies issued under
775 the agreement by the insurance agent of the authorized insurer
776 producing the business, the reporting of information concerning
777 eligible risks, the payment of premium to the corporation, and
778 arrangements for the adjustment and payment of hurricane claims
779 incurred on eligible risks by the claims adjuster and personnel
780 of the authorized insurer. Entering into a quota sharing
781 insurance agreement between the corporation and an authorized
782 insurer is voluntary and at the discretion of the authorized
783 insurer.

784 3. May provide that the corporation may employ or otherwise
785 contract with individuals or other entities to provide
786 administrative or professional services that may be appropriate
787 to effectuate the plan. The corporation may borrow funds by
788 issuing bonds or by incurring other indebtedness, and shall have
789 other powers reasonably necessary to effectuate the requirements
790 of this subsection, including, without limitation, the power to
791 issue bonds and incur other indebtedness in order to refinance
792 outstanding bonds or other indebtedness. The corporation may
793 seek judicial validation of its bonds or other indebtedness



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794 under chapter 75. The corporation may issue bonds or incur other
795 indebtedness, or have bonds issued on its behalf by a unit of
796 local government pursuant to subparagraph (q)2. in the absence
797 of a hurricane or other weather-related event, upon a
798 determination by the corporation, subject to approval by the
799 office, that such action would enable it to efficiently meet the
800 financial obligations of the corporation and that such
801 financings are reasonably necessary to effectuate the
802 requirements of this subsection. The corporation may take all
803 actions needed to facilitate tax-free status for such bonds or
804 indebtedness, including formation of trusts or other affiliated
805 entities. The corporation may pledge assessments, projected
806 recoveries from the Florida Hurricane Catastrophe Fund, other
807 reinsurance recoverables, policyholder surcharges and other
808 surcharges, and other funds available to the corporation as
809 security for bonds or other indebtedness. In recognition of s.
810 10, Art. I of the State Constitution, prohibiting the impairment
811 of obligations of contracts, it is the intent of the Legislature
812 that no action be taken whose purpose is to impair any bond
813 indenture or financing agreement or any revenue source committed
814 by contract to such bond or other indebtedness.

815 4. Must require that the corporation operate subject to the
816 supervision and approval of a board of governors consisting of
817 nine individuals who are residents of this state and who are
818 from different geographical areas of the state, one of whom is
819 appointed by the Governor and serves solely to advocate on
820 behalf of the consumer. The appointment of a consumer
821 representative by the Governor is deemed to be within the scope
822 of the exemption provided in s. 112.313(7)(b) and is in addition



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823 to the appointments authorized under sub-subparagraph a.

824 a. The Governor, the Chief Financial Officer, the President
825 of the Senate, and the Speaker of the House of Representatives
826 shall each appoint two members of the board. At least one of the
827 two members appointed by each appointing officer must have
828 demonstrated expertise in insurance and be deemed to be within
829 the scope of the exemption provided in s. 112.313(7)(b). The
830 Chief Financial Officer shall designate one of the appointees as
831 chair. All board members serve at the pleasure of the appointing
832 officer. All members of the board are subject to removal at will
833 by the officers who appointed them. All board members, including
834 the chair, must be appointed to serve for 3-year terms beginning
835 annually on a date designated by the plan. However, for the
836 first term beginning on or after July 1, 2009, each appointing
837 officer shall appoint one member of the board for a 2-year term
838 and one member for a 3-year term. A board vacancy shall be
839 filled for the unexpired term by the appointing officer. The
840 Chief Financial Officer shall appoint a technical advisory group
841 to provide information and advice to the board in connection
842 with the board's duties under this subsection. The executive
843 director and senior managers of the corporation shall be engaged
844 by the board and serve at the pleasure of the board. Any
845 executive director appointed on or after July 1, 2006, is
846 subject to confirmation by the Senate. The executive director is
847 responsible for employing other staff as the corporation may
848 require, subject to review and concurrence by the board.

849 b. The board shall create a Market Accountability Advisory
850 Committee to assist the corporation in developing awareness of
851 its rates and its customer and agent service levels in



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852 relationship to the voluntary market insurers writing similar
853 coverage.

854 (I) The members of the advisory committee consist of the
855 following 11 persons, one of whom must be elected chair by the
856 members of the committee: four representatives, one appointed by
857 the Florida Association of Insurance Agents, one by the Florida
858 Association of Insurance and Financial Advisors, one by the
859 Professional Insurance Agents of Florida, and one by the Latin
860 American Association of Insurance Agencies; three
861 representatives appointed by the insurers with the three highest
862 voluntary market share of residential property insurance
863 business in the state; one representative from the Office of
864 Insurance Regulation; one consumer appointed by the board who is
865 insured by the corporation at the time of appointment to the
866 committee; one representative appointed by the Florida
867 Association of Realtors; and one representative appointed by the
868 Florida Bankers Association. All members shall be appointed to
869 3-year terms and may serve for consecutive terms.

870 (II) The committee shall report to the corporation at each
871 board meeting on insurance market issues which may include rates
872 and rate competition with the voluntary market; service,
873 including policy issuance, claims processing, and general
874 responsiveness to policyholders, applicants, and agents; and
875 matters relating to depopulation.

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

878 a. Subject to s. 627.3517, with respect to personal lines
879 residential risks that are primary residences, if the risk is
880 offered coverage from an authorized insurer at the insurer's



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881 approved rate under a standard policy including wind coverage
882 or, if consistent with the insurer's underwriting rules as filed
883 with the office, a basic policy including wind coverage, for a
884 new application to the corporation for coverage, the risk is not
885 eligible for any policy issued by the corporation unless the
886 premium for coverage from the authorized insurer is more than 20
887 percent greater than the premium for comparable coverage from
888 the corporation. Whenever an offer of coverage for a personal
889 lines residential risk that is a primary residence is received
890 for a policyholder of the corporation at renewal from an
891 authorized insurer, if the offer is equal to or less than the
892 corporation's renewal premium for comparable coverage, the risk
893 is not eligible for coverage with the corporation for policies
894 that renew before April 1, 2023; for policies that renew on or
895 after that date, the risk is not eligible for coverage with the
896 corporation unless the premium for coverage from the authorized
897 insurer is more than 20 percent greater than the corporation's
898 renewal premium for comparable coverage. If the risk is not able
899 to obtain such offer, the risk is eligible for a standard policy
900 including wind coverage or a basic policy including wind
901 coverage issued by the corporation; however, if the risk could
902 not be insured under a standard policy including wind coverage
903 regardless of market conditions, the risk is eligible for a
904 basic policy including wind coverage unless rejected under
905 subparagraph 8. The corporation shall determine the type of
906 policy to be provided on the basis of objective standards
907 specified in the underwriting manual and based on generally
908 accepted underwriting practices. A policyholder removed from the
909 corporation through an assumption agreement does not remain



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910 eligible for coverage from the corporation after the end of the
911 policy term. However, any policy removed from the corporation
912 through an assumption agreement remains on the corporation's
913 policy forms through the end of the policy term. This sub-
914 subparagraph applies only to risks that are primary residences.

915 (I) If the risk accepts an offer of coverage through the
916 market assistance plan or through a mechanism established by the
917 corporation other than a plan established by s. 627.3518, before
918 a policy is issued to the risk by the corporation or during the
919 first 30 days of coverage by the corporation, and the producing
920 agent who submitted the application to the plan or to the
921 corporation is not currently appointed by the insurer, the
922 insurer shall:

923 (A) Pay to the producing agent of record of the policy for
924 the first year, an amount that is the greater of the insurer's
925 usual and customary commission for the type of policy written or
926 a fee equal to the usual and customary commission of the
927 corporation; or

928 (B) Offer to allow the producing agent of record of the
929 policy to continue servicing the policy for at least 1 year and
930 offer to pay the agent the greater of the insurer's or the
931 corporation's usual and customary commission for the type of
932 policy written.

933
934 If the producing agent is unwilling or unable to accept
935 appointment, the new insurer shall pay the agent in accordance
936 with sub-sub-sub-subparagraph (A).

937 (II) If the corporation enters into a contractual agreement
938 for a take-out plan, the producing agent of record of the



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939 corporation policy is entitled to retain any unearned commission
940 on the policy, and the insurer shall:

941 (A) Pay to the producing agent of record, for the first
942 year, an amount that is the greater of the insurer's usual and
943 customary commission for the type of policy written or a fee
944 equal to the usual and customary commission of the corporation;
945 or

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

950
951 If the producing agent is unwilling or unable to accept
952 appointment, the new insurer shall pay the agent in accordance
953 with sub-sub-sub-subparagraph (A).

954 b. Subject to s. 627.3517, with respect to personal lines
955 residential risks that are not primary residences, if the risk
956 is offered coverage from an authorized insurer at the insurer's
957 approved rate or from an approved surplus lines insurer at the
958 rate approved by the office as part of such surplus lines
959 insurer's take-out plan for a new application to the corporation
960 for coverage, the risk is not eligible for any policy issued by
961 the corporation unless the premium for coverage from the
962 authorized insurer or approved surplus lines insurer is more
963 than 20 percent greater than the premium for comparable coverage
964 from the corporation. Whenever an offer of coverage for a
965 personal lines residential risk that is not a primary residence
966 is received for a policyholder of the corporation at renewal
967 from an authorized insurer at the insurer's approved rate or an



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968 approved surplus lines insurer at the rate approved by the
969 office as part of such insurer's take-out plan, the risk is not
970 eligible for coverage with the corporation unless the premium
971 for coverage from the authorized insurer or approved surplus
972 lines insurer is more than 20 percent greater than the
973 corporation's renewal premium for comparable coverage for
974 policies that renew on or after July 1, 2024. If the risk is not
975 able to obtain such offer, the risk is eligible for a standard
976 policy including wind coverage or a basic policy including wind
977 coverage issued by the corporation. If the risk could not be
978 insured under a standard policy including wind coverage
979 regardless of market conditions, the risk is eligible for a
980 basic policy including wind coverage unless rejected under
981 subparagraph 8. The corporation shall determine the type of
982 policy to be provided on the basis of objective standards
983 specified in the underwriting manual and based on generally
984 accepted underwriting practices. A policyholder removed from the
985 corporation through an assumption agreement does not remain
986 eligible for coverage from the corporation after the end of the
987 policy term. However, any policy removed from the corporation
988 through an assumption agreement remains on the corporation's
989 policy forms through the end of the policy term.

990 (I) If the risk accepts an offer of coverage through the
991 market assistance plan or through a mechanism established by the
992 corporation other than a plan established by s. 627.3518, before
993 a policy is issued to the risk by the corporation or during the
994 first 30 days of coverage by the corporation, and the producing
995 agent who submitted the application to the plan or to the
996 corporation is not currently appointed by the insurer, the



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997 insurer must:
998 (A) Pay to the producing agent of record of the policy, for
999 the first year, an amount that is the greater of the insurer's
1000 usual and customary commission for the type of policy written or
1001 a fee equal to the usual and customary commission of the
1002 corporation; or
1003 (B) Offer to allow the producing agent of record of the
1004 policy to continue servicing the policy for at least 1 year and
1005 offer to pay the agent the greater of the insurer's or the
1006 corporation's usual and customary commission for the type of
1007 policy written.
1008
1009 If the producing agent is unwilling or unable to accept
1010 appointment, the new insurer must pay the agent in accordance
1011 with sub-sub-sub-subparagraph (A).
1012 (II) If the corporation enters into a contractual agreement
1013 for a take-out plan, the producing agent of record of the
1014 corporation policy is entitled to retain any unearned commission
1015 on the policy, and the insurer must:
1016 (A) Pay to the producing agent of record, for the first
1017 year, an amount that is the greater of the insurer's usual and
1018 customary commission for the type of policy written or a fee
1019 equal to the usual and customary commission of the corporation;
1020 or
1021 (B) Offer to allow the producing agent of record to
1022 continue servicing the policy for at least 1 year and offer to
1023 pay the agent the greater of the insurer's or the corporation's
1024 usual and customary commission for the type of policy written.
1025



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1026 If the producing agent is unwilling or unable to accept
1027 appointment, the new insurer shall pay the agent in accordance
1028 with sub-sub-sub-subparagraph (A).

1029 c. With respect to commercial lines residential risks, for
1030 a new application to the corporation for coverage, if the risk
1031 is offered coverage under a policy including wind coverage from
1032 an authorized insurer at its approved rate, the risk is not
1033 eligible for a policy issued by the corporation unless the
1034 premium for coverage from the authorized insurer is more than 20
1035 percent greater than the premium for comparable coverage from
1036 the corporation. Whenever an offer of coverage for a commercial
1037 lines residential risk is received for a policyholder of the
1038 corporation at renewal from an authorized insurer, the risk is
1039 not eligible for coverage with the corporation unless the
1040 premium for coverage from the authorized insurer is more than 20
1041 percent greater than the corporation's renewal premium for
1042 comparable coverage. If the risk is not able to obtain any such
1043 offer, the risk is eligible for a policy including wind coverage
1044 issued by the corporation. A policyholder removed from the
1045 corporation through an assumption agreement remains eligible for
1046 coverage from the corporation until the end of the policy term.
1047 However, any policy removed from the corporation through an
1048 assumption agreement remains on the corporation's policy forms
1049 through the end of the policy term.

1050 (I) If the risk accepts an offer of coverage through the
1051 market assistance plan or through a mechanism established by the
1052 corporation other than a plan established by s. 627.3518, before
1053 a policy is issued to the risk by the corporation or during the
1054 first 30 days of coverage by the corporation, and the producing



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1055 agent who submitted the application to the plan or the
1056 corporation is not currently appointed by the insurer, the
1057 insurer shall:

1058 (A) Pay to the producing agent of record of the policy, for
1059 the first year, an amount that is the greater of the insurer's
1060 usual and customary commission for the type of policy written or
1061 a fee equal to the usual and customary commission of the
1062 corporation; or

1063 (B) Offer to allow the producing agent of record of the
1064 policy to continue servicing the policy for at least 1 year and
1065 offer to pay the agent the greater of the insurer's or the
1066 corporation's usual and customary commission for the type of
1067 policy written.

1068
1069 If the producing agent is unwilling or unable to accept
1070 appointment, the new insurer shall pay the agent in accordance
1071 with sub-sub-sub-subparagraph (A).

1072 (II) If the corporation enters into a contractual agreement
1073 for a take-out plan, the producing agent of record of the
1074 corporation policy is entitled to retain any unearned commission
1075 on the policy, and the insurer shall:

1076 (A) Pay to the producing agent of record, for the first
1077 year, an amount that is the greater of the insurer's usual and
1078 customary commission for the type of policy written or a fee
1079 equal to the usual and customary commission of the corporation;
1080 or

1081 (B) Offer to allow the producing agent of record to
1082 continue servicing the policy for at least 1 year and offer to
1083 pay the agent the greater of the insurer's or the corporation's



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1084 usual and customary commission for the type of policy written.

1085

1086 If the producing agent is unwilling or unable to accept
1087 appointment, the new insurer shall pay the agent in accordance
1088 with sub-sub-sub-subparagraph (A).

1089 d. For purposes of determining comparable coverage under
1090 sub-subparagraphs a., b., and c., the comparison must be based
1091 on those forms and coverages that are reasonably comparable. The
1092 corporation may rely on a determination of comparable coverage
1093 and premium made by the producing agent who submits the
1094 application to the corporation, made in the agent's capacity as
1095 the corporation's agent. For purposes of comparing the premium
1096 for comparable coverage under sub-subparagraphs a., b., and c.,
1097 premium includes any surcharge or assessment that is actually
1098 applied to such policy. A comparison may be made solely of the
1099 premium with respect to the main building or structure only on
1100 the following basis: the same Coverage A or other building
1101 limits; the same percentage hurricane deductible that applies on
1102 an annual basis or that applies to each hurricane for commercial
1103 residential property; the same percentage of ordinance and law
1104 coverage, if the same limit is offered by both the corporation
1105 and the authorized insurer or the approved surplus lines
1106 insurer; the same mitigation credits, to the extent the same
1107 types of credits are offered both by the corporation and the
1108 authorized insurer or the approved surplus lines insurer; the
1109 same method for loss payment, such as replacement cost or actual
1110 cash value, if the same method is offered both by the
1111 corporation and the authorized insurer in accordance with
1112 underwriting rules; and any other form or coverage that is



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1113 reasonably comparable as determined by the board. If an
1114 application is submitted to the corporation for wind-only
1115 coverage on a risk that is located in an area eligible for
1116 coverage by the Florida Windstorm Underwriting Association, as
1117 that area was defined on January 1, 2002, the premium for the
1118 corporation's wind-only policy plus the premium for the ex-wind
1119 policy that is offered by an authorized insurer to the applicant
1120 must be compared to the premium for multiperil coverage offered
1121 by an authorized insurer, subject to the standards for
1122 comparison specified in this subparagraph. If the corporation or
1123 the applicant requests from the authorized insurer or the
1124 approved surplus lines insurer a breakdown of the premium of the
1125 offer by types of coverage so that a comparison may be made by
1126 the corporation or its agent and the authorized insurer or the
1127 approved surplus lines insurer refuses or is unable to provide
1128 such information, the corporation may treat the offer as not
1129 being an offer of coverage from an authorized insurer at the
1130 insurer's approved rate.

1131 6. Must include rules for classifications of risks and
1132 rates.

1133 7. Must provide that if premium and investment income for
1134 the Citizens account, which are attributable to a particular
1135 calendar year, are in excess of projected losses and expenses
1136 for the Citizens account attributable to that year, such excess
1137 shall be held in surplus in the Citizens account. Such surplus
1138 must be available to defray deficits in the Citizens account as
1139 to future years and used for that purpose before assessing
1140 assessable insurers and assessable insureds as to any calendar
1141 year.



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1142 8. Must provide objective criteria and procedures to be
1143 uniformly applied to all applicants in determining whether an
1144 individual risk is so hazardous as to be uninsurable. In making
1145 this determination and in establishing the criteria and
1146 procedures, the following must be considered:

1147 a. Whether the likelihood of a loss for the individual risk
1148 is substantially higher than for other risks of the same class;
1149 and

1150 b. Whether the uncertainty associated with the individual
1151 risk is such that an appropriate premium cannot be determined.

1152

1153 The acceptance or rejection of a risk by the corporation shall
1154 be construed as the private placement of insurance, and the
1155 provisions of chapter 120 do not apply.

1156 9. Must provide that the corporation make its best efforts
1157 to procure catastrophe reinsurance at reasonable rates, to cover
1158 its projected 100-year probable maximum loss as determined by
1159 the board of governors. If catastrophe reinsurance is not
1160 available at reasonable rates, the corporation need not purchase
1161 it, but the corporation shall include the costs of reinsurance
1162 to cover its projected 100-year probable maximum loss in its
1163 rate calculations even if it does not purchase catastrophe
1164 reinsurance.

1165 10. ~~The policies issued by the corporation~~ Must provide in
1166 the corporation policies that if the corporation or the market
1167 assistance plan obtains an offer from an authorized insurer to
1168 cover the risk at its approved rates, the risk is no longer
1169 eligible for renewal through the corporation, except as
1170 otherwise provided in this subsection.



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1171 11. ~~Corporation policies and applications~~ Must include in
1172 the corporation policies and applications a notice that the
1173 corporation policy could, under this section, be replaced with a
1174 policy issued by an authorized insurer which does not provide
1175 coverage identical to the coverage provided by the corporation.
1176 The notice must also specify that acceptance of corporation
1177 coverage creates a conclusive presumption that the applicant or
1178 policyholder is aware of this potential.

1179 12. May establish, subject to approval by the office,
1180 different eligibility requirements and operational procedures
1181 for any line or type of coverage for any specified county or
1182 area if the board determines that such changes are justified due
1183 to the voluntary market being sufficiently stable and
1184 competitive in such area or for such line or type of coverage
1185 and that consumers who, in good faith, are unable to obtain
1186 insurance through the voluntary market through ordinary methods
1187 continue to have access to coverage from the corporation. If
1188 coverage is sought in connection with a real property transfer,
1189 the requirements and procedures may not provide an effective
1190 date of coverage later than the date of the closing of the
1191 transfer as established by the transferor, the transferee, and,
1192 if applicable, the lender.

1193 13. Must provide that the corporation appoint as its
1194 licensed agents only those agents who throughout such
1195 appointments also hold an appointment as defined in s. 626.015
1196 by at least three insurers who are authorized to write and are
1197 actually writing or renewing personal lines residential property
1198 coverage, commercial residential property coverage, or
1199 commercial nonresidential property coverage within the state.



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1200 For purposes of agents writing or renewing commercial
1201 residential property coverage or commercial nonresidential
1202 property coverage, an agent may satisfy the requirement for any
1203 one or more of the three direct appointments by providing to the
1204 corporation a signed attestation confirming that he or she has
1205 access through a broker to an authorized insurer or eligible
1206 surplus lines insurer authorized to write and actually writing
1207 or renewing commercial residential property coverage or
1208 commercial nonresidential property coverage. However, such
1209 signed attestations do not satisfy the requirements necessary to
1210 write personal lines residential property coverage for the
1211 corporation.

1212
1213 ===== T I T L E A M E N D M E N T =====

1214 And the title is amended as follows:

1215 Delete lines 6 - 7

1216 and insert:

1217 s. 626.916, F.S.; revising the conditions for
1218 insurance coverage to be