

By Senator DiCeglie

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1 A bill to be entitled
2 An act relating to residual market insurers; amending
3 s. 626.913, F.S.; conforming a provision to changes
4 made by the act; amending s. 626.914, F.S.; removing
5 the definition of the term "diligent effort"; amending
6 s. 626.916, F.S.; removing the diligent effort and
7 other requirements for insurance coverage to be
8 eligible for export; providing a presumption that an
9 insured is presumed to have been informed of the
10 availability of other coverage under certain
11 circumstances; amending ss. 627.4085, 627.701,
12 627.70131, 627.70132, 627.70152, and 627.952, F.S.;
13 removing applicability and nonapplicability to surplus
14 lines insurance of provisions relating to applications
15 for insurance policies and annuity contracts;
16 liability of insureds, coinsurance, and deductibles;
17 insurers' duty to acknowledge communications regarding
18 claims and investigations; notice of property
19 insurance claim; suits arising under a property
20 insurance policy; and risk retention and purchasing
21 group agents, respectively; creating ss. 626.9261,
22 626.9262, 626.9263, and 626.9264, F.S.; transferring
23 to surplus lines insurance those provisions relating
24 to liability of insureds and deductibles; insurers'
25 duty to acknowledge communications regarding
26 residential property insurance claims and
27 investigations; notice of property insurance claim;
28 suits arising under a property insurance policy;
29 creating s. 626.9265, F.S.; prohibiting policyholders

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30 from assigning post-loss insurance benefits under
31 property insurance policies; creating s. 626.9266,
32 F.S.; requiring settlements or verdicts against
33 insureds as a condition precedent to the accrual or
34 maintenance of causes of actions against liability
35 insurers by persons who are not insureds; providing
36 that insurers are parties for the purpose of
37 recovering taxable costs and attorney fees under
38 certain circumstances; authorizing insurers to insert
39 specified contractual provisions in liability
40 insurance policies; authorizing liability insurers to
41 be joined as party defendants under certain
42 circumstances; prohibiting insurers' presence from
43 being disclosed under certain circumstances; amending
44 s. 626.931, F.S.; removing the requirement that
45 certain surplus lines agents file a specified
46 affidavit; amending s. 626.932, F.S.; conforming
47 cross-references; revising the timeline of the surplus
48 lines tax remittance by surplus lines agents to the
49 Florida Surplus Lines Service Office; amending s.
50 627.351, F.S.; revising the requirements for licensed
51 agents appointed by Citizens Property Insurance
52 Corporation to write and renew certain insurance
53 coverage; amending ss. 626.918, 626.9325, and
54 626.9541, F.S.; conforming cross-references; amending
55 ss. 626.935 and 627.715, F.S.; conforming provisions
56 to changes made by the act; providing an effective
57 date.

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

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61 Section 1. Subsection (4) of section 626.913, Florida
62 Statutes, is amended to read:

63 626.913 Surplus Lines Law; short title; purposes.—

64 (4) ~~Except as may be specifically stated to apply to~~
65 ~~surplus lines insurers, the provisions of Chapter 627 does ~~do~~~~
66 ~~not apply to surplus lines insurance authorized under ss.~~
67 ~~626.913-626.937, the Surplus Lines Law.~~

68 Section 2. Subsection (4) of section 626.914, Florida
69 Statutes, is amended to read:

70 626.914 Definitions.—As used in this Surplus Lines Law, the
71 term:

72 ~~(4) "Diligent effort" means seeking coverage from and~~
73 ~~having been rejected by at least three authorized insurers~~
74 ~~currently writing this type of coverage and documenting these~~
75 ~~rejections. However, if the residential structure has a dwelling~~
76 ~~replacement cost of \$700,000 or more, the term means seeking~~
77 ~~coverage from and having been rejected by at least one~~
78 ~~authorized insurer currently writing this type of coverage and~~
79 ~~documenting this rejection.~~

80 Section 3. Section 626.916, Florida Statutes, is amended to
81 read:

82 626.916 Eligibility for export.—

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

85 ~~(a) The full amount of insurance required must not be~~
86 ~~procurable, after a diligent effort has been made by the~~
87 ~~producing agent to do so, from among the insurers authorized to~~

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88 ~~transact and actually writing that kind and class of insurance~~
89 ~~in this state, and the amount of insurance exported shall be~~
90 ~~only the excess over the amount so procurable from authorized~~
91 ~~insurers. Surplus lines agents must verify that a diligent~~
92 ~~effort has been made by requiring a properly documented~~
93 ~~statement of diligent effort from the retail or producing agent.~~
94 ~~However, to be in compliance with the diligent effort~~
95 ~~requirement, the surplus lines agent's reliance must be~~
96 ~~reasonable under the particular circumstances surrounding the~~
97 ~~export of that particular risk. Reasonableness shall be assessed~~
98 ~~by taking into account factors which include, but are not~~
99 ~~limited to, a regularly conducted program of verification of the~~
100 ~~information provided by the retail or producing agent.~~
101 ~~Declinations must be documented on a risk-by-risk basis. If it~~
102 ~~is not possible to obtain the full amount of insurance required~~
103 ~~by layering the risk, it is permissible to export the full~~
104 ~~amount.~~

105 ~~(b) The premium rate at which the coverage is exported~~
106 ~~shall not be lower than that rate applicable, if any, in actual~~
107 ~~and current use by a majority of the authorized insurers for the~~
108 ~~same coverage on a similar risk.~~

109 ~~(c) The policy or contract form under which the insurance~~
110 ~~is exported shall not be more favorable to the insured as to the~~
111 ~~coverage or rate than under similar contracts on file and in~~
112 ~~actual current use in this state by the majority of authorized~~
113 ~~insurers actually writing similar coverages on similar risks;~~
114 ~~except that a coverage may be exported under a unique form of~~
115 ~~policy designed for use with respect to a particular subject of~~
116 ~~insurance if a copy of such form is filed with the office by the~~

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117 ~~surplus lines agent desiring to use the same and is subject to~~
118 ~~the disapproval of the office within 10 days of filing such form~~
119 ~~exclusive of Saturdays, Sundays, and legal holidays if it finds~~
120 ~~that the use of such special form is not reasonably necessary~~
121 ~~for the principal purposes of the coverage or that its use would~~
122 ~~be contrary to the purposes of this Surplus Lines Law with~~
123 ~~respect to the reasonable protection of authorized insurers from~~
124 ~~unwarranted competition by unauthorized insurers.~~

125 ~~(d) Except as to extended coverage in connection with fire~~
126 ~~insurance policies and except as to windstorm insurance, the~~
127 ~~policy or contract under which the insurance is exported shall~~
128 ~~not provide for deductible amounts, in determining the existence~~
129 ~~or extent of the insurer's liability, other than those available~~
130 ~~under similar policies or contracts in actual and current use by~~
131 ~~one or more authorized insurers.~~

132 ~~(e)~~ the insured has signed or otherwise provided documented
133 acknowledgment of a disclosure in substantially the following
134 form: "You are agreeing to place coverage in the surplus lines
135 market. Coverage may be available in the admitted market.
136 Persons insured by surplus lines carriers are not protected
137 under the Florida Insurance Guaranty Act with respect to any
138 right of recovery for the obligation of an insolvent unlicensed
139 insurer." If the acknowledgment of the disclosure is signed by
140 the insured, the insured is presumed to have been informed and
141 to know that other coverage may be available.

142 ~~(2) The commission may by rule declare eligible for export~~
143 ~~generally, and notwithstanding the provisions of paragraphs (a),~~
144 ~~(b), (c), and (d) of subsection (1), any class or classes of~~
145 ~~insurance coverage or risk for which it finds, after a hearing,~~

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146 ~~that there is no reasonable or adequate market among authorized~~
147 ~~insurers. Any such rules shall continue in effect during the~~
148 ~~existence of the conditions upon which predicated, but subject~~
149 ~~to termination by the commission.~~

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

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

- 156 ~~1. The insurance must be placed only by or through a~~
157 ~~surplus lines agent licensed in this state;~~
158 ~~2. The insurer must be made eligible under s. 626.918; and~~
159 ~~3. The insured has complied with paragraph (1)(c). If the~~
160 ~~disclosure is signed by the insured, the insured is presumed to~~
161 ~~have been informed and to know that other coverage may be~~
162 ~~available, and, with respect to the diligent effort requirement~~
163 ~~under subsection (1), there is no liability on the part of, and~~
164 ~~no cause of action arises against, the retail agent presenting~~
165 ~~the form.~~

166 ~~(2)(4)~~ A reasonable per-policy fee may be charged by the
167 filing surplus lines agent for each policy certified for export.
168 This per-policy fee must be itemized separately to the customer
169 before purchase and enumerated in the policy.

170 ~~(3)(5)~~ A retail agent may charge a reasonable per-policy
171 fee for placement of a surplus lines policy under this section.
172 This per-policy fee must be itemized separately to the customer
173 before purchase.

174 Section 4. Subsection (2) of section 627.4085, Florida

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175 Statutes, is amended to read:

176 627.4085 Insurer name, agent name, and license
177 identification number required on application.—

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

180 Section 5. Paragraph (d) of subsection (6) of section
181 627.701, Florida Statutes, is amended to read:

182 627.701 Liability of insureds; coinsurance; deductibles.—

183 (6)

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

187 1. A mortgage lender or other financial institution may
188 issue a certificate of security after granting the applicant a
189 line of credit, secured by equity in real property or other
190 reasonable security, which line of credit may be drawn on only
191 to pay for the deductible portion of insured construction or
192 reconstruction after a hurricane loss. In the sole discretion of
193 the mortgage lender or other financial institution, the line of
194 credit may be issued to an applicant on an unsecured basis.

195 2. A licensed insurance agent may issue a certificate of
196 security after obtaining for an applicant a line of credit,
197 secured by equity in real property or other reasonable security,
198 which line of credit may be drawn on only to pay for the
199 deductible portion of insured construction or reconstruction
200 after a hurricane loss. The Florida Hurricane Catastrophe Fund
201 shall negotiate agreements creating a financing consortium to
202 serve as an additional source of lines of credit to secure
203 deductibles. Any licensed insurance agent may act as the agent

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204 of such consortium.

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

210 4. Any insurer, ~~including any admitted insurer or any~~
211 ~~surplus lines insurer,~~ may issue a certificate of security after
212 issuing the applicant a policy of supplemental insurance that
213 will pay for 100 percent of the deductible portion of insured
214 construction or reconstruction after a hurricane loss.

215 5. Any other method approved by the office upon finding
216 that such other method provides a similar level of security as
217 the methods specified in this paragraph and that such other
218 method has no negative impact on residential property insurance
219 catastrophic capacity. The legislative intent of this
220 subparagraph is to provide the flexibility needed to achieve the
221 public policy of expanding property insurance capacity while
222 improving the affordability of property insurance.

223 Section 6. Section 626.9261, Florida Statutes, is created
224 to read:

225 626.9261 Liability of insureds; deductibles.—A surplus
226 lines insurer may issue a certificate of security after issuing
227 the applicant a policy of supplemental insurance which will pay
228 for 100 percent of the deductible portion of insured
229 construction or reconstruction after a hurricane loss.

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

232 627.70131 Insurer's duty to acknowledge communications

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233 regarding claims; investigation.-

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

237 Section 8. Section 626.9262, Florida Statutes, is created
238 to read:

239 626.9262 Insurer's duty to acknowledge communications
240 regarding residential property insurance claims; investigation.-

241 (1)(a) Upon an insurer's receipt of a communication with
242 respect to a residential property insurance claim, the insurer
243 shall, within 7 calendar days, review and acknowledge receipt of
244 such communication unless payment is made within that period of
245 time or unless the failure to acknowledge is caused by factors
246 beyond the control of the insurer. If the acknowledgment is not
247 in writing, a notification indicating acknowledgment must be
248 made in the insurer's claim file and dated. A communication made
249 to or by a representative of an insurer with respect to a claim
250 constitutes communication to or by the insurer.

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

255 (c) This subsection does not apply to claimants represented
256 by counsel beyond those communications necessary to provide
257 forms and instructions.

258 (2) Such acknowledgment must be responsive to the
259 communication. If the communication constitutes a notification
260 of a residential property insurance claim, unless the
261 acknowledgment reasonably advises the claimant that the claim

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262 appears not to be covered by the insurer, the acknowledgment
263 must provide necessary claim forms, and instructions, including
264 an appropriate telephone number.

265 (3) (a) Unless otherwise provided by the policy of insurance
266 or by law, within 7 days after an insurer receives proof-of-loss
267 statements, the insurer shall begin such investigation as is
268 reasonably necessary unless the failure to begin such
269 investigation is caused by factors beyond the control of the
270 insurer.

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

277 (c) Any subsequent communication with the policyholder
278 regarding the residential property insurance claim must also
279 include the name and license number of the adjuster
280 communicating about the claim. Communication of the adjuster's
281 name and license number may be included with other information
282 provided to the policyholder.

283 (d) An insurer may use electronic methods to investigate
284 the loss. Such electronic methods may include any method that
285 provides the insurer with clear, color pictures or video
286 documenting the loss, including, but not limited to, electronic
287 photographs or video recordings of the loss; video conferencing
288 between the adjuster and the policyholder which includes video
289 recording of the loss; and video recordings or photographs of
290 the loss using a drone, driverless vehicle, or other machine

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291 that can move independently or through remote control. The
292 insurer also may allow the policyholder to use such methods to
293 assist in the investigation of the loss. An insurer may void the
294 insurance policy if the policyholder or any other person at the
295 direction of the policyholder, with intent to injure, defraud,
296 or deceive any insurer, commits insurance fraud by providing
297 false, incomplete, or misleading information concerning any fact
298 or thing material to a claim using electronic methods. The use
299 of electronic methods to investigate the loss does not prohibit
300 an insurer from assigning a licensed adjuster to physically
301 inspect the property.

302 (e) The insurer shall send the policyholder a copy of any
303 detailed estimate of the amount of the loss within 7 days after
304 the estimate is generated by an insurer's adjuster. This
305 paragraph does not require that an insurer create a detailed
306 estimate of the amount of the loss if such estimate is not
307 reasonably necessary as part of the claim investigation.

308 (4) An insurer shall maintain:

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

313 (b) Claim records, including dates, of all of the
314 following:

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

317 2. The insurer's receipt of the policyholder's proof-of-
318 loss statement.

319 3. Any claim-related request for information made by the

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320 insurer to the policyholder or the policyholder's
321 representative.

322 4. Any claim-related inspections of the property made by
323 the insurer, including physical inspections and inspections made
324 by electronic means.

325 5. Any detailed estimate of the amount of the loss
326 generated by the insurer's adjuster.

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

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

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

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

332 1. Any of the following events which is the basis for the
333 office issuing an order finding that such event renders all or
334 specified residential property insurers reasonably unable to
335 meet the requirements of this section in specified locations and
336 ordering that such insurer or insurers may have additional time
337 as specified by the office to comply with the requirements of
338 this section: a state of emergency declared by the Governor
339 under s. 252.36, a breach of security that must be reported
340 under s. 501.171(3), or an information technology issue. The
341 office may not extend the period for payment or denial of a
342 claim for more than 30 additional days.

343 2. Actions by the policyholder or the policyholder's
344 representative which constitute fraud, lack of cooperation, or
345 intentional misrepresentation regarding the claim for which
346 benefits are owed when such actions reasonably prevent the
347 insurer from complying with any requirement of this section.

348 (b) "Insurer" means an eligible surplus lines insurer that

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349 issues residential property policies.

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

359 (b) When providing a payment on a claim which is not the
360 full and final payment for the claim, an insurer shall include
361 with the payment the following statement printed in at least 12-
362 point bold, uppercase type: WE ARE CONTINUING TO EVALUATE YOUR
363 CLAIM INVOLVING YOUR INSURED PROPERTY AND MAY ISSUE ADDITIONAL
364 PAYMENTS. IF YOU HAVE QUESTIONS, CONCERNS, OR ADDITIONAL
365 INFORMATION REGARDING YOUR CLAIM, WE ENCOURAGE YOU TO CONTACT
366 US.

367 (7) (a) Within 60 days after an insurer receives notice of
368 an initial, reopened, or supplemental property insurance claim
369 from a policyholder, the insurer shall pay or deny such claim or
370 a portion of the claim unless the failure to pay is caused by
371 factors beyond the control of the insurer. The insurer shall
372 provide a reasonable explanation in writing to the policyholder
373 of the basis in the insurance policy, in relation to the facts
374 or applicable law, for the payment, denial, or partial denial of
375 a claim. If the insurer's claim payment is less than specified
376 in any insurer's detailed estimate of the amount of the loss,
377 the insurer must provide a reasonable explanation in writing of

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378 the difference to the policyholder. Any payment of an initial or
379 supplemental claim or portion of such claim made 60 days after
380 the insurer receives notice of the claim, or made after the
381 expiration of any additional timeframe provided to pay or deny a
382 claim or a portion of a claim made pursuant to an order of the
383 office finding factors beyond the control of the insurer,
384 whichever is later, bears interest at the rate set forth in s.
385 55.03. Interest begins to accrue from the date the insurer
386 receives notice of the claim. The provisions of this subsection
387 may not be waived, voided, or nullified by the terms of the
388 insurance policy. If there is a right to prejudgment interest,
389 the insured must select whether to receive prejudgment interest
390 or interest under this subsection. Interest is payable when the
391 claim or portion of the claim is paid. Failure to comply with
392 this subsection constitutes a violation of this code. However,
393 failure to comply with this subsection does not form the sole
394 basis for a private cause of action.

395 (b) Notwithstanding subsection (5), for purposes of this
396 subsection, the term "claim" means a claim under an insurance
397 policy providing residential coverage as defined in s.
398 627.4025(1).

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

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

403 (a) During the pendency of any mediation proceeding under
404 s. 627.7015 or any alternative dispute resolution proceeding
405 provided for in the insurance contract. The tolling period ends
406 upon the end of the mediation or alternative dispute resolution

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407 proceeding.

408 (b) Upon the failure of a policyholder or a representative
409 of the policyholder to provide material claims information
410 requested by the insurer within 10 days after the request was
411 received. The tolling period ends upon the insurer's receipt of
412 the requested information. Tolling under this paragraph applies
413 only to requests sent by the insurer to the policyholder or a
414 representative of the policyholder at least 15 days before the
415 insurer is required to pay or deny the claim or a portion of the
416 claim under subsection (7).

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

419 627.70132 Notice of property insurance claim.—

420 (2) A claim or reopened claim, but not a supplemental
421 claim, under an insurance policy that provides property
422 insurance, as defined in s. 624.604, ~~including a property~~
423 ~~insurance policy issued by an eligible surplus lines insurer,~~
424 for loss or damage caused by any peril is barred unless notice
425 of the claim was given to the insurer in accordance with the
426 terms of the policy within 1 year after the date of loss. A
427 supplemental claim is barred unless notice of the supplemental
428 claim was given to the insurer in accordance with the terms of
429 the policy within 18 months after the date of loss. The time
430 limitations of this subsection are tolled during any term of
431 deployment to a combat zone or combat support posting which
432 materially affects the ability of a named insured who is a
433 servicemember as defined in s. 250.01 to file a claim,
434 supplemental claim, or reopened claim.

435 Section 10. Section 626.9263, Florida Statutes, is created

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436 to read:

437 626.9263 Notice of property insurance claim.-438 (1) As used in this section, the term:439 (a) "Reopened claim" means a claim that an insurer has
440 previously closed, but that has been reopened upon an insured's
441 request for additional costs for loss or damage previously
442 disclosed to the insurer.443 (b) "Supplemental claim" means a claim for additional loss
444 or damage from the same peril which the insurer has previously
445 adjusted or for which costs have been incurred while completing
446 repairs or replacement pursuant to an open claim for which
447 timely notice was previously provided to the insurer.448 (2) A claim or reopened claim, but not a supplemental
449 claim, under an insurance policy that provides property
450 insurance, as defined in s. 624.604, for loss or damage caused
451 by any peril is barred unless notice of the claim was given to
452 the insurer in accordance with the terms of the policy within 1
453 year after the date of loss. A supplemental claim is barred
454 unless notice of the supplemental claim was given to the insurer
455 in accordance with the terms of the policy within 18 months
456 after the date of loss. The time limitations of this subsection
457 are tolled during any term of deployment to a combat zone or
458 combat support posting which materially affects the ability of a
459 named insured who is a servicemember as defined in s. 250.01 to
460 file a claim, supplemental claim, or reopened claim.461 (3) For claims resulting from hurricanes, tornadoes,
462 windstorms, severe rain, or other weather-related events, the
463 date of loss is the date that the hurricane made landfall or the
464 tornado, windstorm, severe rain, or other weather-related event

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465 is verified by the National Oceanic and Atmospheric
466 Administration.

467 (4) This section does not affect any applicable limitation
468 on civil actions provided in s. 95.11 for claims, supplemental
469 claims, or reopened claims timely filed under this section.

470 Section 11. Subsection (1) of section 627.70152, Florida
471 Statutes, is amended to read:

472 627.70152 Suits arising under a property insurance policy.-

473 (1) APPLICATION.-This section applies exclusively to all
474 suits arising under a residential or commercial property
475 insurance policy, ~~including a residential or commercial property~~
476 ~~insurance policy issued by an eligible surplus lines insurer.~~

477 Section 12. Section 626.9264, Florida Statutes, is created
478 to read:

479 626.9264 Suits arising under a property insurance policy.-

480 (1) APPLICATION.-This section applies exclusively to all
481 suits arising under a residential or commercial property
482 insurance policy.

483 (2) DEFINITIONS.-As used in this section, the term:

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

486 (b) "Disputed amount" means the difference between the
487 claimant's presuit settlement demand, not including attorney
488 fees and costs listed in the demand, and the insurer's presuit
489 settlement offer, not including attorney fees and costs, if part
490 of the offer.

491 (c) "Presuit settlement demand" means the demand made by
492 the claimant in the written notice of intent to initiate
493 litigation as required by paragraph (3) (a). The demand must

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494 include the amount of reasonable and necessary attorney fees and
495 costs incurred by the claimant, to be calculated by multiplying
496 the number of hours actually worked on the claim by the
497 claimant's attorney as of the date of the notice by a reasonable
498 hourly rate.

499 (d) "Presuit settlement offer" means the offer made by the
500 insurer in its written response to the notice required under
501 subsection (3).

502 (3) NOTICE.—

503 (a) As a condition precedent to filing a suit under a
504 property insurance policy, a claimant must provide the
505 department with written notice of intent to initiate litigation
506 on a form provided by the department. Such notice must be given
507 at least 10 business days before filing suit under the policy,
508 but may not be given before the insurer has made a determination
509 of coverage under s. 627.70131. Notice to the insurer must be
510 provided by the department to the e-mail address designated by
511 the insurer under s. 624.422. The notice must state with
512 specificity all of the following information:

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

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

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

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

520 5. If the notice is provided following acts or omissions by
521 the insurer other than denial of coverage, both of the
522 following:

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

525 b. The disputed amount.

526
527 Documentation to support the information provided in this
528 paragraph may be provided along with the notice to the insurer.

529 (b) A claimant must serve a notice of intent to initiate
530 litigation within the time limits provided in s. 95.11. However,
531 the notice is not required if the suit is a counterclaim.

532 Service of a notice tolls the time limits provided in s. 95.11
533 for 10 business days if such time limits will expire before the
534 end of the 10-day notice period.

535 (4) INSURER DUTIES.—An insurer must have a procedure for
536 the prompt investigation, review, and evaluation of the dispute
537 stated in the notice and must investigate each claim contained
538 in the notice in accordance with the Florida Insurance Code. An
539 insurer must respond in writing within 10 business days after
540 receiving the notice specified in subsection (3). The insurer
541 must provide the response to the claimant by e-mail if the
542 insured has designated an e-mail address in the notice.

543 (a) If an insurer is responding to a notice served on the
544 insurer following a denial of coverage by the insurer, the
545 insurer must respond by:

546 1. Accepting coverage;

547 2. Continuing to deny coverage; or

548 3. Asserting the right to reinspect the damaged property.

549 If the insurer responds by asserting the right to reinspect the
550 damaged property, it has 14 business days after the response
551 asserting that right to reinspect the property to accept or

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552 continue to deny coverage. The time limits provided in s. 95.11
553 are tolled during the reinspection period if such time limits
554 expire before the end of the reinspection period. If the insurer
555 continues to deny coverage, the claimant may file suit without
556 providing additional notice to the insurer.

557 (b) If an insurer is responding to a notice provided to the
558 insurer alleging an act or omission by the insurer other than a
559 denial of coverage, the insurer must respond by making a
560 settlement offer or requiring the claimant to participate in
561 appraisal or another method of alternative dispute resolution.
562 The time limits provided in s. 95.11 are tolled as long as
563 appraisal or other alternative dispute resolution is ongoing if
564 such time limits expire during the appraisal process or dispute
565 resolution process. If the appraisal or alternative dispute
566 resolution has not been concluded within 90 days after the
567 expiration of the 10-day notice of intent to initiate litigation
568 specified in subsection (3), the claimant or claimant's attorney
569 may immediately file suit without providing the insurer
570 additional notice.

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

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

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

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

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

587 Section 13. Section 626.9265, Florida Statutes, is created
588 to read:

589 626.9265 Assignment agreements.—A policyholder may not
590 assign, in whole or in part, any post-loss insurance benefit
591 under any residential property insurance policy or under any
592 commercial property insurance policy, as defined in s.
593 627.0625(1)(a). An attempt to assign post-loss property
594 insurance benefits under such a policy is void, invalid, and
595 unenforceable.

596 Section 14. Section 626.9266, Florida Statutes, is created
597 to read:

598 626.9266 Nonjoinder of insurers.—

599 (1) It shall be a condition precedent to the accrual or
600 maintenance of a cause of action against a liability insurer by
601 a person who is not an insured under the terms of the liability
602 insurance contract that such person must first obtain a
603 settlement or verdict against a person who is an insured under
604 the terms of such policy for a cause of action which is covered
605 by such policy.

606 (2) Notwithstanding subsection (1), any insurer that pays
607 any taxable costs or attorney fees that would be recoverable by
608 the insured but for the fact that such costs or fees were paid
609 by the insurer is considered a party for the purpose of

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610 recovering such fees or costs. A person who is not an insured
611 under the terms of a liability insurance policy may not have any
612 interest in such policy, either as a third-party beneficiary or
613 otherwise, before first obtaining a settlement or verdict
614 against a person who is an insured under the terms of such
615 policy for a cause of action which is covered by such policy.

616 (3) Insurers are affirmatively granted the substantive
617 right to insert in liability insurance policies contractual
618 provisions that preclude persons who are not designated as
619 insureds in such policies from joining a liability insurer as a
620 party defendant with its insured before the rendition of a
621 verdict. The contractual provisions authorized in this
622 subsection are fully enforceable.

623 (4) When a judgment is entered or a settlement is reached
624 during the pendency of litigation, a liability insurer may be
625 joined as a party defendant for the purposes of entering final
626 judgment or enforcing the settlement by the motion of any party,
627 unless the insurer denied coverage under s. 627.426(2) or
628 defended under a reservation of rights pursuant to s.
629 627.426(2). A copy of the motion to join the insurer must be
630 served on the insurer by certified mail. If a judgment is
631 reversed or remanded on appeal, the insurer's presence may not
632 be disclosed to the jury in a subsequent trial.

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

635 627.952 Risk retention and purchasing group agents.—

636 (1) Any person offering, soliciting, selling, purchasing,
637 administering, or otherwise servicing insurance contracts,
638 certificates, or agreements for any purchasing group or risk

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639 retention group to any resident of this state, either directly
640 or indirectly, by the use of mail, advertising, or other means
641 of communication, shall obtain a license and appointment to act
642 as a resident general lines agent, if a resident of this state,
643 or a nonresident general lines agent if not a resident. Any such
644 person shall be subject to all requirements of the Florida
645 Insurance Code.

646 ~~(a)~~ All books, records, statements, and accounts required
647 to be established and maintained with respect to activities
648 described in this subsection shall be established and maintained
649 on a segregated basis, separate and apart from all other books,
650 records, statements, and accounts regarding the agent's other
651 transactions.

652 ~~(b)~~ Any person required to be licensed and appointed under
653 this subsection, in order to place business through Florida
654 eligible surplus lines carriers, must, if a resident of this
655 state, be licensed and appointed as a surplus lines agent. If
656 not a resident of this state, such person must be licensed and
657 appointed as a surplus lines agent in her or his state of
658 residence and be licensed and appointed as a nonresident surplus
659 lines agent in this state.

660 Section 16. Section 626.931, Florida Statutes, is amended
661 to read:

662 626.931 ~~Agent affidavit and Insurer reporting~~
663 requirements.-

664 ~~(1)~~ Each surplus lines agent that has transacted business
665 during a calendar quarter shall on or before the 45th day
666 following the calendar quarter file with the Florida Surplus
667 Lines Service Office an affidavit, on forms as prescribed and

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668 ~~furnished by the Florida Surplus Lines Service Office, stating~~
669 ~~that all surplus lines insurance transacted by him or her during~~
670 ~~such calendar quarter has been submitted to the Florida Surplus~~
671 ~~Lines Service Office as required.~~

672 ~~(2) The affidavit of the surplus lines agent shall include~~
673 ~~efforts made to place coverages with authorized insurers and the~~
674 ~~results thereof.~~

675 (1)~~(3)~~ Each foreign insurer accepting premiums shall, on or
676 before the end of the month following each calendar quarter,
677 file with the Florida Surplus Lines Service Office a verified
678 report of all surplus lines insurance transacted by such insurer
679 for insurance risks located in this state during such calendar
680 quarter.

681 (2)~~(4)~~ Each alien insurer accepting premiums shall, on or
682 before June 30 of each year, file with the Florida Surplus Lines
683 Service Office a verified report of all surplus lines insurance
684 transacted by such insurer for insurance risks located in this
685 state during the preceding calendar year.

686 (3)~~(5)~~ The department may waive the filing requirements
687 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

688 (4)~~(6)~~ Each insurer's report and supporting information
689 shall be in a computer-readable format as determined by the
690 Florida Surplus Lines Service Office or shall be submitted on
691 forms prescribed by the Florida Surplus Lines Service Office and
692 shall show for each applicable agent:

693 (a) A listing of all policies, certificates, cover notes,
694 or other forms of confirmation of insurance coverage or any
695 substitutions thereof or endorsements thereto and the
696 identifying number; and

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

699 Section 17. Paragraph (a) of subsection (2) and subsection
700 (6) of section 626.932, Florida Statutes, are amended to read:
701 626.932 Surplus lines tax.—

702 (2)(a) The surplus lines agent shall make payable to the
703 department the tax related to each calendar quarter's business
704 as reported to the Florida Surplus Lines Service Office, and
705 remit the tax to the Florida Surplus Lines Service Office at the
706 same time as the fee required ~~provided for the filing of the~~
707 ~~quarterly affidavit,~~ under s. 626.9325 ~~s. 626.931~~. The Florida
708 Surplus Lines Service Office shall forward to the department the
709 taxes and any interest collected pursuant to paragraph (b),
710 within 10 days after ~~of~~ receipt.

711 (6) For the purposes of this section, the term "premium"
712 means the consideration for insurance by whatever name called
713 and includes any assessment, or any membership, policy, survey,
714 inspection, service, or similar fee or charge in consideration
715 for an insurance contract, which items are deemed to be a part
716 of the premium. The per-policy fee authorized by s. 626.916(2)
717 ~~s. 626.916(4)~~ is specifically included within the meaning of the
718 term "premium." However, the service fee imposed pursuant to s.
719 626.9325 is excluded from the meaning of the term "premium."

720 Section 18. Paragraph (c) of subsection (6) of section
721 627.351, Florida Statutes, is amended to read:

722 627.351 Insurance risk apportionment plans.—

723 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

725 1. Must provide for adoption of residential property and

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726 casualty insurance policy forms and commercial residential and
727 nonresidential property insurance forms, which must be approved
728 by the office before use. The corporation shall adopt the
729 following policy forms:

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

734 b. Basic personal lines policy forms that are policies
735 similar to an HO-8 policy or a dwelling fire policy that provide
736 coverage meeting the requirements of the secondary mortgage
737 market, but which is more limited than the coverage under a
738 standard policy.

739 c. Commercial lines residential and nonresidential policy
740 forms that are generally similar to the basic perils of full
741 coverage obtainable for commercial residential structures and
742 commercial nonresidential structures in the admitted voluntary
743 market.

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

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

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

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755 listed in sub-subparagraphs a.-e. which contain more restrictive
756 coverage.

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

760 2. Must provide that the corporation adopt a program in
761 which the corporation and authorized insurers enter into quota
762 share primary insurance agreements for hurricane coverage, as
763 defined in s. 627.4025(2)(a), for eligible risks, and adopt
764 property insurance forms for eligible risks which cover the
765 peril of wind only.

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

767 (I) "Approved surplus lines insurer" means an eligible
768 surplus lines insurer that:

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

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

773 (C) Applies to the office to participate in the take-out
774 process to offer coverage to applicants for new coverage from
775 the corporation or current policyholders of the corporation
776 through a take-out plan approved by the office;

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

781 (E) Files rates for review as part of a take-out plan with
782 the office. The office shall review whether the premium is more
783 than 20 percent greater than the premium for comparable coverage

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784 from the corporation; and

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

787 (II) "Eligible risks" means personal lines residential and
788 commercial lines residential risks that meet the underwriting
789 criteria of the corporation and are located in areas that were
790 eligible for coverage by the Florida Windstorm Underwriting
791 Association on January 1, 2002.

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

796 (IV) "Quota share primary insurance" means an arrangement
797 in which the primary hurricane coverage of an eligible risk is
798 provided in specified percentages by the corporation and an
799 authorized insurer. The corporation and authorized insurer are
800 each solely responsible for a specified percentage of hurricane
801 coverage of an eligible risk as set forth in a quota share
802 primary insurance agreement between the corporation and an
803 authorized insurer and the insurance contract. The
804 responsibility of the corporation or authorized insurer to pay
805 its specified percentage of hurricane losses of an eligible
806 risk, as set forth in the agreement, may not be altered by the
807 inability of the other party to pay its specified percentage of
808 losses. Eligible risks that are provided hurricane coverage
809 through a quota share primary insurance arrangement must be
810 provided policy forms that set forth the obligations of the
811 corporation and authorized insurer under the arrangement,
812 clearly specify the percentages of quota share primary insurance

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813 provided by the corporation and authorized insurer, and
814 conspicuously and clearly state that the authorized insurer and
815 the corporation may not be held responsible beyond their
816 specified percentage of coverage of hurricane losses.

817 b. The corporation may enter into quota share primary
818 insurance agreements with authorized insurers at corporation
819 coverage levels of 90 percent and 50 percent.

820 c. If the corporation determines that additional coverage
821 levels are necessary to maximize participation in quota share
822 primary insurance agreements by authorized insurers, the
823 corporation may establish additional coverage levels. However,
824 the corporation's quota share primary insurance coverage level
825 may not exceed 90 percent.

826 d. Any quota share primary insurance agreement entered into
827 between an authorized insurer and the corporation must provide
828 for a uniform specified percentage of coverage of hurricane
829 losses, by county or territory as set forth by the corporation
830 board, for all eligible risks of the authorized insurer covered
831 under the agreement.

832 e. Any quota share primary insurance agreement entered into
833 between an authorized insurer and the corporation is subject to
834 review and approval by the office. However, such agreement shall
835 be authorized only as to insurance contracts entered into
836 between an authorized insurer and an insured who is already
837 insured by the corporation for wind coverage.

838 f. For all eligible risks covered under quota share primary
839 insurance agreements, the exposure and coverage levels for both
840 the corporation and authorized insurers shall be reported by the
841 corporation to the Florida Hurricane Catastrophe Fund. For all

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842 policies of eligible risks covered under such agreements, the
843 corporation and the authorized insurer must maintain complete
844 and accurate records for the purpose of exposure and loss
845 reimbursement audits as required by fund rules. The corporation
846 and the authorized insurer shall each maintain duplicate copies
847 of policy declaration pages and supporting claims documents.

848 g. The corporation board shall establish in its plan of
849 operation standards for quota share agreements which ensure that
850 there is no discriminatory application among insurers as to the
851 terms of the agreements, pricing of the agreements, incentive
852 provisions if any, and consideration paid for servicing policies
853 or adjusting claims.

854 h. The quota share primary insurance agreement between the
855 corporation and an authorized insurer must set forth the
856 specific terms under which coverage is provided, including, but
857 not limited to, the sale and servicing of policies issued under
858 the agreement by the insurance agent of the authorized insurer
859 producing the business, the reporting of information concerning
860 eligible risks, the payment of premium to the corporation, and
861 arrangements for the adjustment and payment of hurricane claims
862 incurred on eligible risks by the claims adjuster and personnel
863 of the authorized insurer. Entering into a quota sharing
864 insurance agreement between the corporation and an authorized
865 insurer is voluntary and at the discretion of the authorized
866 insurer.

867 3. May provide that the corporation may employ or otherwise
868 contract with individuals or other entities to provide
869 administrative or professional services that may be appropriate
870 to effectuate the plan. The corporation may borrow funds by

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871 issuing bonds or by incurring other indebtedness, and shall have
872 other powers reasonably necessary to effectuate the requirements
873 of this subsection, including, without limitation, the power to
874 issue bonds and incur other indebtedness in order to refinance
875 outstanding bonds or other indebtedness. The corporation may
876 seek judicial validation of its bonds or other indebtedness
877 under chapter 75. The corporation may issue bonds or incur other
878 indebtedness, or have bonds issued on its behalf by a unit of
879 local government pursuant to subparagraph (q)2. in the absence
880 of a hurricane or other weather-related event, upon a
881 determination by the corporation, subject to approval by the
882 office, that such action would enable it to efficiently meet the
883 financial obligations of the corporation and that such
884 financings are reasonably necessary to effectuate the
885 requirements of this subsection. The corporation may take all
886 actions needed to facilitate tax-free status for such bonds or
887 indebtedness, including formation of trusts or other affiliated
888 entities. The corporation may pledge assessments, projected
889 recoveries from the Florida Hurricane Catastrophe Fund, other
890 reinsurance recoverables, policyholder surcharges and other
891 surcharges, and other funds available to the corporation as
892 security for bonds or other indebtedness. In recognition of s.
893 10, Art. I of the State Constitution, prohibiting the impairment
894 of obligations of contracts, it is the intent of the Legislature
895 that no action be taken whose purpose is to impair any bond
896 indenture or financing agreement or any revenue source committed
897 by contract to such bond or other indebtedness.

898 4. Must require that the corporation operate subject to the
899 supervision and approval of a board of governors consisting of

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900 nine individuals who are residents of this state and who are
901 from different geographical areas of the state, one of whom is
902 appointed by the Governor and serves solely to advocate on
903 behalf of the consumer. The appointment of a consumer
904 representative by the Governor is deemed to be within the scope
905 of the exemption provided in s. 112.313(7)(b) and is in addition
906 to the appointments authorized under sub-subparagraph a.

907 a. The Governor, the Chief Financial Officer, the President
908 of the Senate, and the Speaker of the House of Representatives
909 shall each appoint two members of the board. At least one of the
910 two members appointed by each appointing officer must have
911 demonstrated expertise in insurance and be deemed to be within
912 the scope of the exemption provided in s. 112.313(7)(b). The
913 Chief Financial Officer shall designate one of the appointees as
914 chair. All board members serve at the pleasure of the appointing
915 officer. All members of the board are subject to removal at will
916 by the officers who appointed them. All board members, including
917 the chair, must be appointed to serve for 3-year terms beginning
918 annually on a date designated by the plan. However, for the
919 first term beginning on or after July 1, 2009, each appointing
920 officer shall appoint one member of the board for a 2-year term
921 and one member for a 3-year term. A board vacancy shall be
922 filled for the unexpired term by the appointing officer. The
923 Chief Financial Officer shall appoint a technical advisory group
924 to provide information and advice to the board in connection
925 with the board's duties under this subsection. The executive
926 director and senior managers of the corporation shall be engaged
927 by the board and serve at the pleasure of the board. Any
928 executive director appointed on or after July 1, 2006, is

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929 subject to confirmation by the Senate. The executive director is
930 responsible for employing other staff as the corporation may
931 require, subject to review and concurrence by the board.

932 b. The board shall create a Market Accountability Advisory
933 Committee to assist the corporation in developing awareness of
934 its rates and its customer and agent service levels in
935 relationship to the voluntary market insurers writing similar
936 coverage.

937 (I) The members of the advisory committee consist of the
938 following 11 persons, one of whom must be elected chair by the
939 members of the committee: four representatives, one appointed by
940 the Florida Association of Insurance Agents, one by the Florida
941 Association of Insurance and Financial Advisors, one by the
942 Professional Insurance Agents of Florida, and one by the Latin
943 American Association of Insurance Agencies; three
944 representatives appointed by the insurers with the three highest
945 voluntary market share of residential property insurance
946 business in the state; one representative from the Office of
947 Insurance Regulation; one consumer appointed by the board who is
948 insured by the corporation at the time of appointment to the
949 committee; one representative appointed by the Florida
950 Association of Realtors; and one representative appointed by the
951 Florida Bankers Association. All members shall be appointed to
952 3-year terms and may serve for consecutive terms.

953 (II) The committee shall report to the corporation at each
954 board meeting on insurance market issues which may include rates
955 and rate competition with the voluntary market; service,
956 including policy issuance, claims processing, and general
957 responsiveness to policyholders, applicants, and agents; and

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958 matters relating to depopulation.

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

961 a. Subject to s. 627.3517, with respect to personal lines
962 residential risks that are primary residences, if the risk is
963 offered coverage from an authorized insurer at the insurer's
964 approved rate under a standard policy including wind coverage
965 or, if consistent with the insurer's underwriting rules as filed
966 with the office, a basic policy including wind coverage, for a
967 new application to the corporation for coverage, the risk is not
968 eligible for any policy issued by the corporation unless the
969 premium for coverage from the authorized insurer is more than 20
970 percent greater than the premium for comparable coverage from
971 the corporation. Whenever an offer of coverage for a personal
972 lines residential risk that is a primary residence is received
973 for a policyholder of the corporation at renewal from an
974 authorized insurer, if the offer is equal to or less than the
975 corporation's renewal premium for comparable coverage, the risk
976 is not eligible for coverage with the corporation for policies
977 that renew before April 1, 2023; for policies that renew on or
978 after that date, the risk is not eligible for coverage with the
979 corporation unless the premium for coverage from the authorized
980 insurer is more than 20 percent greater than the corporation's
981 renewal premium for comparable coverage. If the risk is not able
982 to obtain such offer, the risk is eligible for a standard policy
983 including wind coverage or a basic policy including wind
984 coverage issued by the corporation; however, if the risk could
985 not be insured under a standard policy including wind coverage
986 regardless of market conditions, the risk is eligible for a

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987 basic policy including wind coverage unless rejected under
988 subparagraph 8. The corporation shall determine the type of
989 policy to be provided on the basis of objective standards
990 specified in the underwriting manual and based on generally
991 accepted underwriting practices. A policyholder removed from the
992 corporation through an assumption agreement does not remain
993 eligible for coverage from the corporation after the end of the
994 policy term. However, any policy removed from the corporation
995 through an assumption agreement remains on the corporation's
996 policy forms through the end of the policy term. This sub-
997 subparagraph applies only to risks that are primary residences.

998 (I) If the risk accepts an offer of coverage through the
999 market assistance plan or through a mechanism established by the
1000 corporation other than a plan established by s. 627.3518, before
1001 a policy is issued to the risk by the corporation or during the
1002 first 30 days of coverage by the corporation, and the producing
1003 agent who submitted the application to the plan or to the
1004 corporation is not currently appointed by the insurer, the
1005 insurer shall:

1006 (A) Pay to the producing agent of record of the policy for
1007 the first year, an amount that is the greater of the insurer's
1008 usual and customary commission for the type of policy written or
1009 a fee equal to the usual and customary commission of the
1010 corporation; or

1011 (B) Offer to allow the producing agent of record of the
1012 policy to continue servicing the policy for at least 1 year and
1013 offer to pay the agent the greater of the insurer's or the
1014 corporation's usual and customary commission for the type of
1015 policy written.

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

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

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

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

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

b. Subject to s. 627.3517, with respect to personal lines residential risks that are not primary residences, if the risk is offered coverage from an authorized insurer at the insurer's approved rate or from an approved surplus lines insurer at the rate approved by the office as part of such surplus lines insurer's take-out plan for a new application to the corporation for coverage, the risk is not eligible for any policy issued by the corporation unless the premium for coverage from the

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1045 authorized insurer or approved surplus lines insurer is more
1046 than 20 percent greater than the premium for comparable coverage
1047 from the corporation. Whenever an offer of coverage for a
1048 personal lines residential risk that is not a primary residence
1049 is received for a policyholder of the corporation at renewal
1050 from an authorized insurer at the insurer's approved rate or an
1051 approved surplus lines insurer at the rate approved by the
1052 office as part of such insurer's take-out plan, the risk is not
1053 eligible for coverage with the corporation unless the premium
1054 for coverage from the authorized insurer or approved surplus
1055 lines insurer is more than 20 percent greater than the
1056 corporation's renewal premium for comparable coverage for
1057 policies that renew on or after July 1, 2024. If the risk is not
1058 able to obtain such offer, the risk is eligible for a standard
1059 policy including wind coverage or a basic policy including wind
1060 coverage issued by the corporation. If the risk could not be
1061 insured under a standard policy including wind coverage
1062 regardless of market conditions, the risk is eligible for a
1063 basic policy including wind coverage unless rejected under
1064 subparagraph 8. The corporation shall determine the type of
1065 policy to be provided on the basis of objective standards
1066 specified in the underwriting manual and based on generally
1067 accepted underwriting practices. A policyholder removed from the
1068 corporation through an assumption agreement does not remain
1069 eligible for coverage from the corporation after the end of the
1070 policy term. However, any policy removed from the corporation
1071 through an assumption agreement remains on the corporation's
1072 policy forms through the end of the policy term.

1073 (I) If the risk accepts an offer of coverage through the

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1074 market assistance plan or through a mechanism established by the
1075 corporation other than a plan established by s. 627.3518, before
1076 a policy is issued to the risk by the corporation or during the
1077 first 30 days of coverage by the corporation, and the producing
1078 agent who submitted the application to the plan or to the
1079 corporation is not currently appointed by the insurer, the
1080 insurer must:

1081 (A) Pay to the producing agent of record of the policy, for
1082 the first year, an amount that is the greater of the insurer's
1083 usual and customary commission for the type of policy written or
1084 a fee equal to the usual and customary commission of the
1085 corporation; or

1086 (B) Offer to allow the producing agent of record of the
1087 policy to continue servicing the policy for at least 1 year and
1088 offer to pay the agent the greater of the insurer's or the
1089 corporation's usual and customary commission for the type of
1090 policy written.

1091
1092 If the producing agent is unwilling or unable to accept
1093 appointment, the new insurer must pay the agent in accordance
1094 with sub-sub-sub-subparagraph (A).

1095 (II) If the corporation enters into a contractual agreement
1096 for a take-out plan, the producing agent of record of the
1097 corporation policy is entitled to retain any unearned commission
1098 on the policy, and the insurer must:

1099 (A) Pay to the producing agent of record, for the first
1100 year, an amount that is the greater of the insurer's usual and
1101 customary commission for the type of policy written or a fee
1102 equal to the usual and customary commission of the corporation;

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1103 or

1104 (B) Offer to allow the producing agent of record to
1105 continue servicing the policy for at least 1 year and offer to
1106 pay the agent the greater of the insurer's or the corporation's
1107 usual and customary commission for the type of policy written.

1108

1109 If the producing agent is unwilling or unable to accept
1110 appointment, the new insurer shall pay the agent in accordance
1111 with sub-sub-sub-subparagraph (A).

1112 c. With respect to commercial lines residential risks, for
1113 a new application to the corporation for coverage, if the risk
1114 is offered coverage under a policy including wind coverage from
1115 an authorized insurer at its approved rate, the risk is not
1116 eligible for a policy issued by the corporation unless the
1117 premium for coverage from the authorized insurer is more than 20
1118 percent greater than the premium for comparable coverage from
1119 the corporation. Whenever an offer of coverage for a commercial
1120 lines residential risk is received for a policyholder of the
1121 corporation at renewal from an authorized insurer, the risk is
1122 not eligible for coverage with the corporation unless the
1123 premium for coverage from the authorized insurer is more than 20
1124 percent greater than the corporation's renewal premium for
1125 comparable coverage. If the risk is not able to obtain any such
1126 offer, the risk is eligible for a policy including wind coverage
1127 issued by the corporation. A policyholder removed from the
1128 corporation through an assumption agreement remains eligible for
1129 coverage from the corporation until the end of the policy term.
1130 However, any policy removed from the corporation through an
1131 assumption agreement remains on the corporation's policy forms

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1132 through the end of the policy term.

1133 (I) If the risk accepts an offer of coverage through the
1134 market assistance plan or through a mechanism established by the
1135 corporation other than a plan established by s. 627.3518, before
1136 a policy is issued to the risk by the corporation or during the
1137 first 30 days of coverage by the corporation, and the producing
1138 agent who submitted the application to the plan or the
1139 corporation is not currently appointed by the insurer, the
1140 insurer shall:

1141 (A) Pay to the producing agent of record of the policy, for
1142 the first year, an amount that is the greater of the insurer's
1143 usual and customary commission for the type of policy written or
1144 a fee equal to the usual and customary commission of the
1145 corporation; or

1146 (B) Offer to allow the producing agent of record of the
1147 policy to continue servicing the policy for at least 1 year and
1148 offer to pay the agent the greater of the insurer's or the
1149 corporation's usual and customary commission for the type of
1150 policy written.

1151
1152 If the producing agent is unwilling or unable to accept
1153 appointment, the new insurer shall pay the agent in accordance
1154 with sub-sub-sub-subparagraph (A).

1155 (II) If the corporation enters into a contractual agreement
1156 for a take-out plan, the producing agent of record of the
1157 corporation policy is entitled to retain any unearned commission
1158 on the policy, and the insurer shall:

1159 (A) Pay to the producing agent of record, for the first
1160 year, an amount that is the greater of the insurer's usual and

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1161 customary commission for the type of policy written or a fee
1162 equal to the usual and customary commission of the corporation;
1163 or

1164 (B) Offer to allow the producing agent of record to
1165 continue servicing the policy for at least 1 year and offer to
1166 pay the agent the greater of the insurer's or the corporation's
1167 usual and customary commission for the type of policy written.
1168

1169 If the producing agent is unwilling or unable to accept
1170 appointment, the new insurer shall pay the agent in accordance
1171 with sub-sub-sub-subparagraph (A).

1172 d. For purposes of determining comparable coverage under
1173 sub-subparagraphs a., b., and c., the comparison must be based
1174 on those forms and coverages that are reasonably comparable. The
1175 corporation may rely on a determination of comparable coverage
1176 and premium made by the producing agent who submits the
1177 application to the corporation, made in the agent's capacity as
1178 the corporation's agent. For purposes of comparing the premium
1179 for comparable coverage under sub-subparagraphs a., b., and c.,
1180 premium includes any surcharge or assessment that is actually
1181 applied to such policy. A comparison may be made solely of the
1182 premium with respect to the main building or structure only on
1183 the following basis: the same Coverage A or other building
1184 limits; the same percentage hurricane deductible that applies on
1185 an annual basis or that applies to each hurricane for commercial
1186 residential property; the same percentage of ordinance and law
1187 coverage, if the same limit is offered by both the corporation
1188 and the authorized insurer or the approved surplus lines
1189 insurer; the same mitigation credits, to the extent the same

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1190 types of credits are offered both by the corporation and the
1191 authorized insurer or the approved surplus lines insurer; the
1192 same method for loss payment, such as replacement cost or actual
1193 cash value, if the same method is offered both by the
1194 corporation and the authorized insurer in accordance with
1195 underwriting rules; and any other form or coverage that is
1196 reasonably comparable as determined by the board. If an
1197 application is submitted to the corporation for wind-only
1198 coverage on a risk that is located in an area eligible for
1199 coverage by the Florida Windstorm Underwriting Association, as
1200 that area was defined on January 1, 2002, the premium for the
1201 corporation's wind-only policy plus the premium for the ex-wind
1202 policy that is offered by an authorized insurer to the applicant
1203 must be compared to the premium for multiperil coverage offered
1204 by an authorized insurer, subject to the standards for
1205 comparison specified in this subparagraph. If the corporation or
1206 the applicant requests from the authorized insurer or the
1207 approved surplus lines insurer a breakdown of the premium of the
1208 offer by types of coverage so that a comparison may be made by
1209 the corporation or its agent and the authorized insurer or the
1210 approved surplus lines insurer refuses or is unable to provide
1211 such information, the corporation may treat the offer as not
1212 being an offer of coverage from an authorized insurer at the
1213 insurer's approved rate.

1214 6. Must include rules for classifications of risks and
1215 rates.

1216 7. Must provide that if premium and investment income for
1217 the Citizens account, which are attributable to a particular
1218 calendar year, are in excess of projected losses and expenses

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1219 for the Citizens account attributable to that year, such excess
1220 shall be held in surplus in the Citizens account. Such surplus
1221 must be available to defray deficits in the Citizens account as
1222 to future years and used for that purpose before assessing
1223 assessable insurers and assessable insureds as to any calendar
1224 year.

1225 8. Must provide objective criteria and procedures to be
1226 uniformly applied to all applicants in determining whether an
1227 individual risk is so hazardous as to be uninsurable. In making
1228 this determination and in establishing the criteria and
1229 procedures, the following must be considered:

1230 a. Whether the likelihood of a loss for the individual risk
1231 is substantially higher than for other risks of the same class;
1232 and

1233 b. Whether the uncertainty associated with the individual
1234 risk is such that an appropriate premium cannot be determined.

1235
1236 The acceptance or rejection of a risk by the corporation shall
1237 be construed as the private placement of insurance, and the
1238 provisions of chapter 120 do not apply.

1239 9. Must provide that the corporation make its best efforts
1240 to procure catastrophe reinsurance at reasonable rates, to cover
1241 its projected 100-year probable maximum loss as determined by
1242 the board of governors. If catastrophe reinsurance is not
1243 available at reasonable rates, the corporation need not purchase
1244 it, but the corporation shall include the costs of reinsurance
1245 to cover its projected 100-year probable maximum loss in its
1246 rate calculations even if it does not purchase catastrophe
1247 reinsurance.

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1248 10. ~~The policies issued by the corporation~~ Must provide in
1249 the corporation policies that if the corporation or the market
1250 assistance plan obtains an offer from an authorized insurer to
1251 cover the risk at its approved rates, the risk is no longer
1252 eligible for renewal through the corporation, except as
1253 otherwise provided in this subsection.

1254 11. ~~Corporation policies and applications~~ Must include in
1255 the corporation policies and applications a notice that the
1256 corporation policy could, under this section, be replaced with a
1257 policy issued by an authorized insurer which does not provide
1258 coverage identical to the coverage provided by the corporation.
1259 The notice must also specify that acceptance of corporation
1260 coverage creates a conclusive presumption that the applicant or
1261 policyholder is aware of this potential.

1262 12. May establish, subject to approval by the office,
1263 different eligibility requirements and operational procedures
1264 for any line or type of coverage for any specified county or
1265 area if the board determines that such changes are justified due
1266 to the voluntary market being sufficiently stable and
1267 competitive in such area or for such line or type of coverage
1268 and that consumers who, in good faith, are unable to obtain
1269 insurance through the voluntary market through ordinary methods
1270 continue to have access to coverage from the corporation. If
1271 coverage is sought in connection with a real property transfer,
1272 the requirements and procedures may not provide an effective
1273 date of coverage later than the date of the closing of the
1274 transfer as established by the transferor, the transferee, and,
1275 if applicable, the lender.

1276 13. Must provide that the corporation appoint as its

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1277 licensed agents only those agents who throughout such
1278 appointments also hold an appointment as defined in s. 626.015
1279 by at least three insurers who are authorized to write and are
1280 actually writing or renewing personal lines residential property
1281 coverage, commercial residential property coverage, or
1282 commercial nonresidential property coverage within the state.
1283 For purposes of agents writing or renewing commercial
1284 residential property coverage or commercial nonresidential
1285 property coverage, an agent may satisfy the requirement for any
1286 one or more of the three direct appointments by providing to the
1287 corporation a signed attestation confirming that he or she has
1288 access through a broker to an authorized insurer or eligible
1289 surplus lines insurer authorized to write and actually writing
1290 or renewing commercial residential property coverage or
1291 commercial nonresidential property coverage.

1292 14. Must provide a premium payment plan option to its
1293 policyholders which, at a minimum, allows for quarterly and
1294 semiannual payment of premiums. A monthly payment plan may, but
1295 is not required to, be offered.

1296 15. Must limit coverage on mobile homes or manufactured
1297 homes built before 1994 to actual cash value of the dwelling
1298 rather than replacement costs of the dwelling.

1299 16. Must provide coverage for manufactured or mobile home
1300 dwellings. Such coverage must also include the following
1301 attached structures:

1302 a. Screened enclosures that are aluminum framed or screened
1303 enclosures that are not covered by the same or substantially the
1304 same materials as those of the primary dwelling;

1305 b. Carports that are aluminum or carports that are not

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1306 covered by the same or substantially the same materials as those
1307 of the primary dwelling; and

1308 c. Patios that have a roof covering that is constructed of
1309 materials that are not the same or substantially the same
1310 materials as those of the primary dwelling.

1311
1312 The corporation shall make available a policy for mobile homes
1313 or manufactured homes for a minimum insured value of at least
1314 \$3,000.

1315 17. May provide such limits of coverage as the board
1316 determines, consistent with the requirements of this subsection.

1317 18. May require commercial property to meet specified
1318 hurricane mitigation construction features as a condition of
1319 eligibility for coverage.

1320 19. Must provide that new or renewal policies issued by the
1321 corporation on or after January 1, 2012, which cover sinkhole
1322 loss do not include coverage for any loss to appurtenant
1323 structures, driveways, sidewalks, decks, or patios that are
1324 directly or indirectly caused by sinkhole activity. The
1325 corporation shall exclude such coverage using a notice of
1326 coverage change, which may be included with the policy renewal,
1327 and not by issuance of a notice of nonrenewal of the excluded
1328 coverage upon renewal of the current policy.

1329 20.a. Must require that the agent obtain from an applicant
1330 for coverage from the corporation an acknowledgment signed by
1331 the applicant, which includes, at a minimum, the following
1332 statement:

1333 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE

1334 AND ASSESSMENT LIABILITY:

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1335 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
1336 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS
1337 A DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER
1338 REASON, MY POLICY COULD BE SUBJECT TO SURCHARGES AND
1339 ASSESSMENTS, WHICH WILL BE DUE AND PAYABLE UPON RENEWAL,
1340 CANCELLATION, OR TERMINATION OF THE POLICY, AND THAT THE
1341 SURCHARGES AND ASSESSMENTS COULD BE AS HIGH AS 25 PERCENT
1342 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
1343 FLORIDA LEGISLATURE.

1344 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
1345 SURCHARGE, WHICH COULD BE AS HIGH AS 15 PERCENT OF MY
1346 PREMIUM, BY OBTAINING COVERAGE FROM A PRIVATE MARKET
1347 INSURER AND THAT TO BE ELIGIBLE FOR COVERAGE BY CITIZENS, I
1348 MUST FIRST TRY TO OBTAIN PRIVATE MARKET COVERAGE BEFORE
1349 APPLYING FOR OR RENEWING COVERAGE WITH CITIZENS. I
1350 UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES ARE
1351 REGULATED AND APPROVED BY THE STATE.

1352 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
1353 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
1354 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY
1355 THE FLORIDA LEGISLATURE.

1356 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
1357 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT
1358 OF THE STATE OF FLORIDA.

1359 b. The corporation shall maintain, in electronic format or
1360 otherwise, a copy of the applicant's signed acknowledgment and
1361 provide a copy of the statement to the policyholder as part of
1362 the first renewal after the effective date of sub-subparagraph
1363 a.

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1364 c. The signed acknowledgment form creates a conclusive
1365 presumption that the policyholder understood and accepted his or
1366 her potential surcharge and assessment liability as a
1367 policyholder of the corporation.

1368 21. Must provide that the income of the corporation may not
1369 inure to the benefit of any private person.

1370 Section 19. Subsection (5) of section 626.918, Florida
1371 Statutes, is amended to read:

1372 626.918 Eligible surplus lines insurers.—

1373 (5) When it appears that any particular insurance risk
1374 which is eligible for export, but on which insurance coverage,
1375 in whole or in part, is not procurable from the eligible surplus
1376 lines insurers, after a search of eligible surplus lines
1377 insurers, then the surplus lines agent may file a supplemental
1378 signed statement setting forth such facts and advising the
1379 office that such part of the risk as shall be unprocurable, as
1380 aforesaid, is being placed with named unauthorized insurers, in
1381 the amounts and percentages set forth in the statement. Such
1382 named unauthorized insurer shall, however, before accepting any
1383 risk in this state, deposit with the department cash or
1384 securities acceptable to the office and department of the market
1385 value of \$50,000 for each individual risk, contract, or
1386 certificate, which deposit shall be held by the department for
1387 the benefit of Florida policyholders only; and the surplus lines
1388 agent shall procure from such unauthorized insurer and file with
1389 the office a certified copy of its statement of condition as of
1390 the close of the last calendar year. If such statement reveals,
1391 including both capital and surplus, net assets of at least that
1392 amount required for licensure of a domestic insurer, then the

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1393 surplus lines agent may proceed to consummate such contract of
1394 insurance. Whenever any insurance risk, or any part thereof, is
1395 placed with an unauthorized insurer, as provided herein, the
1396 policy, binder, or cover note shall contain a statement signed
1397 by the insured and the agent with the following notation: "The
1398 insured is aware that certain insurers participating in this
1399 risk have not been approved to transact business in Florida nor
1400 have they been declared eligible as surplus lines insurers by
1401 the Office of Insurance Regulation of Florida. The placing of
1402 such insurance by a duly licensed surplus lines agent in Florida
1403 shall not be construed as approval of such insurer by the Office
1404 of Insurance Regulation of Florida. Consequently, the insured is
1405 aware that the insured has severely limited the assistance
1406 available under the insurance laws of Florida. The insured is
1407 further aware that he or she may be charged a reasonable per
1408 policy fee, as provided in s. 626.916(2) ~~s. 626.916(4)~~, Florida
1409 Statutes, for each policy certified for export." All other
1410 provisions of this code shall apply to such placement the same
1411 as if such risks were placed with an eligible surplus lines
1412 insurer.

1413 Section 20. Subsection (6) of section 626.9325, Florida
1414 Statutes, is amended to read:

1415 626.9325 Service fee.—

1416 (6) For the purposes of this section, the term "premium"
1417 means the consideration for insurance by whatever name called
1418 and includes any assessment, or any membership, policy, survey,
1419 inspection, service, or similar fee or charge in consideration
1420 for an insurance contract, which items are deemed to be a part
1421 of the premium. The per-policy fee authorized by s. 626.916(2)

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1422 s. ~~626.916(4)~~ is specifically included within the meaning of the
1423 term "premium."

1424 Section 21. Paragraph (o) of subsection (1) of section
1425 626.9541, Florida Statutes, is amended to read:

1426 626.9541 Unfair methods of competition and unfair or
1427 deceptive acts or practices defined.—

1428 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
1429 ACTS.—The following are defined as unfair methods of competition
1430 and unfair or deceptive acts or practices:

1431 (o) *Illegal dealings in premiums; excess or reduced charges*
1432 *for insurance.*—

1433 1. Knowingly collecting any sum as a premium or charge for
1434 insurance, which is not then provided, or is not in due course
1435 to be provided, subject to acceptance of the risk by the
1436 insurer, by an insurance policy issued by an insurer as
1437 permitted by this code.

1438 2. Knowingly collecting as a premium or charge for
1439 insurance any sum in excess of or less than the premium or
1440 charge applicable to such insurance, in accordance with the
1441 applicable classifications and rates as filed with and approved
1442 by the office, and as specified in the policy; or, in cases when
1443 classifications, premiums, or rates are not required by this
1444 code to be so filed and approved, premiums and charges collected
1445 from a Florida resident in excess of or less than those
1446 specified in the policy and as fixed by the insurer.

1447 Notwithstanding any other provision of law, this provision shall
1448 not be deemed to prohibit the charging and collection, by
1449 surplus lines agents licensed under part VIII of this chapter,
1450 of the amount of applicable state and federal taxes, or fees as

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1451 authorized by s. 626.916(2) ~~s. 626.916(4)~~, in addition to the
1452 premium required by the insurer or the charging and collection,
1453 by licensed agents, of the exact amount of any discount or other
1454 such fee charged by a credit card facility in connection with
1455 the use of a credit card, as authorized by subparagraph (q)3.,
1456 in addition to the premium required by the insurer. This
1457 subparagraph shall not be construed to prohibit collection of a
1458 premium for a universal life or a variable or indeterminate
1459 value insurance policy made in accordance with the terms of the
1460 contract.

1461 3.a. Imposing or requesting an additional premium for a
1462 policy of motor vehicle liability, personal injury protection,
1463 medical payment, or collision insurance or any combination
1464 thereof or refusing to renew the policy solely because the
1465 insured was involved in a motor vehicle accident unless the
1466 insurer's file contains information from which the insurer in
1467 good faith determines that the insured was substantially at
1468 fault in the accident.

1469 b. An insurer which imposes and collects such a surcharge
1470 or which refuses to renew such policy shall, in conjunction with
1471 the notice of premium due or notice of nonrenewal, notify the
1472 named insured that he or she is entitled to reimbursement of
1473 such amount or renewal of the policy under the conditions listed
1474 below and will subsequently reimburse him or her or renew the
1475 policy, if the named insured demonstrates that the operator
1476 involved in the accident was:

1477 (I) Lawfully parked;

1478 (II) Reimbursed by, or on behalf of, a person responsible
1479 for the accident or has a judgment against such person;

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1480 (III) Struck in the rear by another vehicle headed in the
1481 same direction and was not convicted of a moving traffic
1482 violation in connection with the accident;

1483 (IV) Hit by a "hit-and-run" driver, if the accident was
1484 reported to the proper authorities within 24 hours after
1485 discovering the accident;

1486 (V) Not convicted of a moving traffic violation in
1487 connection with the accident, but the operator of the other
1488 automobile involved in such accident was convicted of a moving
1489 traffic violation;

1490 (VI) Finally adjudicated not to be liable by a court of
1491 competent jurisdiction;

1492 (VII) In receipt of a traffic citation which was dismissed
1493 or nolle prossed; or

1494 (VIII) Not at fault as evidenced by a written statement
1495 from the insured establishing facts demonstrating lack of fault
1496 which are not rebutted by information in the insurer's file from
1497 which the insurer in good faith determines that the insured was
1498 substantially at fault.

1499 c. In addition to the other provisions of this
1500 subparagraph, an insurer may not fail to renew a policy if the
1501 insured has had only one accident in which he or she was at
1502 fault within the current 3-year period. However, an insurer may
1503 nonrenew a policy for reasons other than accidents in accordance
1504 with s. 627.728. This subparagraph does not prohibit nonrenewal
1505 of a policy under which the insured has had three or more
1506 accidents, regardless of fault, during the most recent 3-year
1507 period.

1508 4. Imposing or requesting an additional premium for, or

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1509 refusing to renew, a policy for motor vehicle insurance solely
1510 because the insured committed a noncriminal traffic infraction
1511 as described in s. 318.14 unless the infraction is:

1512 a. A second infraction committed within an 18-month period,
1513 or a third or subsequent infraction committed within a 36-month
1514 period.

1515 b. A violation of s. 316.183, when such violation is a
1516 result of exceeding the lawful speed limit by more than 15 miles
1517 per hour.

1518 5. Upon the request of the insured, the insurer and
1519 licensed agent shall supply to the insured the complete proof of
1520 fault or other criteria which justifies the additional charge or
1521 cancellation.

1522 6. No insurer shall impose or request an additional premium
1523 for motor vehicle insurance, cancel or refuse to issue a policy,
1524 or refuse to renew a policy because the insured or the applicant
1525 is a handicapped or physically disabled person, so long as such
1526 handicap or physical disability does not substantially impair
1527 such person's mechanically assisted driving ability.

1528 7. No insurer may cancel or otherwise terminate any
1529 insurance contract or coverage, or require execution of a
1530 consent to rate endorsement, during the stated policy term for
1531 the purpose of offering to issue, or issuing, a similar or
1532 identical contract or coverage to the same insured with the same
1533 exposure at a higher premium rate or continuing an existing
1534 contract or coverage with the same exposure at an increased
1535 premium.

1536 8. No insurer may issue a nonrenewal notice on any
1537 insurance contract or coverage, or require execution of a

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1538 consent to rate endorsement, for the purpose of offering to
1539 issue, or issuing, a similar or identical contract or coverage
1540 to the same insured at a higher premium rate or continuing an
1541 existing contract or coverage at an increased premium without
1542 meeting any applicable notice requirements.

1543 9. No insurer shall, with respect to premiums charged for
1544 motor vehicle insurance, unfairly discriminate solely on the
1545 basis of age, sex, marital status, or scholastic achievement.

1546 10. Imposing or requesting an additional premium for motor
1547 vehicle comprehensive or uninsured motorist coverage solely
1548 because the insured was involved in a motor vehicle accident or
1549 was convicted of a moving traffic violation.

1550 11. No insurer shall cancel or issue a nonrenewal notice on
1551 any insurance policy or contract without complying with any
1552 applicable cancellation or nonrenewal provision required under
1553 the Florida Insurance Code.

1554 12. No insurer shall impose or request an additional
1555 premium, cancel a policy, or issue a nonrenewal notice on any
1556 insurance policy or contract because of any traffic infraction
1557 when adjudication has been withheld and no points have been
1558 assessed pursuant to s. 318.14(9) and (10). However, this
1559 subparagraph does not apply to traffic infractions involving
1560 accidents in which the insurer has incurred a loss due to the
1561 fault of the insured.

1562 Section 22. Paragraph (d) of subsection (1) of section
1563 626.935, Florida Statutes, is amended to read:

1564 626.935 Suspension, revocation, or refusal of surplus lines
1565 agent's license.—

1566 (1) The department shall deny an application for, suspend,

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1567 revoke, or refuse to renew the appointment of a surplus lines
1568 agent and all other licenses and appointments held by the
1569 licensee under this code, on any of the following grounds:

1570 (d) Failure to make and file his or her ~~affidavit or~~
1571 reports when due as required by s. 626.931.

1572 Section 23. Subsection (4) of section 627.715, Florida
1573 Statutes, is amended to read:

1574 627.715 Flood insurance.—An authorized insurer may issue an
1575 insurance policy, contract, or endorsement providing personal
1576 lines residential coverage for the peril of flood or excess
1577 coverage for the peril of flood on any structure or the contents
1578 of personal property contained therein, subject to this section.
1579 This section does not apply to commercial lines residential or
1580 commercial lines nonresidential coverage for the peril of flood.
1581 An insurer may issue flood insurance policies, contracts,
1582 endorsements, or excess coverage on a standard, preferred,
1583 customized, flexible, or supplemental basis.

1584 (4) An agent may export a contract or an endorsement
1585 providing flood coverage to an eligible surplus lines insurer
1586 ~~without making a diligent effort to seek such coverage from~~
1587 ~~three or more authorized insurers under s. 626.916 s-~~
1588 ~~626.916(1)(a).~~

1589 Section 24. This act shall take effect July 1, 2025.