

1 A bill to be entitled
2 An act relating to hurricane mitigation grants and
3 insurers' regulations; amending s. 215.5586, F.S.;
4 revising legislative intent; specifying that hurricane
5 mitigation grants funded through the My Safe Florida
6 Home Program may be awarded only under certain
7 circumstances; requiring the Department of Financial
8 Services to require that certain mitigation
9 improvements be made as a condition of reimbursing a
10 homeowner approved for a grant; amending ss. 624.407
11 and 624.408, F.S.; increasing the surpluses required
12 for certain insurers applying for their original
13 certificates of authority and maintaining their
14 certificates of authority, respectively; amending s.
15 624.4073, F.S.; specifying prohibitions for persons
16 who were officers or directors of an insolvent
17 insurer, officers or directors of a managing general
18 agent of an insolvent insurer, attorneys in fact of an
19 insolvent reciprocal insurer, or officers or directors
20 of an attorney in fact of an insolvent reciprocal
21 insurer; providing applicability; requiring the Office
22 of Insurance Regulation to prohibit insurers or
23 reciprocal insurers from paying any compensation to
24 certain persons for certain violations until the
25 violations are remedied; providing an effective date.

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

Section 1. Section 215.5586, Florida Statutes, is amended to read:

215.5586 My Safe Florida Home Program.—There is established within the Department of Financial Services the My Safe Florida Home Program. The department shall provide fiscal accountability, contract management, and strategic leadership for the program, consistent with this section. This section does not create an entitlement for property owners or obligate the state in any way to fund the inspection or retrofitting of residential property in this state. Implementation of this program is subject to annual legislative appropriations. It is the intent of the Legislature that, subject to the availability of funds, the My Safe Florida Home Program provide licensed inspectors to perform hurricane mitigation inspections of eligible homes and grants to fund hurricane mitigation projects that result in property insurance credits, discounts, or other rate differentials on those homes. The department shall implement the program in such a manner that the total amount of funding requested by accepted applications, whether for inspections, grants, or other services or assistance, does not exceed the total amount of available funds. If, after applications are processed and approved, funds remain available,

51 the department may accept applications up to the available
52 amount. The program shall develop and implement a comprehensive
53 and coordinated approach for hurricane damage mitigation
54 pursuant to the requirements provided in this section.

55 (1) HURRICANE MITIGATION INSPECTIONS.—

56 (a) To be eligible for a hurricane mitigation inspection
57 under the program:

58 1. A home must be a single-family, detached residential
59 property or a townhouse as defined in s. 481.203;

60 2. A home must be site-built and owner-occupied; and

61 3. The homeowner must have been granted a homestead
62 exemption on the home under chapter 196.

63 (b)1. An application for a hurricane mitigation inspection
64 must contain a signed or electronically verified statement made
65 under penalty of perjury that the applicant has submitted only
66 one inspection application on the home or that the application
67 is allowed under subparagraph 2., and the application must have
68 documents attached which demonstrate that the applicant meets
69 the requirements of paragraph (a).

70 2. An applicant may submit a subsequent hurricane
71 mitigation inspection application for the same home only if:

72 a. The original hurricane mitigation inspection
73 application has been denied or withdrawn because of errors or
74 omissions in the application;

75 b. The original hurricane mitigation inspection

76 application was denied or withdrawn because the home did not
77 meet the eligibility criteria for an inspection at the time of
78 the previous application, and the homeowner reasonably believes
79 the home now is eligible for an inspection; or

80 c. The program's eligibility requirements for an
81 inspection have changed since the original application date, and
82 the applicant reasonably believes the home is eligible under the
83 new requirements.

84 (c) An applicant meeting the requirements of paragraph (a)
85 may receive an inspection of a home under the program without
86 being eligible for a grant under subsection (2) or applying for
87 such grant.

88 (d) Licensed inspectors are to provide home inspections of
89 eligible homes to determine what mitigation measures are needed,
90 what insurance premium discounts may be available, and what
91 improvements to existing residential properties are needed to
92 reduce the property's vulnerability to hurricane damage. An
93 inspector may inspect a townhouse as defined in s. 481.203 to
94 determine if opening protection mitigation as listed in
95 subparagraph (2)(e)1. would provide improvements to mitigate
96 hurricane damage.

97 (e) The department shall contract with wind certification
98 entities to provide hurricane mitigation inspections. The
99 inspections provided to homeowners, at a minimum, must include:

100 1. A home inspection and report that summarizes the

101 results and identifies recommended improvements a homeowner may
102 take to mitigate hurricane damage.

103 2. A range of cost estimates regarding the recommended
104 mitigation improvements.

105 3. Information regarding estimated premium discounts,
106 correlated to the current mitigation features and the
107 recommended mitigation improvements identified by the
108 inspection.

109 (f) To qualify for selection by the department as a wind
110 certification entity to provide hurricane mitigation
111 inspections, the entity must, at a minimum, meet the following
112 requirements:

113 1. Use hurricane mitigation inspectors who are licensed or
114 certified as:

115 a. A building inspector under s. 468.607;

116 b. A general, building, or residential contractor under s.
117 489.111;

118 c. A professional engineer under s. 471.015;

119 d. A professional architect under s. 481.213; or

120 e. A home inspector under s. 468.8314 and who have
121 completed at least 3 hours of hurricane mitigation training
122 approved by the Construction Industry Licensing Board, which
123 training must include hurricane mitigation techniques,
124 compliance with the uniform mitigation verification form, and
125 completion of a proficiency exam.

126 2. Use hurricane mitigation inspectors who also have
127 undergone drug testing and a background screening. The
128 department may conduct criminal record checks of inspectors used
129 by wind certification entities. Inspectors must submit a set of
130 fingerprints to the department for state and national criminal
131 history checks and must pay the fingerprint processing fee set
132 forth in s. 624.501. The fingerprints must be sent by the
133 department to the Department of Law Enforcement and forwarded to
134 the Federal Bureau of Investigation for processing. The results
135 must be returned to the department for screening. The
136 fingerprints must be taken by a law enforcement agency,
137 designated examination center, or other department-approved
138 entity.

139 3. Provide a quality assurance program including a
140 reinspection component.

141 (2) HURRICANE MITIGATION GRANTS.—Financial grants shall be
142 used by homeowners to make improvements recommended by an
143 inspection which increase resistance to hurricane damage.

144 (a) A homeowner is eligible for a hurricane mitigation
145 grant if all of the following criteria are met:

146 1. The home must be eligible for an inspection under
147 subsection (1).

148 2. The home must be a dwelling with an insured value of
149 \$700,000 or less. Homeowners who are low-income persons, as
150 defined in s. 420.0004(11), are exempt from this requirement.

151 3. The home must undergo an acceptable hurricane
152 mitigation inspection as provided in subsection (1).

153 4. The building permit application for initial
154 construction of the home must have been made before January 1,
155 2008.

156 5. The homeowner must agree to make his or her home
157 available for inspection once a mitigation project is completed.

158 6. The homeowner must agree to provide to the department
159 information received from the homeowner's insurer identifying
160 the discounts realized by the homeowner because of the
161 mitigation improvements funded through the program.

162 (b)1. An application for a grant must contain a signed or
163 electronically verified statement made under penalty of perjury
164 that the applicant has submitted only one grant application or
165 that the application is allowed under subparagraph 2., and the
166 application must have documents attached demonstrating that the
167 applicant meets the requirements of paragraph (a).

168 2. An applicant may submit a subsequent grant application
169 if:

170 a. The original grant application was denied or withdrawn
171 because the application contained errors or omissions;

172 b. The original grant application was denied or withdrawn
173 because the home did not meet the eligibility criteria for a
174 grant at the time of the previous application, and the homeowner
175 reasonably believes that the home now is eligible for a grant;

176 or

177 c. The program's eligibility requirements for a grant have
178 changed since the original application date, and the applicant
179 reasonably believes that he or she is an eligible homeowner
180 under the new requirements.

181 3. A grant application must include a statement from the
182 homeowner which contains the name and state license number of
183 the contractor that the homeowner acknowledges as the intended
184 contractor for the mitigation work. The program must
185 electronically verify that the contractor's state license number
186 is accurate and up to date before grant approval.

187 (c) All grants must be matched on the basis of \$1 provided
188 by the applicant for \$2 provided by the state up to a maximum
189 state contribution of \$10,000 toward the actual cost of the
190 mitigation project, except as provided in paragraph (h).

191 (d) All hurricane mitigation performed under the program
192 must be based upon the securing of all required local permits
193 and inspections and must be performed by properly licensed
194 contractors.

195 (e) When recommended by a hurricane mitigation inspection,
196 grants for eligible homes may be used for the following
197 improvements:

198 1. Opening protection, including exterior doors, garage
199 doors, windows, and skylights.

200 2. Reinforcing roof-to-wall connections.

201 3. Improving the strength of roof-deck attachments.

202 4. Secondary water resistance for roof.

203 (f) When recommended by a hurricane mitigation inspection,
204 grants for townhouses, as defined in s. 481.203, may only be
205 used for opening protection.

206 (g) A grant may be awarded only for each mitigation
207 improvement that, when applied to the home, will result in a
208 property insurance mitigation credit, discount, or other rate
209 differential. If necessary for the home to qualify for a
210 mitigation credit, discount, or other rate differential, the
211 department must ~~may~~ require that improvements be made to all
212 openings, including exterior doors, garage doors, windows, and
213 skylights, as a condition of reimbursing a homeowner approved
214 for a grant. The department may adopt, by rule, the maximum
215 grant allowances for any improvement allowable under paragraph
216 (e) or paragraph (f).

217 (h) Low-income homeowners, as defined in s. 420.0004(11),
218 who otherwise meet the applicable requirements of this
219 subsection are eligible for a grant of up to \$10,000 and are not
220 required to provide a matching amount to receive the grant.

221 (i)1. The department shall develop a process that ensures
222 the most efficient means to collect and verify inspection
223 applications and grant applications to determine eligibility.
224 The department may direct hurricane mitigation inspectors to
225 collect and verify grant application information or use the

226 | Internet or other electronic means to collect information and
 227 | determine eligibility.

228 | 2. The department shall prioritize the review and approval
 229 | of such inspection applications and grant applications in the
 230 | following order:

231 | a. First, applications from low-income persons, as defined
 232 | in s. 420.0004, who are at least 60 years old;

233 | b. Second, applications from all other low-income persons,
 234 | as defined in s. 420.0004;

235 | c. Third, applications from moderate-income persons, as
 236 | defined in s. 420.0004, who are at least 60 years old;

237 | d. Fourth, applications from all other moderate-income
 238 | persons, as defined in s. 420.0004; and

239 | e. Last, all other applications.

240 | 3. The department shall start accepting inspection
 241 | applications and grant applications no earlier than the
 242 | effective date of a legislative appropriation funding
 243 | inspections and grants, as follows:

244 | a. Initially, from applicants prioritized under sub-
 245 | subparagraph 2.a.;

246 | b. From applicants prioritized under sub-subparagraph
 247 | 2.b., beginning 15 days after the program initially starts
 248 | accepting applications;

249 | c. From applicants prioritized under sub-subparagraph
 250 | 2.c., beginning 30 days after the program initially starts

251 accepting applications;

252 d. From applicants described in sub-subparagraph 2.d.,
253 beginning 45 days after the program initially starts accepting
254 applications; and

255 e. From all other applicants, beginning 60 days after the
256 program initially starts accepting applications.

257 4. The program may accept a certification directly from a
258 low-income homeowner or moderate-income homeowner who meets the
259 requirements of s. 420.0004(11) or (12), respectively, if the
260 homeowner provides such certification in a signed or
261 electronically verified statement made under penalty of perjury.

262 (j) A homeowner who receives a grant shall finalize
263 construction and request a final inspection, or request an
264 extension for an additional 6 months, within 1 year after grant
265 approval. If a homeowner fails to comply with this paragraph,
266 his or her application is deemed abandoned and the grant money
267 reverts to the department.

268 (3) REQUESTS FOR INFORMATION.—The department may request
269 that an applicant provide additional information. An application
270 is deemed withdrawn by the applicant if the department does not
271 receive a response to its request for additional information
272 within 60 days after the notification of any apparent error or
273 omission.

274 (4) EDUCATION, CONSUMER AWARENESS, AND OUTREACH.—

275 (a) The department may undertake a statewide multimedia

276 public outreach and advertising campaign to inform consumers of
277 the availability and benefits of hurricane inspections and of
278 the safety and financial benefits of residential hurricane
279 damage mitigation. The department may seek out and use local,
280 state, federal, and private funds to support the campaign.

281 (b) The program may develop brochures for distribution to
282 Citizens Property Insurance Corporation and other licensed
283 entities or nonprofits that work with the department to educate
284 the public on the benefits of the program. Citizens Property
285 Insurance Corporation must distribute the brochure to
286 policyholders of the corporation each year the program is
287 funded. The brochures may be made available electronically.

288 (5) FUNDING.—The department may seek out and leverage
289 local, state, federal, or private funds to enhance the financial
290 resources of the program.

291 (6) RULES.—The department shall adopt rules pursuant to
292 ss. 120.536(1) and 120.54 to govern the program; implement the
293 provisions of this section; including rules governing hurricane
294 mitigation inspections and grants, mitigation contractors, and
295 training of inspectors and contractors; and carry out the duties
296 of the department under this section.

297 (7) HURRICANE MITIGATION INSPECTOR LIST.—The department
298 shall develop and maintain as a public record a current list of
299 hurricane mitigation inspectors authorized to conduct hurricane
300 mitigation inspections pursuant to this section.

301 (8) CONTRACT MANAGEMENT.—

302 (a) The department may contract with third parties for
 303 grants management, inspection services, contractor services for
 304 low-income homeowners, information technology, educational
 305 outreach, and auditing services. Such contracts are considered
 306 direct costs of the program and are not subject to
 307 administrative cost limits. The department shall contract with
 308 providers that have a demonstrated record of successful business
 309 operations in areas directly related to the services to be
 310 provided and shall ensure the highest accountability for use of
 311 state funds, consistent with this section.

312 (b) The department shall implement a quality assurance and
 313 reinspection program that determines whether initial inspections
 314 and home improvements are completed in a manner consistent with
 315 the intent of the program. The department may use valid random
 316 sampling in order to perform the quality assurance portion of
 317 the program.

318 (9) INTENT.—It is the intent of the Legislature that
 319 grants made to residential property owners under this section
 320 shall be considered disaster-relief assistance within the
 321 meaning of s. 139 of the Internal Revenue Code of 1986, as
 322 amended.

323 (10) REPORTS.—The department shall make an annual report
 324 on the activities of the program that shall account for the use
 325 of state funds and indicate the number of inspections requested,

326 | the number of inspections performed, the number of grant
 327 | applications received, the number and value of grants approved,
 328 | and the estimated average annual amount of insurance premium
 329 | discounts and total estimated annual amount of insurance premium
 330 | discounts homeowners received from insurers as a result of
 331 | mitigation funded through the program. The report must be
 332 | delivered to the President of the Senate and the Speaker of the
 333 | House of Representatives by February 1 of each year.

334 | **Section 2. Subsection (1) of section 624.407, Florida**
 335 | **Statutes, is amended to read:**

336 | 624.407 Surplus required; new insurers.—

337 | (1) To receive authority to transact any one kind or
 338 | combinations of kinds of insurance, as defined in part V of this
 339 | chapter, an insurer applying for its original certificate of
 340 | authority in this state shall possess surplus as to
 341 | policyholders at least the greater of:

342 | (a) For a property and casualty insurer, \$5 million, or
 343 | \$2.5 million for any other insurer;

344 | (b) For life insurers, 4 percent of the insurer's total
 345 | liabilities;

346 | (c) For life and health insurers, 4 percent of the
 347 | insurer's total liabilities, plus 6 percent of the insurer's
 348 | liabilities relative to health insurance;

349 | (d) For all insurers other than life insurers and life and
 350 | health insurers, 10 percent of the insurer's total liabilities;

351 (e) Notwithstanding paragraph (a) or paragraph (d), for a
 352 domestic insurer that transacts residential property insurance
 353 and is:

354 1. Not a wholly owned subsidiary of an insurer domiciled
 355 in any other state, \$35 ~~\$15~~ million.

356 2. A wholly owned subsidiary of an insurer domiciled in
 357 any other state, \$50 million;

358 (f) Notwithstanding paragraphs (a), (d), and (e), for a
 359 domestic insurer that only transacts limited sinkhole coverage
 360 insurance for personal lines residential property pursuant to s.
 361 627.7151, \$12.5 ~~\$7.5~~ million; or

362 (g) Notwithstanding paragraphs (a), (d), and (e), for an
 363 insurer that only transacts residential property insurance in
 364 the form of renter's insurance, tenant's coverage, cooperative
 365 unit owner insurance, or any combination thereof, \$15 ~~\$10~~
 366 million.

367 **Section 3. Section 624.4073, Florida Statutes, is amended**
 368 **to read:**

369 624.4073 Officers and directors or attorneys in fact of
 370 insolvent insurers.—

371 (1) Any person who was an officer or director of an
 372 insurer doing business in this state and who served in that
 373 capacity within the 2-year period before the date the insurer
 374 became insolvent, for any insolvency that occurs on or after
 375 July 1, 2002, but before July 1, 2025, may not thereafter serve

376 as an officer or director of an insurer authorized in this state
377 or have direct or indirect control over the selection or
378 appointment of an officer or director through contract, trust,
379 or by operation of law, ~~unless the officer or director~~
380 ~~demonstrates that his or her personal actions or omissions were~~
381 ~~not a significant contributing cause to the insolvency.~~

382 (2) Any person who was an officer or director of an
383 insurer doing business in this state, was the attorney in fact
384 of a reciprocal insurer doing business in this state, or was an
385 officer or director of an attorney in fact of a reciprocal
386 insurer doing business in this state and who served in that
387 capacity within the 5-year period before the date such insurer
388 or reciprocal insurer became insolvent, for any insolvency that
389 occurs on or after July 1, 2025, may not thereafter do any of
390 the following:

391 (a) Serve as an officer or a director of an insurer
392 authorized in this state.

393 (b) Serve as an officer or a director of a managing
394 general agent of an insurer authorized in this state.

395 (c) Serve as an attorney in fact or as an officer or a
396 director of the attorney in fact of a reciprocal insurer
397 authorized in this state.

398 (d) Serve as an officer or a director of an affiliate of
399 an insurer authorized in this state which provides services to
400 such insurer.

401 (e) Exercise direct or indirect control through contract,
 402 trust, or by operation of law over the selection or appointment
 403 of any position specified in paragraphs (a)-(d).

404 (3) (a) The prohibitions in subsections (1) and (2) do not
 405 apply if the officer, director, or attorney in fact
 406 demonstrates, and the office determines, that his or her
 407 personal actions or omissions were not a significant
 408 contributing cause to the insolvency.

409 (b) For any violation of paragraph (2) (b), paragraph
 410 (2) (c), or paragraph (2) (d), the office shall prohibit an
 411 insurer or reciprocal insurer authorized in this state from
 412 paying any compensation to a managing general agent, affiliate,
 413 or attorney in fact that has an officer or director or is an
 414 attorney in fact that engaged in such violation until the office
 415 determines the violation has been remedied.

416 **Section 4. Paragraphs (f) through (i) of subsection (1) of**
 417 **section 624.408, Florida Statutes, are amended to read:**

418 624.408 Surplus required; current insurers.—

419 (1) To maintain a certificate of authority to transact any
 420 one kind or combinations of kinds of insurance, as defined in
 421 part V of this chapter, an insurer in this state must at all
 422 times maintain surplus as to policyholders at least the greater
 423 of:

424 (f) For residential property insurers not holding a
 425 certificate of authority before July 1, 2025 ~~2011~~, \$35 ~~\$15~~

426 million.

427 (g) For residential property insurers holding a
 428 certificate of authority before July 1, 2025 ~~2014~~, and until
 429 June 30, 2030 ~~2016~~, \$15 ~~\$5~~ million; on or after July 1, 2030
 430 ~~2016~~, and until June 30, 2035 ~~2021~~, \$25 ~~\$10~~ million; on or after
 431 July 1, 2035 ~~2021~~, \$35 ~~\$15~~ million.

432 (h) Notwithstanding paragraphs (e), (f), and (g), for a
 433 domestic insurer that only transacts limited sinkhole coverage
 434 insurance for personal lines residential property pursuant to s.
 435 627.7151, ~~\$7.5 million.~~

436 1. For such an insurer that does not hold a certificate of
 437 authority before July 1, 2025, \$12.5 million.

438 2. For such an insurer holding a certificate of authority
 439 before July 1, 2025, and until June 30, 2030, \$7.5 million; on
 440 or after July 1, 2030, and until June 30, 2035, \$10 million; on
 441 or after July 1, 2035, \$12.5 million.

442 (i) Notwithstanding paragraphs (a), (d), and (e), for an
 443 insurer that only transacts residential property insurance in
 444 the form of renter's insurance, tenant's coverage, cooperative
 445 unit owner insurance, or any combination thereof, ~~\$10 million.~~

446 1. For such an insurer that does not hold a certificate of
 447 authority before July 1, 2025, \$15 million.

448 2. For such an insurer holding a certificate of authority
 449 before July 1, 2025, and until June 30, 2030, \$10 million; on or
 450 after July 1, 2030, and until June 30, 2035, \$12.5 million; on

451 or after July 1, 2035, \$15 million.

452

453 The office may reduce the surplus requirement in paragraphs (f)
454 and (g) if the insurer is not writing new business, has premiums
455 in force of less than \$1 million per year in residential
456 property insurance, or is a mutual insurance company.

457 **Section 5.** This act shall take effect July 1, 2025.