

By Senator DiCeglie

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1 A bill to be entitled
2 An act relating to annual rate increases for coverages
3 by Citizens Property Insurance Corporation; amending
4 s. 627.351, F.S.; providing that the required annual
5 rate increases and the limits on such increases for
6 coverages by Citizens Property Insurance Corporation
7 do not apply to new policies issued after a specified
8 date or to subsequent renewals of such policies;
9 providing an effective date.

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

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13 Section 1. Paragraph (n) of subsection (6) of section
14 627.351, Florida Statutes, is amended to read:

15 627.351 Insurance risk apportionment plans.—

16 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

17 (n)1. Rates for coverage provided by the corporation must
18 be actuarially sound pursuant to s. 627.062 and not competitive
19 with approved rates charged in the admitted voluntary market so
20 that the corporation functions as a residual market mechanism to
21 provide insurance only when insurance cannot be procured in the
22 voluntary market, except as otherwise provided in this
23 paragraph. The office shall provide the corporation such
24 information as would be necessary to determine whether rates are
25 competitive. The corporation shall file its recommended rates
26 with the office at least annually. The corporation shall provide
27 any additional information regarding the rates which the office
28 requires. The office shall consider the recommendations of the
29 board and issue a final order establishing the rates for the

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30 corporation within 45 days after the recommended rates are
31 filed. The corporation may not pursue an administrative
32 challenge or judicial review of the final order of the office.

33 2. In addition to the rates otherwise determined pursuant
34 to this paragraph, the corporation shall impose and collect an
35 amount equal to the premium tax provided in s. 624.509 to
36 augment the financial resources of the corporation.

37 3. After the public hurricane loss-projection model under
38 s. 627.06281 has been found to be accurate and reliable by the
39 Florida Commission on Hurricane Loss Projection Methodology, the
40 model shall be considered when establishing the windstorm
41 portion of the corporation's rates. The corporation may use the
42 public model results in combination with the results of private
43 models to calculate rates for the windstorm portion of the
44 corporation's rates. This subparagraph does not require or allow
45 the corporation to adopt rates lower than the rates otherwise
46 required or allowed by this paragraph.

47 4. The corporation must make a recommended actuarially
48 sound rate filing for each personal and commercial line of
49 business it writes.

50 5. Notwithstanding the board's recommended rates and the
51 office's final order regarding the corporation's filed rates
52 under subparagraph 1., the corporation shall annually implement
53 a rate increase which, except for sinkhole coverage, does not
54 exceed the following for any single policy issued by the
55 corporation, excluding coverage changes and surcharges:

- 56 a. Twelve percent for 2023.
- 57 b. Thirteen percent for 2024.
- 58 c. Fourteen percent for 2025.

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59 d. Fifteen percent for 2026 and all subsequent years.

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

63 7. The corporation's implementation of rates as prescribed
64 in subparagraphs 5. and 8. shall cease for any line of business
65 written by the corporation upon the corporation's implementation
66 of actuarially sound rates. Thereafter, the corporation shall
67 annually make a recommended actuarially sound rate filing that
68 is not competitive with approved rates in the admitted voluntary
69 market for each commercial and personal line of business the
70 corporation writes.

71 8. New or renewal personal lines policies that do not cover
72 a primary residence are not subject to the rate increase
73 limitations in subparagraph 5., but may not be charged more than
74 50 percent above, nor less than, the prior year's established
75 rate for the corporation.

76 9. As used in this paragraph, the term "primary residence"
77 means the dwelling that is the policyholder's primary home or is
78 a rental property that is the primary home of the tenant, and
79 which the policyholder or tenant occupies for more than 9 months
80 of each year.

81 10. The requirements of subparagraph 5. do not apply to new
82 policies issued by the corporation after June 1, 2025, including
83 when such policies are subsequently renewed by the corporation.

84 Section 2. This act shall take effect July 1, 2025.