

By Senator Flores

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1 A bill to be entitled
2 An act relating to Citizens Property Insurance
3 Corporation; amending s. 627.351, F.S.; revising the
4 membership of the board of governors of the
5 corporation to require that two members be residents
6 of specified counties and provide for the Chief
7 Financial Officer's appointment of an additional
8 member to serve as a consumer advocate; providing an
9 effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Paragraph (c) 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 (c) The corporation's plan of operation:

18 1. Must provide for adoption of residential property and
19 casualty insurance policy forms and commercial residential and
20 nonresidential property insurance forms, which must be approved
21 by the office before use. The corporation shall adopt the
22 following policy forms:

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

27 b. Basic personal lines policy forms that are policies
28 similar to an HO-8 policy or a dwelling fire policy that provide
29 coverage meeting the requirements of the secondary mortgage

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30 market, but which is more limited than the coverage under a
31 standard policy.

32 c. Commercial lines residential and nonresidential policy
33 forms that are generally similar to the basic perils of full
34 coverage obtainable for commercial residential structures and
35 commercial nonresidential structures in the admitted voluntary
36 market.

37 d. Personal lines and commercial lines residential property
38 insurance forms that cover the peril of wind only. The forms are
39 applicable only to residential properties located in areas
40 eligible for coverage under the coastal account referred to in
41 sub-subparagraph (b)2.a.

42 e. Commercial lines nonresidential property insurance forms
43 that cover the peril of wind only. The forms are applicable only
44 to nonresidential properties located in areas eligible for
45 coverage under the coastal account referred to in sub-
46 subparagraph (b)2.a.

47 f. The corporation may adopt variations of the policy forms
48 listed in sub-subparagraphs a.-e. which contain more restrictive
49 coverage.

50 g. Effective January 1, 2013, the corporation shall offer a
51 basic personal lines policy similar to an HO-8 policy with
52 dwelling repair based on common construction materials and
53 methods.

54 2. Must provide that the corporation adopt a program in
55 which the corporation and authorized insurers enter into quota
56 share primary insurance agreements for hurricane coverage, as
57 defined in s. 627.4025(2)(a), for eligible risks, and adopt
58 property insurance forms for eligible risks which cover the

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59 peril of wind only.

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

61 (I) "Quota share primary insurance" means an arrangement in
62 which the primary hurricane coverage of an eligible risk is
63 provided in specified percentages by the corporation and an
64 authorized insurer. The corporation and authorized insurer are
65 each solely responsible for a specified percentage of hurricane
66 coverage of an eligible risk as set forth in a quota share
67 primary insurance agreement between the corporation and an
68 authorized insurer and the insurance contract. The
69 responsibility of the corporation or authorized insurer to pay
70 its specified percentage of hurricane losses of an eligible
71 risk, as set forth in the agreement, may not be altered by the
72 inability of the other party to pay its specified percentage of
73 losses. Eligible risks that are provided hurricane coverage
74 through a quota share primary insurance arrangement must be
75 provided policy forms that set forth the obligations of the
76 corporation and authorized insurer under the arrangement,
77 clearly specify the percentages of quota share primary insurance
78 provided by the corporation and authorized insurer, and
79 conspicuously and clearly state that the authorized insurer and
80 the corporation may not be held responsible beyond their
81 specified percentage of coverage of hurricane losses.

82 (II) "Eligible risks" means personal lines residential and
83 commercial lines residential risks that meet the underwriting
84 criteria of the corporation and are located in areas that were
85 eligible for coverage by the Florida Windstorm Underwriting
86 Association on January 1, 2002.

87 b. The corporation may enter into quota share primary

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88 insurance agreements with authorized insurers at corporation
89 coverage levels of 90 percent and 50 percent.

90 c. If the corporation determines that additional coverage
91 levels are necessary to maximize participation in quota share
92 primary insurance agreements by authorized insurers, the
93 corporation may establish additional coverage levels. However,
94 the corporation's quota share primary insurance coverage level
95 may not exceed 90 percent.

96 d. Any quota share primary insurance agreement entered into
97 between an authorized insurer and the corporation must provide
98 for a uniform specified percentage of coverage of hurricane
99 losses, by county or territory as set forth by the corporation
100 board, for all eligible risks of the authorized insurer covered
101 under the agreement.

102 e. Any quota share primary insurance agreement entered into
103 between an authorized insurer and the corporation is subject to
104 review and approval by the office. However, such agreement shall
105 be authorized only as to insurance contracts entered into
106 between an authorized insurer and an insured who is already
107 insured by the corporation for wind coverage.

108 f. For all eligible risks covered under quota share primary
109 insurance agreements, the exposure and coverage levels for both
110 the corporation and authorized insurers shall be reported by the
111 corporation to the Florida Hurricane Catastrophe Fund. For all
112 policies of eligible risks covered under such agreements, the
113 corporation and the authorized insurer must maintain complete
114 and accurate records for the purpose of exposure and loss
115 reimbursement audits as required by fund rules. The corporation
116 and the authorized insurer shall each maintain duplicate copies

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117 of policy declaration pages and supporting claims documents.

118 g. The corporation board shall establish in its plan of
119 operation standards for quota share agreements which ensure that
120 there is no discriminatory application among insurers as to the
121 terms of the agreements, pricing of the agreements, incentive
122 provisions if any, and consideration paid for servicing policies
123 or adjusting claims.

124 h. The quota share primary insurance agreement between the
125 corporation and an authorized insurer must set forth the
126 specific terms under which coverage is provided, including, but
127 not limited to, the sale and servicing of policies issued under
128 the agreement by the insurance agent of the authorized insurer
129 producing the business, the reporting of information concerning
130 eligible risks, the payment of premium to the corporation, and
131 arrangements for the adjustment and payment of hurricane claims
132 incurred on eligible risks by the claims adjuster and personnel
133 of the authorized insurer. Entering into a quota sharing
134 insurance agreement between the corporation and an authorized
135 insurer is voluntary and at the discretion of the authorized
136 insurer.

137 3.a. May provide that the corporation may employ or
138 otherwise contract with individuals or other entities to provide
139 administrative or professional services that may be appropriate
140 to effectuate the plan. The corporation may borrow funds by
141 issuing bonds or by incurring other indebtedness, and shall have
142 other powers reasonably necessary to effectuate the requirements
143 of this subsection, including, without limitation, the power to
144 issue bonds and incur other indebtedness in order to refinance
145 outstanding bonds or other indebtedness. The corporation may

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146 seek judicial validation of its bonds or other indebtedness
147 under chapter 75. The corporation may issue bonds or incur other
148 indebtedness, or have bonds issued on its behalf by a unit of
149 local government pursuant to subparagraph (q)2. in the absence
150 of a hurricane or other weather-related event, upon a
151 determination by the corporation, subject to approval by the
152 office, that such action would enable it to efficiently meet the
153 financial obligations of the corporation and that such
154 financings are reasonably necessary to effectuate the
155 requirements of this subsection. The corporation may take all
156 actions needed to facilitate tax-free status for such bonds or
157 indebtedness, including formation of trusts or other affiliated
158 entities. The corporation may pledge assessments, projected
159 recoveries from the Florida Hurricane Catastrophe Fund, other
160 reinsurance recoverables, policyholder surcharges and other
161 surcharges, and other funds available to the corporation as
162 security for bonds or other indebtedness. In recognition of s.
163 10, Art. I of the State Constitution, prohibiting the impairment
164 of obligations of contracts, it is the intent of the Legislature
165 that no action be taken whose purpose is to impair any bond
166 indenture or financing agreement or any revenue source committed
167 by contract to such bond or other indebtedness.

168 b. To ensure that the corporation is operating in an
169 efficient and economic manner while providing quality service to
170 policyholders, applicants, and agents, the board shall
171 commission an independent third-party consultant having
172 expertise in insurance company management or insurance company
173 management consulting to prepare a report and make
174 recommendations on the relative costs and benefits of

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175 outsourcing various policy issuance and service functions to
176 private servicing carriers or entities performing similar
177 functions in the private market for a fee, rather than
178 performing such functions in-house. In making such
179 recommendations, the consultant shall consider how other
180 residual markets, both in this state and around the country,
181 outsource appropriate functions or use servicing carriers to
182 better match expenses with revenues that fluctuate based on a
183 widely varying policy count. The report must be completed by
184 July 1, 2012. Upon receiving the report, the board shall develop
185 a plan to implement the report and submit the plan for review,
186 modification, and approval to the Financial Services Commission.
187 Upon the commission's approval of the plan, the board shall
188 begin implementing the plan by January 1, 2013.

189 4. Must require that the corporation operate subject to the
190 supervision and approval of a board of governors consisting of
191 nine ~~eight~~ individuals who are residents of this state, one of
192 whom is a resident of Miami-Dade County, one of whom is a
193 resident of Monroe County, six of whom are from different
194 geographical areas of this state, and one of whom is appointed
195 by the Chief Financial Officer and serves solely as a consumer
196 advocate. The appointment of a consumer advocate by the Chief
197 Financial Officer is in addition to the appointments authorized
198 under sub-subparagraph a.

199 a. The Governor, the Chief Financial Officer, the President
200 of the Senate, and the Speaker of the House of Representatives
201 shall each appoint two members of the board. At least one of the
202 two members appointed by each appointing officer must have
203 demonstrated expertise in insurance and is deemed to be within

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204 the scope of the exemption provided in s. 112.313(7)(b). The
205 Chief Financial Officer shall designate one of the appointees as
206 chair. All board members serve at the pleasure of the appointing
207 officer. All members of the board are subject to removal at will
208 by the officers who appointed them. All board members, including
209 the chair, must be appointed to serve for 3-year terms beginning
210 annually on a date designated by the plan. However, for the
211 first term beginning on or after July 1, 2009, each appointing
212 officer shall appoint one member of the board for a 2-year term
213 and one member for a 3-year term. A board vacancy shall be
214 filled for the unexpired term by the appointing officer. The
215 Chief Financial Officer shall appoint a technical advisory group
216 to provide information and advice to the board in connection
217 with the board's duties under this subsection. The executive
218 director and senior managers of the corporation shall be engaged
219 by the board and serve at the pleasure of the board. Any
220 executive director appointed on or after July 1, 2006, is
221 subject to confirmation by the Senate. The executive director is
222 responsible for employing other staff as the corporation may
223 require, subject to review and concurrence by the board.

224 b. The board shall create a Market Accountability Advisory
225 Committee to assist the corporation in developing awareness of
226 its rates and its customer and agent service levels in
227 relationship to the voluntary market insurers writing similar
228 coverage.

229 (I) The members of the advisory committee consist of the
230 following 11 persons, one of whom must be elected chair by the
231 members of the committee: four representatives, one appointed by
232 the Florida Association of Insurance Agents, one by the Florida

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233 Association of Insurance and Financial Advisors, one by the
234 Professional Insurance Agents of Florida, and one by the Latin
235 American Association of Insurance Agencies; three
236 representatives appointed by the insurers with the three highest
237 voluntary market share of residential property insurance
238 business in the state; one representative from the Office of
239 Insurance Regulation; one consumer appointed by the board who is
240 insured by the corporation at the time of appointment to the
241 committee; one representative appointed by the Florida
242 Association of Realtors; and one representative appointed by the
243 Florida Bankers Association. All members shall be appointed to
244 3-year terms and may serve for consecutive terms.

245 (II) The committee shall report to the corporation at each
246 board meeting on insurance market issues which may include rates
247 and rate competition with the voluntary market; service,
248 including policy issuance, claims processing, and general
249 responsiveness to policyholders, applicants, and agents; and
250 matters relating to depopulation.

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

253 a. Subject to s. 627.3517, with respect to personal lines
254 residential risks, if the risk is offered coverage from an
255 authorized insurer at the insurer's approved rate under a
256 standard policy including wind coverage or, if consistent with
257 the insurer's underwriting rules as filed with the office, a
258 basic policy including wind coverage, for a new application to
259 the corporation for coverage, the risk is not eligible for any
260 policy issued by the corporation unless the premium for coverage
261 from the authorized insurer is more than 15 percent greater than

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262 the premium for comparable coverage from the corporation. If the
263 risk is not able to obtain such offer, the risk is eligible for
264 a standard policy including wind coverage or a basic policy
265 including wind coverage issued by the corporation; however, if
266 the risk could not be insured under a standard policy including
267 wind coverage regardless of market conditions, the risk is
268 eligible for a basic policy including wind coverage unless
269 rejected under subparagraph 8. However, a policyholder of the
270 corporation or a policyholder removed from the corporation
271 through an assumption agreement until the end of the assumption
272 period remains eligible for coverage from the corporation
273 regardless of any offer of coverage from an authorized insurer
274 or surplus lines insurer. The corporation shall determine the
275 type of policy to be provided on the basis of objective
276 standards specified in the underwriting manual and based on
277 generally accepted underwriting practices.

278 (I) If the risk accepts an offer of coverage through the
279 market assistance plan or through a mechanism established by the
280 corporation before a policy is issued to the risk by the
281 corporation or during the first 30 days of coverage by the
282 corporation, and the producing agent who submitted the
283 application to the plan or to the corporation is not currently
284 appointed by the insurer, the insurer shall:

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

290 (B) Offer to allow the producing agent of record of the

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291 policy to continue servicing the policy for at least 1 year and
292 offer to pay the agent the greater of the insurer's or the
293 corporation's usual and customary commission for the type of
294 policy written.

295

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

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

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

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

312

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

316 b. With respect to commercial lines residential risks, for
317 a new application to the corporation for coverage, if the risk
318 is offered coverage under a policy including wind coverage from
319 an authorized insurer at its approved rate, the risk is not

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320 eligible for a policy issued by the corporation unless the
321 premium for coverage from the authorized insurer is more than 15
322 percent greater than the premium for comparable coverage from
323 the corporation. If the risk is not able to obtain any such
324 offer, the risk is eligible for a policy including wind coverage
325 issued by the corporation. However, a policyholder of the
326 corporation or a policyholder removed from the corporation
327 through an assumption agreement until the end of the assumption
328 period remains eligible for coverage from the corporation
329 regardless of an offer of coverage from an authorized insurer or
330 surplus lines insurer.

331 (I) If the risk accepts an offer of coverage through the
332 market assistance plan or through a mechanism established by the
333 corporation before a policy is issued to the risk by the
334 corporation or during the first 30 days of coverage by the
335 corporation, and the producing agent who submitted the
336 application to the plan or the corporation is not currently
337 appointed by the insurer, the insurer shall:

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

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

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

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

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

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

365

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

369 c. For purposes of determining comparable coverage under
370 sub-subparagraphs a. and b., the comparison must be based on
371 those forms and coverages that are reasonably comparable. The
372 corporation may rely on a determination of comparable coverage
373 and premium made by the producing agent who submits the
374 application to the corporation, made in the agent's capacity as
375 the corporation's agent. A comparison may be made solely of the
376 premium with respect to the main building or structure only on
377 the following basis: the same coverage A or other building

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378 limits; the same percentage hurricane deductible that applies on
379 an annual basis or that applies to each hurricane for commercial
380 residential property; the same percentage of ordinance and law
381 coverage, if the same limit is offered by both the corporation
382 and the authorized insurer; the same mitigation credits, to the
383 extent the same types of credits are offered both by the
384 corporation and the authorized insurer; the same method for loss
385 payment, such as replacement cost or actual cash value, if the
386 same method is offered both by the corporation and the
387 authorized insurer in accordance with underwriting rules; and
388 any other form or coverage that is reasonably comparable as
389 determined by the board. If an application is submitted to the
390 corporation for wind-only coverage in the coastal account, the
391 premium for the corporation's wind-only policy plus the premium
392 for the ex-wind policy that is offered by an authorized insurer
393 to the applicant must be compared to the premium for multiperil
394 coverage offered by an authorized insurer, subject to the
395 standards for comparison specified in this subparagraph. If the
396 corporation or the applicant requests from the authorized
397 insurer a breakdown of the premium of the offer by types of
398 coverage so that a comparison may be made by the corporation or
399 its agent and the authorized insurer refuses or is unable to
400 provide such information, the corporation may treat the offer as
401 not being an offer of coverage from an authorized insurer at the
402 insurer's approved rate.

403 6. Must include rules for classifications of risks and
404 rates.

405 7. Must provide that if premium and investment income for
406 an account attributable to a particular calendar year are in

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407 excess of projected losses and expenses for the account
408 attributable to that year, such excess shall be held in surplus
409 in the account. Such surplus must be available to defray
410 deficits in that account as to future years and used for that
411 purpose before assessing assessable insurers and assessable
412 insureds as to any calendar year.

413 8. Must provide objective criteria and procedures to be
414 uniformly applied to all applicants in determining whether an
415 individual risk is so hazardous as to be uninsurable. In making
416 this determination and in establishing the criteria and
417 procedures, the following must be considered:

418 a. Whether the likelihood of a loss for the individual risk
419 is substantially higher than for other risks of the same class;
420 and

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

423

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

427 9. Must provide that the corporation make its best efforts
428 to procure catastrophe reinsurance at reasonable rates, to cover
429 its projected 100-year probable maximum loss as determined by
430 the board of governors.

431 10. The policies issued by the corporation must provide
432 that if the corporation or the market assistance plan obtains an
433 offer from an authorized insurer to cover the risk at its
434 approved rates, the risk is no longer eligible for renewal
435 through the corporation, except as otherwise provided in this

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436 subsection.

437 11. Corporation policies and applications must include a
438 notice that the corporation policy could, under this section, be
439 replaced with a policy issued by an authorized insurer which
440 does not provide coverage identical to the coverage provided by
441 the corporation. The notice must also specify that acceptance of
442 corporation coverage creates a conclusive presumption that the
443 applicant or policyholder is aware of this potential.

444 12. May establish, subject to approval by the office,
445 different eligibility requirements and operational procedures
446 for any line or type of coverage for any specified county or
447 area if the board determines that such changes are justified due
448 to the voluntary market being sufficiently stable and
449 competitive in such area or for such line or type of coverage
450 and that consumers who, in good faith, are unable to obtain
451 insurance through the voluntary market through ordinary methods
452 continue to have access to coverage from the corporation. If
453 coverage is sought in connection with a real property transfer,
454 the requirements and procedures may not provide an effective
455 date of coverage later than the date of the closing of the
456 transfer as established by the transferor, the transferee, and,
457 if applicable, the lender.

458 13. Must provide that, with respect to the coastal account,
459 any assessable insurer with a surplus as to policyholders of \$25
460 million or less writing 25 percent or more of its total
461 countrywide property insurance premiums in this state may
462 petition the office, within the first 90 days of each calendar
463 year, to qualify as a limited apportionment company. A regular
464 assessment levied by the corporation on a limited apportionment

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465 company for a deficit incurred by the corporation for the
466 coastal account may be paid to the corporation on a monthly
467 basis as the assessments are collected by the limited
468 apportionment company from its insureds, but a limited
469 apportionment company must begin collecting the regular
470 assessments not later than 90 days after the regular assessments
471 are levied by the corporation, and the regular assessments must
472 be paid in full within 15 months after being levied by the
473 corporation. A limited apportionment company shall collect from
474 its policyholders any emergency assessment imposed under sub-
475 subparagraph (b)3.d. The plan must provide that, if the office
476 determines that any regular assessment will result in an
477 impairment of the surplus of a limited apportionment company,
478 the office may direct that all or part of such assessment be
479 deferred as provided in subparagraph (q)4. However, an emergency
480 assessment to be collected from policyholders under sub-
481 subparagraph (b)3.d. may not be limited or deferred.

482 14. Must provide that the corporation appoint as its
483 licensed agents only those agents who also hold an appointment
484 as defined in s. 626.015(3) with an insurer who at the time of
485 the agent's initial appointment by the corporation is authorized
486 to write and is actually writing personal lines residential
487 property coverage, commercial residential property coverage, or
488 commercial nonresidential property coverage within the state.

489 15. Must provide a premium payment plan option to its
490 policyholders which, at a minimum, allows for quarterly and
491 semiannual payment of premiums. A monthly payment plan may, but
492 is not required to, be offered.

493 16. Must limit coverage on mobile homes or manufactured

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494 homes built before 1994 to actual cash value of the dwelling
495 rather than replacement costs of the dwelling.

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

498 18. May require commercial property to meet specified
499 hurricane mitigation construction features as a condition of
500 eligibility for coverage.

501 19. Must provide that new or renewal policies issued by the
502 corporation on or after January 1, 2012, which cover sinkhole
503 loss do not include coverage for any loss to appurtenant
504 structures, driveways, sidewalks, decks, or patios that are
505 directly or indirectly caused by sinkhole activity. The
506 corporation shall exclude such coverage using a notice of
507 coverage change, which may be included with the policy renewal,
508 and not by issuance of a notice of nonrenewal of the excluded
509 coverage upon renewal of the current policy.

510 20. As of January 1, 2012, must require that the agent
511 obtain from an applicant for coverage from the corporation an
512 acknowledgment signed by the applicant, which includes, at a
513 minimum, the following statement:

514 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE

515 AND ASSESSMENT LIABILITY:

516 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
517 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
518 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
519 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
520 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
521 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
522 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA

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523 LEGISLATURE.

524 2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
525 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
526 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
527 FLORIDA LEGISLATURE.

528 3. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
529 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
530 STATE OF FLORIDA.

531 a. The corporation shall maintain, in electronic format or
532 otherwise, a copy of the applicant's signed acknowledgment and
533 provide a copy of the statement to the policyholder as part of
534 the first renewal after the effective date of this subparagraph.

535 b. The signed acknowledgment form creates a conclusive
536 presumption that the policyholder understood and accepted his or
537 her potential surcharge and assessment liability as a
538 policyholder of the corporation.

539 Section 2. This act shall take effect July 1, 2013.