

1                                   A bill to be entitled  
 2           An act relating to the Citizens Property Insurance  
 3           Corporation; amending s. 627.351, F.S.; specifying a  
 4           limit on annual rate increases, except for certain  
 5           coverage, in policies issued by the corporation to  
 6           insureds located in a specified county; providing for  
 7           future repeal; providing an effective date.

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

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 11           Section 1. Paragraph (n) of subsection (6) of section  
 12           627.351, Florida Statutes, is amended to read:

13           627.351 Insurance risk apportionment plans.—

14           (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

15           (n)1. Rates for coverage provided by the corporation must  
 16           be actuarially sound and subject to s. 627.062, except as  
 17           otherwise provided in this paragraph. The corporation shall file  
 18           its recommended rates with the office at least annually. The  
 19           corporation shall provide any additional information regarding  
 20           the rates which the office requires. The office shall consider  
 21           the recommendations of the board and issue a final order  
 22           establishing the rates for the corporation within 45 days after  
 23           the recommended rates are filed. The corporation may not pursue  
 24           an administrative challenge or judicial review of the final  
 25           order of the office.

26           2. In addition to the rates otherwise determined pursuant  
27 to this paragraph, the corporation shall impose and collect an  
28 amount equal to the premium tax provided in s. 624.509 to  
29 augment the financial resources of the corporation.

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

40           4. The rate filings for the corporation which were  
41 approved by the office and took effect January 1, 2007, are  
42 rescinded, except for those rates that were lowered. As soon as  
43 possible, the corporation shall begin using the lower rates that  
44 were in effect on December 31, 2006, and provide refunds to  
45 policyholders who paid higher rates as a result of that rate  
46 filing. The rates in effect on December 31, 2006, remain in  
47 effect for the 2007 and 2008 calendar years except for any rate  
48 change that results in a lower rate. The next rate change that  
49 may increase rates shall take effect pursuant to a new rate  
50 filing recommended by the corporation and established by the

51 office, subject to this paragraph.

52 5. Beginning on July 15, 2009, and annually thereafter,  
53 the corporation must make a recommended actuarially sound rate  
54 filing for each personal and commercial line of business it  
55 writes, to be effective no earlier than January 1, 2010.

56 6.a. Beginning ~~on or after~~ January 1, 2010, and  
57 notwithstanding the board's recommended rates and the office's  
58 final order regarding the corporation's filed rates under  
59 subparagraph 1., the corporation shall annually implement a rate  
60 increase that ~~which~~, except for sinkhole coverage, does not  
61 exceed 10 percent for any single policy issued by the  
62 corporation, excluding coverage changes and surcharges.

63 b. Beginning January 1, 2020, and notwithstanding the  
64 board's recommended rates and the office's final order regarding  
65 the corporation's filed rates under subparagraph 1., the  
66 corporation shall annually implement a rate increase that,  
67 except for sinkhole coverage, does not exceed 10 percent for any  
68 single policy issued by the corporation and does not exceed 5  
69 percent for any single policy issued by the corporation to an  
70 insured located in Monroe County, excluding coverage changes and  
71 surcharges. This sub-subparagraph expires January 1, 2024.

72 7. The corporation may also implement an increase to  
73 reflect the effect on the corporation of the cash buildup factor  
74 pursuant to s. 215.555(5) (b).

75 8. The corporation's implementation of rates as prescribed

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76 | in subparagraph 6. shall cease for any line of business written  
77 | by the corporation upon the corporation's implementation of  
78 | actuarially sound rates. Thereafter, the corporation shall  
79 | annually make a recommended actuarially sound rate filing for  
80 | each commercial and personal line of business the corporation  
81 | writes.

82 |       Section 2. This act shall take effect July 1, 2019.