

Tab 1 SB 2-A by Boyd; (Identical to H 00001A) Property Insurance							
489604	A	S	UNFAV	BI, Thompson	Delete L.447:	12/12 02:50 PM	
368558	A	S	UNFAV	BI, Thompson	Delete L.2400 - 2682:	12/12 02:50 PM	
574674	A	S	UNFAV	BI, Powell	Delete L.2418 - 2421:	12/12 02:50 PM	
320720	A	S	UNFAV	BI, Torres	btw L.2593 - 2594:	12/12 02:50 PM	
676338	A	S	UNFAV	BI, Powell	btw L.2593 - 2594:	12/12 02:50 PM	

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Boyd, Chair
Senator DiCeglie, Vice Chair

MEETING DATE: Monday, December 12, 2022

TIME: 12:00 noon—2:30 p.m.

PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Boyd, Chair; Senator DiCeglie, Vice Chair; Senators Broxson, Burgess, Burton, Hutson, Ingoglia, Mayfield, Powell, Thompson, Torres, and Trumbull

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 2-A Boyd (Identical H 1-A)	Property Insurance; Creating the Florida Optional Reinsurance Assistance program (FORA), to be administered by the State Board of Administration; authorizing eligible insurers to purchase reinsurance coverage under FORA; providing that property insurers may be subject to an additional market conduct examination by the Office of Insurance Regulation after a hurricane under certain circumstances; specifying conditions that must be met for a property insurance policy to require mandatory binding arbitration; prohibiting policyholders from assigning post-loss insurance benefits under residential or commercial property insurance policies issued on or after a specified date, etc. BI 12/12/2022 Favorable FP	Favorable Yeas 9 Nays 3
Other Related Meeting Documents			

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 2-A

INTRODUCER: Senator Boyd

SUBJECT: Property Insurance

DATE: December 9, 2022

REVISED: 12/12/22

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Thomas/Moody	Knudson	BI	Favorable
2.			FP	
3.				

I. Summary:

Senate Bill 2-A is a comprehensive bill intended to ensure policyholders in this state have access to quality, affordable private market property insurance. The bill also requires insurers to more promptly communicate, investigate and pay valid claims. Anticipated shortages in the reinsurance market are addressed through a new optional state reinsurance program. Excessive litigation is addressed by eliminating one-way attorney fees for property insurance and instead allowing both parties to obtain fees through the offer of judgment statute. The bill strengthens the regulatory authority of the Office of Insurance Regulation over property insurers. Specifically, the bill:

Florida Optional Reinsurance Assistance Program

- Establishes the Florida Optional Reinsurance Assistance (FORA) Program for the 2023 hurricane season, which:
 - Creates an optional hurricane reinsurance program that insurers can purchase at “reasonable” rates. Rates vary by tier level purchased and will range from 50% to 65% rate on-line.
 - Provides purchase tiers that begin at the Florida Hurricane Catastrophe Fund (FHCF) attachment point and proceed downward below the attachment point to the extent that such coverage is fully funded through a combination of premiums paid by insurers and the state appropriation of \$1 billion in general revenue funds.
 - Allows insurers that purchase FORA coverage or receive free Reinsurance to Assist Policyholders (RAP) coverage at each tier to have the option to purchase the next tier down.
 - Maintains the Reinsurance to Assist Policyholders (RAP) program, thus allowing those insurers and their policyholders that could not participate during 2022-2023, to receive and benefit from RAP reinsurance in 2023-2024.

- Returns remaining revenue to general revenue after the FORA program ends.

Claim Filing Deadline

- Reduces the deadline for policyholders to report a claim under the policy from 2 years to 1 year for a new or reopened claim, and from 3 years to 18 months for a supplemental claim.

Regulation of Insurance in Florida

- Authorizes the Office of Insurance Regulation (OIR) to subject any authorized insurer to a market conduct examination after a hurricane under certain conditions relating to property insurance claims.
- Ensures that insurers do not abuse the appraisal process under property insurance policies by:
 - Specifying the OIR has discretionary authority to suspend or revoke an insurer's certificate of authority or issue administrative fines and restitution upon if the insurer engages in a general business practice of, without just cause, compelling insureds to participate in appraisal in order for the insured to secure the full payment or settlement of a property insurance claims.
 - Adding additional elements to the mandated insurer's quarterly reports filed with the OIR related to claims.
 - Authorizing the OIR, based on finding that the insurer had exhibited a pattern or practice of one or more willful unfair insurance trade practice violations with regard to its use of appraisal, to withdraw OIR approval of the property insurer's forms and, in addition to any other authorized regulatory action, issue an order that prohibits the insurer from invoking appraisal for up to two years.
 - Adding an element to the Property Insurer Stability Unit's required semiannual report on the status of the homeowners' and condominium homeowners' insurance market to include the name of any insurer found to have exhibited a pattern or practice of one or more willful unfair insurance trade practice violations with regard to its use of appraisal. The bill also requires the OIR to publish this same information on its internet webpage.

Prompt Pay Laws for Property Insurance

- Amends the prompt pay laws to encourage the prompt payments of claims, as follows:
 - Reduces the time for insurers to pay or deny the claim from 90 to 60 days. Allows the Florida Office of Insurance Regulation (OIR) to extend the 60 day period up to 30 additional days if a state of emergency, cyberattack, or computer systems failure prevents the insurer from meeting the time frames of the prompt-pay law.
 - Reduces the time for insurers to review and acknowledge a claim communication from 14 days to 7 days.
 - Reduces the time for insurer to begin an investigation from 14 days to 7 days.
 - Reduces the time for insurer to conduct a physical inspection from 45 days to 30 days, and applies this requirement to hurricane claims.
 - Specifies insurers may use electronic methods to investigate the loss and allows policyholders to participate in the use of such methods.
 - Requires insurers to send any adjuster's report estimating the loss to the policyholder within 7 days after it is created.

- Requires that the insurer's claim records include various parts of the claim investigation and their dates.
- Provides that the requirements of the section are tolled: during the pendency of any mediation or alternative dispute resolution procedure provided in the insurance contract and upon failure of a policyholder or representative to provide material claim information within 10 days, if the request for such information was made within the first 45 days after notice of the claim.
- Amends the Homeowner Claim Bill of Rights to conform to the bill's changes to the prompt pay laws.
- Amends the Unfair Insurance Trade Practices Act to conform to changes made to the prompt pay laws by reducing the requirement to pay undisputed amounts of benefits from 90 days to 60 days and revising the factors that excuse failure to perform.

Awards of Attorney Fees in Litigation under Property Insurance Contracts

- Provides that the one-way attorney fee provisions of s. 627.428, s. 626.9373, and s. 627.70152 are not applicable in a suit arising under a residential or commercial property insurance policy.
- Reinstates application of the civil offer of judgment statute to civil actions arising under a residential or commercial property insurance policy.
 - Allows joint offers of settlement in property insurance litigation contingent on acceptance of all joint offerees.
- Removes provisions regarding attorney fees relating to the alternative procedure for resolution of disputed sinkhole insurance claims.

Assignments of Benefits

- Prohibits the assignment, in whole or in part, of any post-loss insurance benefit under any residential property insurance policy or under any commercial property insurance policy issued on or after January 1, 2023.

Bad Faith Failure to Settle Actions against Property Insurers

- Provides that bad faith litigation for failure to settle a property insurance claim may not be filed until after the insured has established through adverse adjudication by a court that the insurer breached the insurance contract and a final judgment or decree has been rendered against the insurer.

Citizens Property Insurance Corporation (Citizens)

- Increases the eligibility threshold for Citizens renewal personal lines policyholders. Under the bill, such policyholders are ineligible for Citizens coverage at renewal upon receiving an offer of comparable coverage from an authorized insurer for a premium that is not more than 20 percent greater than the Citizens renewal premium.
- Increases the eligibility threshold for Citizens new policies for commercial residential coverage from 15 percent to 20 percent, which is consistent with the current threshold for new policies of personal residential coverage.

- Amends provisions on take-out offers and the Citizens clearinghouse to conform to the increased eligibility thresholds contained in the bill.
- Requires that Citizens' rate be non-competitive with the approved rates charged in the admitted market, in addition to being actuarially sound.
- Increases the potential rates charged for coverage on risks that are not primary residences.
- Defines the term "primary residences."
- Repeals language allowing policyholders to return to Citizens as a renewal if the take-out carrier increases their rates above the Citizens' glidepath.
- Combines Citizens three accounts into a single account upon Citizens eliminating all outstanding financing obligations. A single account structure will allow Citizens to access its entire surplus to pay claims. Currently, surplus in a particular account may only be used to pay claims in that account. The bill also revises the Citizens policyholder surcharge imposed in the event of a deficit from 15 percent per account (maximum 45 percent) to 15 percent for the single account.
- Provides that Citizens personal lines residential policyholders must secure and maintain flood insurance that meets certain requirements as a condition of eligibility for Citizens coverage.
- Provides a timetable for which flood insurance coverage must be implemented for personal lines residential Citizens policyholders.
 - For risks located in areas designated by the Federal Emergency Management Agency as special flood hazard areas, flood insurance must be secured for new Citizens policies with an effective date on or after April 1, 2023, and at renewal for Citizens policies that renew on or after July 1, 2023.
 - For all other risks, the requirement to obtain flood insurance at policy issuance or renewal is effective:
 - March 1, 2024, for policies insuring property to a limit of \$600,000 or more.
 - March 1, 2025, for policies insuring property to a limit of \$500,000 or more.
 - March 1, 2026, for policies insuring property to a limit of \$400,000 or more.
 - March 1, 2027, for all other policies.

Flood Notice

- Amends the mandatory flood insurance notice by requiring it to be part of the declarations page and makes revisions to the content of notice to encourage purchase of flood insurance.

Arbitration

- Provides conditions whereby a property insurer may include mandatory binding arbitration in its policies. The insurer may not require a policyholder to participate in mandatory binding arbitration unless specified conditions are met, including that the insurer also offer a policy that does not have a mandatory binding arbitration clause. Insurers must also provide an appropriate premium discount in exchange for the rights ceded by the policyholder.

Continuation of Coverage

- Authorizes the OIR to extend the 30-day coverage period for policies of insolvent insurers by an additional 15 days if the OIR reasonably believes that market conditions are such that the policies cannot be placed with an authorized insurer within the 30-day period.

Appropriations

- For 2022-2023 fiscal year, appropriates \$1,757,982 in recurring funds from the Insurance Regulatory Trust Fund to the OIR with an associated salary rate of \$844,464.
 - Allocates the funds as follows: \$1,356,615 for Salaries and Benefits, \$400,000 for Other Personal Services Category, and \$1,367 to DMS. Funds also will be used for recruitment and retention of personnel within the OIR.
- Authorizes cumulative transfers from general revenue not to exceed \$1 billion from the General Revenue Fund to the Florida Optional Reinsurance Assistance (FORA) Program for the 2022-23 contract term beginning June 1, 2023.
 - Authorizes up to \$6 million in transfers from general revenue to the State Board of Administration to administer the FORA program.

See Section V. Fiscal Impact Statement.

The bill, except as otherwise provided, is effective upon becoming law.

II. Present Situation:

Market Conditions

Domestic property insurers in Florida have incurred large financial losses from 2017 to the present. According to the Florida Office of Insurance Regulation (OIR), from 2017 to 2021, Florida domestic property insurers had cumulative net underwriting losses in excess of negative three billion dollars.¹ In 2020 and 2021, the combined net income of these insurers was cumulatively over a negative 1 billion dollars. The last time these carriers has a positive net income was 2016. In 2020, property insurance claims exceeded original estimates by approximately \$676 million.²

Adverse claim development has also become an acute problem for domestic property insurers. Insurers set a claim reserve for each claim in order to set aside the money the insurer believes will be necessary to pay the claim. As time passes, carriers will then compare their initial reserves to the actual cost of the claim. In 2021, when domestic property insurers looked back at claim reserves from one year prior, the claim costs were approximately \$481 million more than estimated, and \$337 million at the two-year mark.³ These losses have led to an increasing trend of domestic property insurers filing for rate increases. Homeowners who have purchased coverage from a private insurer have seen annual rate increases of approximately 33 percent and are expected to see that number rise to 40 percent next year.⁴

¹ The OIR, *Property Insurance Stability Report*, p. 12, Jul. 1, 2022, https://floir.com/docs-sf/default-source/property-and-casualty/stability-unit-reports/july-2022-isu-report.pdf?sfvrsn=34f77ed6_2 (last visited Dec. 7, 2022) (hereinafter cited as “Insurance Stability Report”).

² *Id.*

³ *Id.*

⁴ WUSF, *Property Insurance Market is Facing Multiple Challenges*, Dec. 5, 2022 <https://wusfnews.wusf.usf.edu/economy-business/2022-12-05/florida-property-insurance-market-multiple-challenges-special-session> (last visited Dec. 7, 2022).

In a presentation to the Florida Senate Committee on Banking and Insurance on January 12, 2021, the State Insurance Commissioner attributed the net underwriting losses and resulting rate increases displayed above to several related trends and behaviors present in Florida's domestic property insurance market:

- Claims with litigation;
- Claims solicitation; and
- Adverse loss reserve development.⁵

In 2020, the OIR conducted a data call of Florida's domestic property insurers.⁶ The results of the data call showed the severity of non-weather water claims with litigation is nearly double that of the claims that are closed without litigation.⁷ According to the OIR, the increased severity of claims involving litigation is driving adverse loss reserve development, leading to high rate filings.⁸ Loss reserve development is the difference between the original loss as initially reserved by the insurer and its subsequent evaluation later or at the time of its final disposal.⁹

According to the OIR, these numbers reflect the high degree of uncertainty that exists in the property insurance market, which in turn impacts reinsurance capacity and reinsurance rates for insurers.¹⁰ To spread Florida's significant catastrophic risk outside of Florida's borders, insurers turn to the global reinsurance market.¹¹ Fitch Ratings expects reinsurance prices will rise by more than 10% in 2023 with the highest increases in areas such as Florida which were affected by natural catastrophe events in 2022.¹² The OIR reports that, based on its Annual Reinsurance Data Call (ARDC) and Catastrophe Stress Test for the 2020-2021 year, the cost of reinsurance that year increased by 54 percent from its 2019 figures.¹³ Based on the OIR's findings from the 2021-2022 year, the cost of that reinsurance increased by 28 percent from its 2020 figures.¹⁴

Recent Insolvencies of Property Insurers

Federal law specifies that insurance companies cannot file for bankruptcy and are instead subject to state laws regarding receivership.¹⁵ Typically, insurers that are insolvent or about to become insolvent are put into liquidation to liquidate the business of the insurer and use the proceeds to

⁵ The Florida Senate, *Meeting of the Committee on Banking and Insurance* (Jan. 12, 2021) (statement of David Altmaier, Commissioner, Florida Office of Insurance Regulation).

⁶ The OIR, *Assignment of Benefits*, <https://www.flair.com/Sections/PandC/AssignmentofBenefits.aspx> (last visited Dec. 9, 2022).

⁷ The Florida Senate, *Meeting of the Committee on Banking and Insurance* (Jan. 12, 2021) (statement of David Altmaier, Commissioner, Florida Office of Insurance Regulation).

⁸ The Florida Senate, *Meeting of the Committee on Banking and Insurance* (Jan. 12, 2021) (statement of David Altmaier, Commissioner, Florida Office of Insurance Regulation).

⁹ International Risk Management Institute, *Glossary*, <https://www.irmi.com/term/insurance-definitions/loss-development> (last visited Dec. 9, 2022).

¹⁰ *Id.*

¹¹ Insurance Stability Report, p. 16.

¹² Saunders, J. Florida Realtors, *Fitch Ratings: Ian Pushes Reinsurance Rates Higher*, Nov. 28, 2022, [Fitch Ratings: Ian Pushes Reinsurance Rates Higher | Florida Realtors](#) (last visited Dec. 8, 2022).

¹³ Insurance Stability Report, p. 15.

¹⁴ *Id.*

¹⁵ The U.S. Bankruptcy Code expressly provides that "a domestic insurance company" may not be the subject of a federal bankruptcy proceeding. 11 U.S.C. s. 109(b)(2). The exclusion of insurers from the federal bankruptcy court process is consistent with federal policy generally allowing states to regulate the business of insurance. See 15 U.S.C. s. 1012 (McCarran-Ferguson Act).

pay off the company's debts and outstanding insurance claims;¹⁶ whereas, the goal of rehabilitation¹⁷ is to return the company to solvency. The Division of Rehabilitation and Liquidation within the Department of Financial Services (DFS) is the court appointed receiver that administers insurance companies that are placed into receivership in Florida. Rehabilitation is a mechanism that can be used to remedy an insurer's problems, to resolve its liabilities in order to avoid liquidation, or to prepare the insurer for liquidation.¹⁸ An unfortunately high number of property insurers have recently become insolvent.

2019 Liquidation. On October 2, 2019, Florida Specialty Insurance Company (FSIC) was ordered into receivership for purposes of liquidation by the Second Judicial Circuit Court in Leon County, Florida.¹⁹ The FSIC was a property and casualty insurance company located in Sarasota, Florida. The company, licensed in 1997, wrote personal property insurance policies for homeowners, condominiums, renters, and manufactured homes.²⁰

2021 Liquidations. On April 14, 2021, American Capital Assurance Corporation (AmCap) was ordered into receivership for purposes of liquidation by the Second Judicial Circuit Court in Leon County, Florida.²¹ AmCap was a property and casualty insurance company located in St. Petersburg, Florida. The company was licensed in Florida in 2011, and authorized to write homeowners multiple peril, commercial multiple peril, inland marine, allied lines, fire, and other liability coverage in Florida, Georgia, Louisiana, North Carolina, South Carolina and Texas. The company had approximately 2,300 in-force policies at the time of receivership.²²

On July 28, 2021, Gulfstream Property and Casualty Insurance Company, was ordered into liquidated by the Second Judicial Circuit Court in Leon County, Florida.²³ Gulfstream Property and Casualty Insurance Company and its wholly-owned subsidiary, Gulfstream Select Insurance Company, were merged into one entity. Gulfstream Property and Casualty Insurance Company is the surviving entity after the merger and will hereinafter be referred to as (Gulfstream). The company was licensed in Florida in 2004, and authorized to write homeowners multiple peril, mobile home multiple peril, inland marine, allied lines, fire, mobile home physical damage and other liability coverage in Alabama, Florida, Louisiana, Mississippi, South Carolina and Texas. The company had approximately 45,000 in-force policies at the time of receivership.²⁴

¹⁶ Section 631.061, F.S.

¹⁷ Section 631.051, F.S.

¹⁸ Part I, ch., 631, F.S.

¹⁹ The Florida Insurance Guaranty Association (FIGA), *Florida Specialty Insurance Company*, Nov. 22, 2019, [Florida Specialty Insurance Company – Florida Insurance Guaranty Association \(figafacts.com\)](https://figafla.com/Florida-Specialty-Insurance-Company/) (last visited Dec. 7, 2022).

²⁰ The DFS, *Florida Specialty Insurance Company: Notice of Receivership*, [FLORIDA SPECIALTY INSURANCE COMPANY \(myfloridacfo.com\)](https://myfloridacfo.com/FLORIDA-SPECIALTY-INSURANCE-COMPANY/) (last visited Dec. 7, 2022).

²¹ The FIGA, *Florida Specialty Insurance Company*, Nov. 22, 2019, [American Capital Assurance Corporation – Florida Insurance Guaranty Association \(figafacts.com\)](https://figafla.com/American-Capital-Assurance-Corporation/) (last visited Dec. 7, 2022).

²² The DFS, *Rehabilitation & Liquidation, American Capital Assurance Corporation*, [AMERICAN CAPITAL ASSURANCE CORPORATION \(myfloridacfo.com\)](https://myfloridacfo.com/AMERICAN-CAPITAL-ASSURANCE-CORPORATION/) (last visited Dec. 7, 2022).

²³ The FIGA, *Gulfstream Property & Casualty Insurance*, Jul. 28, 2021, [Gulfstream Property & Casualty Insurance – Florida Insurance Guaranty Association \(figafacts.com\)](https://figafla.com/Gulfstream-Property-&-Casualty-Insurance/) (last visited Dec. 7, 2022).

²⁴ The DFS, *Gulfstream Property and Casualty Insurance Company*, [GULFSTREAM PROPERTY AND CASUALTY INSURANCE COMPANY \(myfloridacfo.com\)](https://myfloridacfo.com/GULFSTREAM-PROPERTY-AND-CASUALTY-INSURANCE-COMPANY/) (last visited Dec. 7, 2022).

2022 Liquidations. On February 25, 2022, St. Johns Insurance Company was ordered into receivership for purposes of liquidation by the Second Judicial Circuit Court in Leon County, Florida.²⁵ The company was licensed in Florida in 2004, and authorized to write homeowners multi-peril, commercial multi-peril, fire, allied lines, and inland marine coverage in Florida and South Carolina.²⁶

On March 14, 2022, Avatar Property and Casualty was ordered into receivership for purposes of liquidation by the Second Judicial Circuit Court in Leon County, Florida.²⁷ The company was a property and casualty insurance company.²⁸

On June 15, 2022, Southern Fidelity Insurance Company (SFIC) was ordered into liquidation by the Second Judicial Circuit Court in Leon County, Florida.²⁹ The company was located in Tallahassee, Florida and offered property and casualty insurance. SFIC was licensed in Florida in 2005, and authorized to write homeowners multiple peril, commercial multiple peril, inland marine, allied lines, fire, and other liability in Florida, Louisiana, Mississippi, and South Carolina. SFIC had approximately 150,000 in-force policies at the time of receivership.³⁰

On August 8, 2022, Weston Property & Casualty Insurance Company was ordered into liquidation by the Second Judicial Circuit Court in Leon County, Florida.³¹ The court authorized the DFS to utilize the services of a Special Deputy Receiver and limited information is available about the proceedings on the DFS's website.³²

On September 27, 2022, FedNat Insurance Company (FedNat) was ordered into liquidation by the Second Judicial Circuit Court in Leon County, Florida.³³ The company was located in Sunrise, Florida, and offered property and casualty insurance. FedNet was licensed in Florida in 1984, and authorized to write homeowners multiple peril, fire, allied lines, other liability, private passenger auto liability, and boiler and private passenger auto physical damage in Alabama, Florida, Georgia, Louisiana, Mississippi, South Carolina and Texas. FedNet had approximately 13,000 in-force policies at the time of receivership.³⁴

²⁵ The FIGA, *St. Johns Insurance Company*, Feb. 25, 2022, [St. Johns Insurance Company – Florida Insurance Guaranty Association \(figafacts.com\)](https://figafla.com/st-johns-insurance-company-florida-insurance-guaranty-association) (last visited Dec. 7, 2022).

²⁶ The DFS, *St. Johns Insurance Company, Inc., Background*, [ST. JOHNS INSURANCE COMPANY, INC. \(myfloridacfo.com\)](https://myfloridacfo.com/st-johns-insurance-company-inc) (last visited Dec. 7, 2022).

²⁷ The FIGA, *Avatar Property & Casualty Insurance Company*, Mar. 14, 2022, [Avatar Property & Casualty Insurance Company – Florida Insurance Guaranty Association \(figafacts.com\)](https://figafla.com/avatar-property-casualty-insurance-company-florida-insurance-guaranty-association) (last visited Dec. 7, 2022).

²⁸ The DFS, *Avatar Property and Casualty Insurance Company Financial Statement June 30, 2022*, [558_QST_20220630_FinancialStatement.pdf \(myfloridacfo.com\)](https://myfloridacfo.com/558-QST-20220630-FinancialStatement.pdf) (last visited Dec. 7, 2022).

²⁹ The FIGA, *Southern Fidelity Insurance Company*, Jun. 16, 2022, [Southern Fidelity Insurance Company – Florida Insurance Guaranty Association \(figafacts.com\)](https://figafla.com/southern-fidelity-insurance-company-florida-insurance-guaranty-association) (last visited Dec. 7, 2022).

³⁰ The DFS, *Southern Fidelity Insurance Company, Background Information*, [SOUTHERN FIDELITY INSURANCE COMPANY \(myfloridacfo.com\)](https://myfloridacfo.com/southern-fidelity-insurance-company) (last visited Dec. 7, 2022).

³¹ The FIGA, *Weston Property & Casualty Insurance Company*, Aug. 8, 2022, [Weston Property & Casualty Insurance Company – Florida Insurance Guaranty Association \(figafacts.com\)](https://figafla.com/weston-property-casualty-insurance-company-florida-insurance-guaranty-association) (last visited Dec. 7, 2022).

³² The DFS, *Weston Property & Casualty Insurance Company*, [WESTON PROPERTY & CASUALTY INSURANCE COMPANY \(myfloridacfo.com\)](https://myfloridacfo.com/weston-property-casualty-insurance-company) (last visited Dec. 7, 2022).

³³ The FIGA, *FedNat Insurance Company*, Sept. 27, 2022, [FedNat Insurance Company – Florida Insurance Guaranty Association \(figafacts.com\)](https://figafla.com/fednat-insurance-company-florida-insurance-guaranty-association) (last visited Dec. 7, 2022).

³⁴ The DFS, *FedNat Insurance Company, Background Information*, [FEDNAT INSURANCE COMPANY \(myfloridacfo.com\)](https://myfloridacfo.com/fednat-insurance-company) (last visited Dec. 7, 2022).

Hurricanes Ian and Nicole

On top of the already strained property insurance market, Hurricanes Ian and Nicole made landfall this year in Florida. Hurricane Ian made landfall on September 28, 2022 near Cayo Costa in southwest Florida as a Category 4 storm and weakened to a tropical storm after crossing over the Florida peninsula.³⁵ Ian had maximum sustained winds of 150 mph when it came ashore, tying the record for the fifth-strongest hurricane on record to strike the United States.³⁶ The Florida District Medical Examiners has reported, and the Medical Examiners Commission have confirmed, that there are 141 fatalities in Florida attributed to Hurricane Ian.³⁷ Preliminary estimated total damages from Hurricane Ian may be as high as \$40 billion to \$64 billion, which includes uninsured flood loss of \$10 billion to \$16 billion.³⁸

Shortly after Hurricane Ian hit Florida, Hurricane Nicole made landfall on November 10, 2022 as a Category 1 storm with maximum sustained winds of up to 75 mph but soon after weakened to a tropical storm.³⁹ The Florida District Medical Examiners have reported, and the Medical Examiners Commission has confirmed, that there are 5 fatalities in Florida attributed to Tropical Storm Nicole.⁴⁰ Early estimates of private market U.S. insurer losses are less than \$2 billion with wind and storm surge losses of \$1.2 billion to \$1.8 billion and losses primarily in Florida and Georgia for the National Flood Insurance Program at less than \$300 million.⁴¹

Florida Hurricane Catastrophe Fund

The Florida Hurricane Catastrophe Fund (FHCF) is a tax-exempt fund created by the Legislature in 1993 as a form of reinsurance for residential property catastrophic hurricane losses.⁴² The purpose of the FHCF is to protect and advance the state's interest in maintaining insurance capacity in Florida by providing reimbursements to insurers for a portion of their catastrophic losses.⁴³ The FHCF provides insurers a source of reinsurance that is stable and generally less expensive than private reinsurance.

The State Board of Administration (board) administers the FHCF and reimburses participating insurers for a selected percentage of hurricane losses to residential property when those losses

³⁵ The National Environmental Satellite Data and Information Service, *Hurricane Ian's Path of Destruction*, Oct. 4, 2022, [Hurricane Ian's Path of Destruction | NESDIS \(noaa.gov\)](https://www.nesdis.noaa.gov/hurricane-ian-path-of-destruction) (last visited Dec. 7, 2022).

³⁶ *Id.*

³⁷ The Florida Department of Law Enforcement, *Update: Florida Medical Examiners Commission Hurricane Ian Deaths*, Dec. 1, 2022, [Update: Florida Medical Examiners Commission Hurricane Ian deaths \(state.fl.us\)](https://www.fl.gov/news/2022/12/01/update-florida-medical-examiners-commission-hurricane-ian-deaths) (last visited Dec. 7, 2022).

³⁸ The Association of State Floodplain Managers, *Estimated Damage for Hurricane Ian Between \$41 Billion and \$70 Billion*, Oct. 11, 2022, [Estimated Damages for Hurricane Ian Between \\$41 Billion and \\$70 Billion \(floods.org\)](https://www.floods.org/news/estimated-damage-for-hurricane-ian-between-41-billion-and-70-billion) (last visited Dec. 7, 2022) (citing data from CoreLogic, Inc.)

³⁹ DW, *Hurricane Nicole Makes Landfall in Florida*, Nov. 10, 2022, [Hurricane Nicole makes landfall in Florida – DW – 11/10/2022](https://www.dailymail.com/news/usa-news/article-11102022-hurricane-nicole-makes-landfall-in-florida) (last visited Dec. 7, 2022).

⁴⁰ The Florida Department of Law Enforcement, *Update: Florida Medical Examiners Commission Tropical Storm Nicole Deaths*, Nov. 12, 2022, [Update: Florida Medical Examiners Commission Tropical Storm Nicole deaths \(state.fl.us\)](https://www.fl.gov/news/2022/11/12/update-florida-medical-examiners-commission-tropical-storm-nicole-deaths) (last visited Dec. 7, 2022).

⁴¹ Walker, A., Insurance Edge, *RMS Offers Hurricane Nicole Damage Estimates*, Nov. 17, 2022, [RMS Offers Hurricane Nicole Damage Estimates - \(insurance-edge.net\)](https://www.insurance-edge.net/news/rms-offers-hurricane-nicole-damage-estimates) (last visited Dec. 7, 2022).

⁴² See s. 215.555, F.S.

⁴³ See *id.*

exceed the insurer's retention (deductible).⁴⁴ The FHCF industry retention for the 2022-2023 contract year is \$8.5 billion. The FHCF reimburses participating insurers for losses under covered policies, subject to limitations.⁴⁵ A covered policy is defined as "any insurance policy covering residential property" in Florida, including, but not limited to the following types of policies:

- Homeowner;
- Mobile home owner;
- Farm owner;
- Condominium association;
- Condominium unit owner;
- Tenant;
- Apartment building policy; and
- Any other policy covering a residential structure or its contents.⁴⁶

Covered policies may be issued by any authorized insurer,⁴⁷ including a commercial self-insurance fund holding a certificate of authority issued by the OIR, Citizens Property Insurance Corporation (Citizens), and any joint underwriting association or similar legal entity.⁴⁸

FHCF Mandatory Coverage

All insurers admitted to transact business in this state writing residential property insurance that includes wind coverage must buy reimbursement coverage (reinsurance) on their residential property exposure through the FHCF.⁴⁹ The FHCF is authorized by statute to sell up to \$17 billion of mandatory layer coverage each contract year.⁵⁰ Each insurer that purchases coverage may receive up to its proportional share of the total mandatory layer of coverage based upon the insurer's share of the actual premium paid for the contract year, multiplied by the claims paying capacity of the fund. Each insurer may select a reimbursement contract wherein the FHCF promises to reimburse the insurer for 45 percent, 75 percent, or 90 percent of covered losses, plus 10 percent⁵¹ of the reimbursed losses for loss adjustment expenses.⁵²

FHCF Premiums

The FHCF must charge insurers the actuarially indicated premium⁵³ for the coverage provided, based on hurricane loss projection models found acceptable by the Florida Commission on

⁴⁴ *Id.* Retention is defined as the amount of losses below which an insurer is not entitled to reimbursement from the FHCF. It is calculated for each insurer based upon that insurer's proportionate share of overall premiums charged by the FHCF. *See s. 215.555(2)(e), F.S.*

⁴⁵ Section 215.555(2)(d), F.S.

⁴⁶ Section 215.555(2)(c), F.S.

⁴⁷ Authorized insurers are those insurers that have obtained a certificate of authority from the Office of Insurance Regulation to transact insurance business in Florida. Section 624.09(1), F.S.

⁴⁸ Section 215.555(2)(c), F.S.

⁴⁹ Section 215.555(4)(a), F.S.

⁵⁰ Section 215.555(4)(c)1., F.S.

⁵¹ Section 215.555(4)(b), F.S.

⁵² Loss adjustment expenses are costs incurred by insurers when investigating, adjusting, and processing a claim.

⁵³ Section 215.555(2)(a), F.S.

Hurricane Loss Projection Methodology.⁵⁴ The actuarially indicated premium is an amount that is adequate to pay current and future obligations and expenses of the fund. In practice, each insurer pays the FHCF annual reimbursement premiums that are proportionate to each insurer's share of the FHCF's risk exposure. The cost of FHCF coverage is generally lower than the cost of private reinsurance because the fund is a tax-exempt non-profit corporation and does not charge a risk load as it relates to overhead and operating expenses incurred by other private insurers.⁵⁵

Reinsurance to Assist Policyholders (RAP) Program

The Legislature created s. 215.5551, F.S., in Special Session 2022D, establishing the Reinsurance to Assist Policyholders (RAP) program within the State Board of Administration (board).⁵⁶ The RAP program authorizes the transfer of up to \$2 billion from the General Revenue Fund to the program for the 2022-2023 contract term beginning June 1, 2022.⁵⁷ The RAP program statute expires July 1, 2029, and all unencumbered RAP Program funds must be transferred back to the General Revenue Fund.⁵⁸

The RAP program authorizes a \$2 billion dollar reimbursement layer of reinsurance for hurricane losses directly below the mandatory layer of the Florida Hurricane Catastrophe Fund (FHCF).⁵⁹ The FHCF mandatory retention is \$8.5 billion for the 2022-2023 contract year. All eligible insurers must participate in the program. The RAP program coverage reimburses 90 percent of each insurer's covered losses and 10 percent of their loss adjustment expenses up to each individual insurer's limit of coverage for the two hurricanes causing the largest losses for that insurer during the contract year.⁶⁰

All eligible insurers will participate in the RAP program for one year. Insurers that did not have private reinsurance within the RAP layer of coverage for the 2022-2023 contract year were required to participate during the 2022-2023 contract year. Insurers that had private reinsurance that duplicates RAP coverage for the 2022-2023 contract year were required to notify the board in writing of such duplicative coverage no later than June 30, 2022. Participation in the RAP program for such insurers is deferred until the 2023-2024 contract year.⁶¹

Insurer that participated in the RAP program for 2022-2023 were required to reduce their rates by filing a rate filing or amending a pending rate filing with the OIR by June 30, 2022, to reflect the savings from the RAP program. An insurer that deferred using the RAP program until the 2023 year must reduce rates in a rate filing submitted to the OIR by May 1, 2023. The OIR is directed to expedite the review of such filings.⁶²

⁵⁴ See State Board of Administration of Florida, *Florida Commission on Hurricane Loss Methodology*, fchlpm.sbafla.com/ (last visited Dec. 4, 2022).

⁵⁵ State Board of Administration of Florida, *Florida Hurricane Catastrophe Fund, 2021 Annual Report*, <https://fhcf.sbafla.com/media/2s0lhu2b/2021-annual-report-final-33022.pdf> (last visited Dec. 9, 2022).

⁵⁶ Section 1, ch. 2022-268, Laws of Fla.

⁵⁷ Section 215.5551(13), F.S.

⁵⁸ *Id.*

⁵⁹ Section 215.5551(3)(b), F.S.

⁶⁰ Section 215.5551(4), F.S.

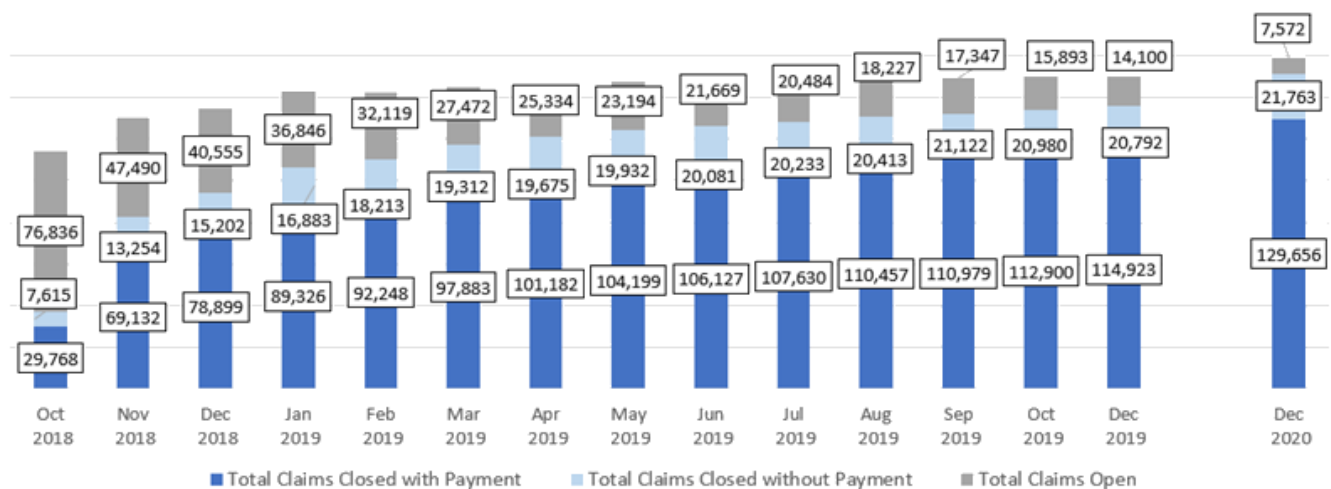
⁶¹ Section 215.5551(6), F.S.

⁶² Section 2, ch. 2022-268, Laws of Fla.

Claim Filing Deadline

Section 627.70132, F.S., currently requires insureds to notify an insurer of a claim or reopened claim,⁶³ within 2 years after the date of loss.⁶⁴ Notice of a supplemental claim⁶⁵ must be given to the insurer within 3 years of the date of loss or such claim is barred. Section 627.706(5), F.S., currently requires insureds to notify an insurer of a claim, supplemental claim, or reopened sinkhole claim within 2 years after the insured knew or reasonably should have known about the loss.

The chart below summarizes the OIR data for insurance claims by filing deadline as a result of Hurricane Michael.⁶⁶



According to the chart, most claims were filed within 1 year from the time Hurricane Michael made landfall in Florida in October 2018. Policyholders filed 112,900 of the 129,656 claims by October 2019.

From October 1, 2022 to November 30, 2022, over 600,000 claims have been reported with respect to Hurricane Ian. The graph below illustrates the claims breakdown for the storm.⁶⁷

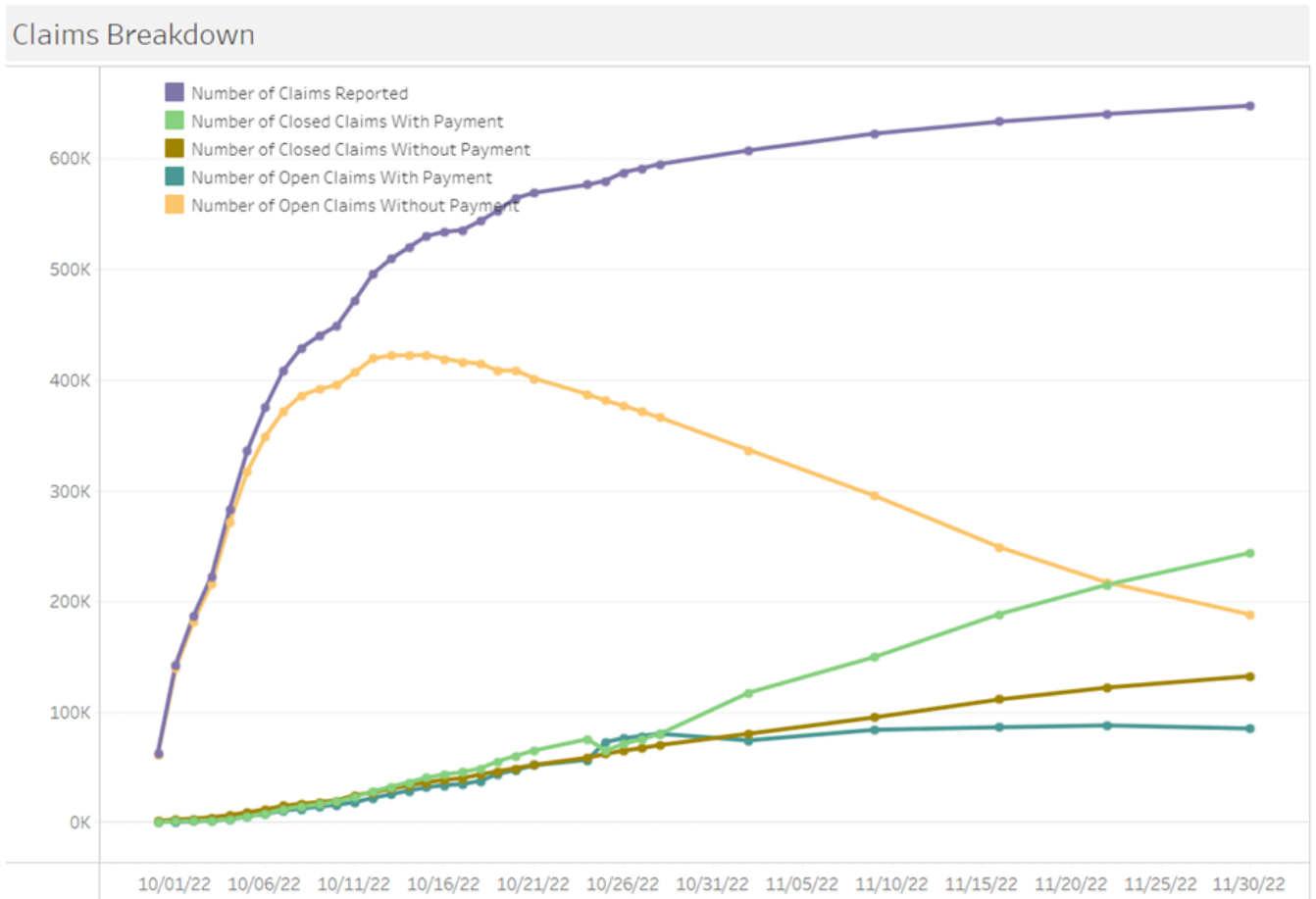
⁶³ Section 627.70132(1)(a), F.S., defines “reopened claim” as a claim that an insurer has previously closed, but that has been reopened upon an insured’s request for additional costs for loss or damage previously disclosed to the insurer.

⁶⁴ Section 627.702(3), F.S., provides that the date of loss for claims resulting from specified and other weather-related events, such as hurricanes and tornadoes, is the date that the hurricane made landfall or the other weather-related event is verified by the National Oceanic and Atmospheric Administration.

⁶⁵ Section 627.70132(1)(b), F.S., defines “supplemental claim” as a claim for additional loss or damage from the same peril which the insured has previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to the insurer.

⁶⁶ The OIR, *Hurricane Michael Claims Data*, [Hurricane Michael Claims Data \(floir.com\)](https://www.floir.com/hurricane-michael-claims-data) (last visited Dec. 6, 2022).

⁶⁷ Marante, S., electronic mail to Jacqueline M. Moody, *Re: Claims by filing deadline*, Dec. 7, 2022 (on file with the Senate Committee on Banking & Insurance) (attaching *Ian claims trend by filing deadline*).



Prompt Pay Law for Property Insurance

Florida's property insurance prompt payment statute provides for an insurer's⁶⁸ duty to acknowledge, investigate, and settle payment of a claim, if appropriate, within certain timeframes. These laws are meant to require insurance companies to make quick payments of any claims filed and deter unnecessary delays.

The insurer must acknowledge a filed claim within 14 days of its submission,⁶⁹ and begin an investigation, as is reasonably necessary, within 14 days after receiving a proof-of-loss statement.⁷⁰ Within 90 days of receiving notice of the initial, reopened, or supplemental claim, the insurer must either pay the claim in full, pay a portion of the claim, or deny the claim.^{71,72}

These provisions must be complied within the stated timeframes unless the failure is caused by

⁶⁸ Section 627.70131(5), F.S., defines "insurer" as any residential property insurer.

⁶⁹ Section 627.70131(1)(a), F.S.

⁷⁰ Section 627.70131(3)(a), F.S.

⁷¹ Section 627.70131(7)(b), F.S., defines "claim", for purposes of this subsection, as: 1. A claim under an insurance policy providing residential coverage as defined in s. 627.4025(1), F.S.; 2. A claim for structural or contents coverage under a commercial property insurance policy if the insured structure is 10,000 square feet or less; or 3. A claim for contents coverage under a commercial tenant policy if the insured premises is 10,000 square feet or less.

⁷² Section 627.70131(7)(a), F.S.

factors beyond the control of the insurer which reasonably prevent the insurer from complying with them.⁷³ Section 627.70131, F.S. does not define the phrase “factors beyond the control of the insurer.”

Except for claims subject to a hurricane deductible, any physical inspection must be conducted within 45 days after the insurer receives the proof-of-loss statement.⁷⁴ Section 627.70131, F. S., is silent on whether an insurer may use electronic methods to investigate claims. Within 7 days of assigning an adjuster, the insurer must notify the insured that a request may be made for an estimate of the amount of the loss. If a request is received, the insurer must send such estimate to the insured within the later of 7 days after the insurer received the request or 7 days after the detailed estimate is completed.⁷⁵

A licensed adjuster assigned to investigate a claim must provide a policyholder with written notification of his or her name and state adjuster license number, and include it on any subsequent communication with the policyholder.⁷⁶ An insurer must keep a record or log of each adjuster who communicates with the policyholder and provide a list of such adjusters to the insured, the OIR or the DFS upon request.

Section 627.70131, F.S., does not contain any provisions that toll the requirements under the section.⁷⁷

Homeowner Claim Bill of Rights

An insurer must provide a policyholder with a Homeowner Claim Bill of Rights (“Bill of Rights”) within 14 days after receiving the first communication on a claim which contains information about a homeowner’s rights specific to the claims process. The provisions relating to the acknowledgement and payment of a claim set out above are substantially included in the Bill of Rights. It also provides that, when requested in writing by the insured, the insurer must confirm the claim is either covered in full, partially covered, denied, or being investigated within 30 days of the insured providing a proof-of-loss statement. The Bill of Rights also advises homeowners to take certain steps with respect to a claim, such as contacting his or her insurance company before entering into any contract for repairs.⁷⁸

Unfair Insurance Claim Settlement Practices

Florida law prohibits a person from engaging in an unfair or deceptive act or practice involving the business of insurance.⁷⁹ The definition of unfair or deceptive acts or practices includes, in part, the following unfair claim settlement practices:

⁷³ Section 627.70131(1)(a) and (3)(a), F.S.

⁷⁴ Section 627.70131(3)(b), F.S.

⁷⁵ Section 627.70131(3)(d), F.S.

⁷⁶ Section 627.70131(3)(b) and (c), F.S.

⁷⁷ “Tolling” means to suspend or interrupt. Muniz, M.H., *The Florida Bar, Tolling or Suspending the Florida Statutes of Limitations Pursuant to Applicable Law*, April 2018, [Tolling or Suspending the Florida Statutes of Limitations Pursuant to Applicable Law – The Florida Bar](#) (last visit Dec. 6, 2022).

⁷⁸ Section 627.7142, F.S.

⁷⁹ Section 626.9521(1), F.S.

- Attempting to settle claims on the basis of a document that was altered without knowledge or consent of the insured;
- A material misrepresentation made to an insured for the purpose and with the intent of effecting settlement on less favorable terms than provided under the contract or policy;
- Committing or performing with such frequency as to indicate a general business practice certain acts, such as failing to adopt and implement standards for the proper investigation of claims;
- Failing to pay undisputed amounts of partial or full benefits owed under first-party property insurance policies within 90 days after an insurer received notice of a residential property insurance claim, determines the amounts of partial or full benefits, and agrees to coverage, unless payment of the undisputed benefits is prevented by “an act of God, prevented by the impossibility of performance, or due to actions by the insured or claimant that constitute fraud, lack of cooperation, or intentional misrepresentation regarding the claim for which benefits are owed.”⁸⁰

An insurer that violates these provisions is subject to a fine in an amount not greater than \$5,000 for each nonwillful violation, not to exceed an aggregate amount of \$20,000, and not greater than \$40,000 for each willful violation arising from the same action, not to exceed an aggregate amount of \$200,000.⁸¹

Awards of Attorney Fees in Litigation under Property Insurance Contracts

Under Florida law, first- and third-party litigants under a property insurance contract are sometimes subject to different sets of statutory and case law and procedural requirements. One of the primary challenges for Florida’s property market is an increase in the frequency and severity of litigated claims. One of the data points used by the OIR to track insurer litigation practices in the market is the National Association of Insurance Commissioners (NAIC) Market Conduct Annual Statement (MCAS).⁸² The MCAS is a regulatory tool developed in 2002 by state insurance regulators to collect information from insurers on a uniform basis to identify concerns regarding claims and underwriting.⁸³ Homeowners’ insurance companies report data via MCAS using uniform definitions and reporting requirements across all states.⁸⁴ The MCAS data below contains the percentage of nationwide homeowners’ claims and suits opened in Florida over the past six years.⁸⁵

Year	Percent of Nationwide Homeowners’ Claims Opened in Florida	Percent of Nationwide Homeowners’ Suits Opened in Florida
2016	7.75%	64.43%
2017	16.46%	68.07%
2018	11.85%	79.91%
2019	8.16%	76.45%
2020	8.81%	79.16%

⁸⁰ Section 626.9541(1)(i), F.S.

⁸¹ Section 626.9521(2), F.S.

⁸² Insurance Stability Report, p. 3.

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.*

2021	6.91%	76%
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Presuit Notice to Initiate Litigation

A property insurance claimant must provide the DFS with written notice of intent to initiate litigation at least 10 business days before filing suit.⁸⁶ The notification must be made on a form provided by the DFS and may not be given before the earlier of the insurer's denial of coverage or the expiration of the 90-day period to adjust a claim under s. 627.70131, F.S.⁸⁷ The notice must detail the alleged acts or omissions of the insurer giving rise to the suit. If the insurer denied coverage, the notice must include an estimate of damages, if known. If the insurer did not deny coverage, notice must include a presuit settlement demand that itemizes damages, attorney fees, costs, and the disputed amount. The notice may include supporting documents. The notice and supporting documents are admissible only in a proceeding regarding attorney fees.⁸⁸ A court must dismiss without prejudice any claimant's suit if the claimant has not complied with the requirement to provide 10 business days' notice of intent to initiate litigation.⁸⁹

The insurer must respond in writing within 10 business days after receiving notice of intent to initiate litigation.⁹⁰ If the insurer denied coverage, the insurer must either accept coverage, deny coverage, or assert the right to re-inspect the property within 14 business days.⁹¹ If the notice alleges the insurer did an act other than denying coverage, the insurer must respond by making a settlement offer or requiring the claimant to participate in an appraisal or another method of alternative dispute resolution (ADR).⁹² If appraisal or ADR is not concluded within 90 days after the 10-day notice of intent to initiate litigation, the claimant may immediately file suit.⁹³

Consolidation of Multiple Residential Property Insurance Actions

Each party that is aware of ongoing multiple actions, based upon coverage provided under the same residential property insurance policy for the same property and owners, must provide written notice to the court of the multiple actions.⁹⁴ Once the court receives notice, it may order that the actions be consolidated and transferred to the court having jurisdiction based on the total amount in controversy of all consolidated claims. If multiple cases are pending in circuit courts, the cases may be consolidated based on the date the first case was filed.

Awarding Attorney Fees in Litigation

In most United States jurisdictions, each party to civil litigation pays its own attorney, regardless of the outcome of the litigation, and a court may only award attorney fees to the prevailing side if authorized by statute or agreement of the parties to the litigation.⁹⁵ This is often referred to as the

⁸⁶ Section 627.70152(3)(a), F.S.

⁸⁷ *Id.*

⁸⁸ Section 627.70152(6)(a), F.S.

⁸⁹ Section 627.70152(5), F.S.

⁹⁰ Section 627.70152(4), F.S.

⁹¹ Section 627.70152(4)(a), F.S.

⁹² Section 627.70152(4)(b), F.S.

⁹³ *Id.*

⁹⁴ Section 627.70153, F.S.

⁹⁵ *Florida Patient's Compensation Fund v. Rowe*, 472 So.2d 1145, 1147-1148 (Fla. 1985).

“American Rule” for attorney fees, and contravenes the “English Rule” under which English courts generally awarded attorney fees to the prevailing party in litigation.⁹⁶

Florida has enacted a number of statutes that authorize courts to award attorney fees in civil litigation. As the Florida Supreme Court has noted, these statutory provisions generally fall into two categories.⁹⁷ In the first category, statutes direct a court to assess attorney fees against only one side in certain types of actions. An example is found in s. 627.428, F.S., which directs the court to assess reasonable attorney fees against the insurer and in favor of the insured or a beneficiary who prevails in litigation. The second category follows the English Rule and authorizes the prevailing party, whether it is the plaintiff or the defendant, to recover its attorney fees from the opposing party.

Attorney Fees Arising from Insurance Litigation

Section. 627.428, F.S., allows an insured to recover attorney fees if he or she prevails in a lawsuit against the insurer to enforce an insurance policy – which has been referred to as the “one-way attorney fee” in insurance litigation.⁹⁸ Some version of this statute has been the law in Florida since at least 1893.⁹⁹ The statute provides, in part:

Upon the rendition of a judgment or decree by any of the courts of this state against an insurer and in favor of any named or omnibus insured or the named beneficiary under a policy or contract executed by the insurer, the trial court or, in the event of an appeal in which the insured or beneficiary prevails, the appellate court shall adjudge or decree against the insurer and in favor of the insured or beneficiary a reasonable sum as fees or compensation for the insured’s or beneficiary’s attorney prosecuting the suit in which the recovery is had.¹⁰⁰

Section 626.9373, F.S., applies the same standard to suits against a surplus lines insurers.

In 2021, the Legislature amended s. 627.428, F.S., and s. 626.9373, F.S., to provide that for suits arising under residential and commercial property insurance policies, attorney fees may only be awarded as provided in s. 627.70152, F.S., or if the court imposes sanctions for prohibited litigation tactics under s. 57.105, F.S. The provisions of s. 627.70152, F.S., apply exclusively to all suits not brought by an assignee arising under a residential or commercial property insurance policy, including such coverage issued by an eligible surplus lines insurer. Under this statute, attorney fees and costs are awarded based on a formula that compares the amount obtained by

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ Other states with similar “one-way” attorney fee provisions for insureds are Arkansas (Ark. Code s. 23-79-208), Delaware (18 Del. Code s. 4102), Hawaii (Hi. Rev. Stat. s. 431:10-242), Idaho (Id. Code 41-1839), Kansas (Kan. Stat. s. 40-256), Nebraska (Neb. Rev. Stat. Ann. S. 44-359), New Hampshire (N.H. Rev. Stat. s. 491-22-b), New Jersey – by court rule (N.J. Court R. 4:42-9(a)(6)), New Mexico (N.M. Stat. s. 39.2-1), North Carolina – for litigation not over \$25,000 (N.C. Gen. Stat. s. 6-21.1), and Texas (Tex. Ins. Code s. 542.060).

⁹⁹ See *Tillis v. Liverpool & London & Globe Insurance Company*, 35 So. 171 (Fla. 1903) (rejecting an insurance company argument that the 1893 law providing that an insured may recover attorney fees in actions against an insurance company to enforce a policy violates due process and equal protection).

¹⁰⁰ Section 627.428(1), F.S. This is similar to the language in s. 626.9373, F.S., which applies to surplus lines insurers. Florida courts interpret the statutes to have the same meaning.

the claimant in excess of the insurer's presuit settlement offer (exclusive of attorney fees and costs) with the disputed amount between the two parties (the difference between the claimant's presuit settlement demand and the insurer's presuit settlement offer, also exclusive of attorney fees and costs).¹⁰¹ If the amount obtained by the claimant in excess of the insurer's presuit settlement offer is:

- Less than 20 percent of the disputed amount, each party pays its own attorney fees and costs.
- At least 20 percent but less than 50 percent of the disputed amount, the insurer pays the claimant's attorney fees equal to the percentage of the disputed amount obtained times the total attorney fees and costs.
- At least 50 percent of the disputed amount, the insurer pays the claimant's full attorney fees and costs.

The statute creates a strong presumption that a "lodestar fee is sufficient and reasonable."¹⁰² The "presumption may be rebutted only in a rare and exceptional circumstance with evidence that competent counsel could not be retained in a reasonable manner."¹⁰³ The lodestar amount is calculated as the product of the number of hours reasonably expended multiplied by a reasonable hourly rate.

Attorney Fees Arising from Assignment of Benefits

Section 627.7152, F.S., prevents recovery of "one way" attorney fees under s. 627.428, F.S., for assignees of post-loss benefits under a residential property insurance policy or commercial property insurance policy. Instead, an assignee may only recover attorney fees and costs if sanctions are imposed under s. 57.105, F.S.¹⁰⁴

Subsection 626.9373(3), F.S., and s. 627.428(4), F.S., prohibit assignment of the right to obtain attorney fees in suits arising out of a property insurance policy to persons other than a named or omnibus insured or a named beneficiary under the policy. This prohibition applies to surplus lines and authorized insurers.

Attorney Fees Arising from Unsupported Claims, Defenses, or Delays

Section 57.105, F.S., provides the court with authority to award attorney fees, including prejudgment interest, to the prevailing party if the court finds the losing party or losing party's attorney brought a civil claim or raised a defense in a civil cause of action that has no good faith legal or genuine factual basis. The court may also award attorney fees if the opposing party took any action, including, but not limited to, the filing of any pleading or part thereof, the assertion of or response to any discovery demand, the assertion of any claim or defense, or the response to any request by any other party, for the primary purpose of unreasonable delay.¹⁰⁵

¹⁰¹ Section 627.70152(8), F.S.

¹⁰² Section 627.70152(8)(c), F.S.

¹⁰³ *Id.*

¹⁰⁴ Section 627.7152(10), F.S.

¹⁰⁵ Section 57.105(1) and (2), F.S.

Attorney Fees Arising from Offers of Judgment

Section 768.79, F.S., provides for attorney fees where a party's offer to settle a case has been rejected. The statute states, in part:

(1) In any civil action for damages filed in the courts of this state, if a defendant files an offer of judgment which is not accepted by the plaintiff within 30 days, the defendant shall be entitled to recover reasonable costs and attorney's fees incurred by her or him ... if the judgment is one of no liability or the judgment obtained by the plaintiff is at least 25 percent less than such offer.... If a plaintiff files a demand for judgment which is not accepted by the defendant within 30 days and the plaintiff recovers a judgment in an amount at least 25 percent greater than the offer, she or he shall be entitled to recover reasonable costs and attorney's fees....

An offer must:

- Be in writing and state that it is being made pursuant to this section;
- Name the party making it and the party to whom it is being made;
- State with particularity the amount offered to settle a claim for punitive damages, if any; and
- State its total amount.¹⁰⁶

The court may disallow an award of costs and attorney fees to the prevailing party if it is determined the prevailing party did not make the offer in good faith.¹⁰⁷ When determining the reasonableness of an award of attorney fees, the court must consider the following factors along with other relevant criteria:

- The then apparent merit or lack of merit in the claim;
- The number and nature of offers made by the parties;
- The closeness of questions of fact and law at issue;
- Whether the person making the offer had unreasonably refused to furnish information necessary to evaluate the reasonableness of such offer;
- Whether the suit was in the nature of a test case presenting questions of far-reaching importance affecting nonparties; and
- The amount of the additional delay cost and expense that the person making the offer reasonably would be expected to incur if the litigation should be prolonged.¹⁰⁸

Prior to the passage of SB 76 by the legislature in 2022,¹⁰⁹ property insurance litigation was subject to both s. 627.428, F.S., and s. 768.79, F.S.¹¹⁰ Florida courts applied both statutes to the same litigation. Section 627.428, F.S., governed the award of attorney fees prior to the insurer making an offer of judgment, while both s. 627.428, F.S., or s. 768.79, F.S., applied to the award of attorney fees after an offer of judgment was made, depending on how much the insured recovered. The Florida Supreme Court in *State Farm Mut. Auto Ins. Co. v. Nichols* explained

¹⁰⁶ Section 768.79(2), F.S.

¹⁰⁷ Section 768.79(7)(a), F.S.

¹⁰⁸ Section 768.79(7)(b), F.S.

¹⁰⁹ The Legislature enacted s. 627.70152, F.S., in 2022 that applies exclusively to all suits not brought by an assignee arising under a residential or commercial property insurance policy. See s. 12, ch. 2021-77, Laws of Fla.

¹¹⁰ See *Pennsylvania Lumbermans Mut. Ins. Co. v. Sunrise Club Inc.*, 711 So.2d 593 (Fla. 3rd DCA 1998).

how the two statutes interacted in different circumstances by including the following chart in its opinion:¹¹¹

If the judgment is:	The insured receives:	The insurer receives:
No liability	No fees	Post-offer fees under the offer of judgment statute.
75 percent or less of the insurer's offer	Pre-offer fees under s. 627.428, F.S.	Post-offer fees under the offer of judgment statute.
More than 75 percent of the insurer's offer, but not more than 100 percent	Pre-offer fees under s. 627.428, F.S.	No fees.
More than the insurer's offer	All fees under s. 627.428, F.S.	No fees.

Statutory and Common Law Bad Faith Actions

Florida's bad faith law and jurisprudence were designed to hold insurers accountable for failing to fulfill their contractual obligation to indemnify the insured or beneficiary on a valid claim.¹¹² Florida recognizes two distinct bad faith causes of action that may be initiated against an insurer. In the first, s. 624.155, F.S., provides first-party and third-party statutory bad faith causes of action against an insurer. Here, bad faith is defined as the commission of any of the following acts by the insurer that damages any person:

- Violating certain provisions of the Florida Insurance Code such as specified provisions of the unfair insurance trade practices act under s. 626.9541, F.S.
- Not attempting in good faith to settle claims when, under all the circumstances, it could and should have done so, had it acted fairly and honestly toward its insured with due regard for her or his interests;
- Making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which payments are being made; or
- Except as to liability coverages, failing to promptly settle claims, when the obligation to settle the claim has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage.¹¹³

The second recognized bad faith cause of action provides a third-party common law cause of action when an insurer fails in good faith to settle a third party's claim against the insurer within policy limits and exposes the insured to liability in excess of his or her insurance coverage.¹¹⁴ Florida courts do not recognize a common law first-party bad faith causes of action by the

¹¹¹ *State Farm Mut. Auto. Ins. Co. v. Nichols*, 932 So.2d 1067, 1074 (Fla. 2006).

¹¹² *Harvey v. GEICO General Insurance Company*, 259 So.3d 1, 6, (Fla. 2018) (quoting *Berges v. Infinity Insurance Company*, 896 So.2d 665, 682 (Fla. 2004)).

¹¹³ Section 624.155(1)(b)(1)-(3), F.S.

¹¹⁴ *Opperman v. Nationwide Mutual Fire Insurance Company*, 515 So.2d 263, 265 (Fla. 5th DCA 1987).

insured against its own insurer.¹¹⁵ Most property insurance claims are first-party claims¹¹⁶, thus bad faith actions on such claims may proceed only pursuant to s. 624.155, F.S.

Presuit Notice to Initiate Bad Faith Litigation

As a condition precedent to bringing a bad faith cause of action under s. 624.155, F.S., the insured must have provided the insurer and the Department of Financial Services at least 60 days written notice of the alleged violation.¹¹⁷ The 60-day window contemplated under s. 624.155, F.S., provides insurers with a final opportunity to comply with their claim-handling obligations when a good-faith decision by the insurer would indicate that contractual benefits are owed.¹¹⁸ The civil remedy notice must specify the following information:

- The statutory provision, including the specific language of the statute, which the authorized insurer allegedly violated;
- The facts and circumstance giving rise to the violation;
- The name of any individual involved in the violation;
- A reference to specific policy language that is relevant to the violation, if any. If the person bringing the civil action is a third-party claimant, she or he shall not be required to reference the specific policy language if the authorized insurer has not provided a copy of the policy to the third party claimant pursuant to written request; and
- A statement that the notice is given in order to perfect the right to pursue the civil remedy authorized under s. 624.155, F.S.¹¹⁹

Response by the Insurer in Bad Faith Litigation

If the insurer fails to respond to a civil remedy notice under s. 624.155, F.S., within the 60-day window, there is a presumption of bad faith sufficient to shift the burden to the insurer to show why it did not respond.¹²⁰ No action shall lie if the insurer responds within 60 days of receipt of the civil remedy notice by either paying damages or correcting the circumstances giving rise to the claim.¹²¹

Statutory Bad Faith Actions against Property Insurers

The Legislature, in 2022,¹²² created s. 624.1551, F.S., requiring a claimant to establish that a property insurer breached the insurance contract in order for the claimant to prevail in a bad faith claim for extracontractual damages under s. 624.155(1)(b), F.S. The provision applies to civil remedy actions based upon a property insurer:

¹¹⁵ *State Farm Mut. Auto. Ins. Co. v. Laforet*, 658 So.2d 55, 58-59 (Fla. 1995).

¹¹⁶ Homeowners insurance provides liability coverage, thus third-party litigation may occur under a property insurance policy.

¹¹⁷ Section 624.155(3), F.S.

¹¹⁸ *See Talat Enterprises, Inc., v. Aetna Cas. and Sur. Co.*, 753 So.2d 1278, 1284 (Fla. 2000).

¹¹⁹ Section 624.155(3)(b)(1)-(5), F.S.

¹²⁰ *Fridman v. Safeco Ins. Co. of Illinois*, 185 So.3d 1214, 1220, (Fla. 2016); *Imhof v. Nationwide Mut. Ins. Co.*, 643 So.2d 617, 619 (Fla 1994).

¹²¹ *Id.*

¹²² Sections 11 and 12, ch. 2022-268, Laws of Fla.

- Not attempting in good faith to settle claims when, under all the circumstances, it could and should have done so, had it acted fairly and honestly toward its insured and with due regard for his or her interests;
- Making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which payments are being made; or
- Except as to liability coverages, failing to promptly settle claims, when the obligation to settle a claim has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy.

The enactment of 624.1551, F.S., follows decisions by Florida courts that considered whether conditions precedent must be met before bad faith causes of action become ripe for litigation. In *Cammarata v. State Farm Fla. Ins. Co.*, the Court held an insurer's liability for coverage and the extent of damages owed must be determined before a statutory bad faith cause of action was ripe.¹²³ However, it also held that breach of contract need not necessarily be determined before a bad faith action may be filed. The *Cammarata* Court found that "the parties' settlement via the appraisal process, which determined the existence of liability and the extent of the insured's damages, established the first two conditions precedent of a bad faith action."¹²⁴

While the newly created s. 624.1551, F.S., does not address the *Cammarata* decision directly because it does not address conditions precedent to bringing suit, the bill has the effect of receding from the decision to the extent it requires that a breach of contract be established in order to prevail in such a lawsuit. Furthermore, the bill may eliminate the ability of a claimant to bring a statutory bad faith lawsuit where the parties have settled through informal means, or in the alternative dispute resolution or appraisal processes because a breach of contract would not likely have been determined during those processes.

Assignments of Benefits

Assignment Agreements Generally

An assignment is the voluntary transfer of the rights of one party under a contract to another party, the transfer by a party to another party of some valuable interest.¹²⁵ Current Florida law generally allows an insurance policyholder to assign the benefits of the policy, such as the right to be paid, to another party. This assignment is often called an "assignment of benefits" or "AOB." Once an assignment is made, the assignee can take action to enforce the contract. Accordingly, if the benefits are assigned and the insurer refuses to pay, the assignee may file a lawsuit against the insurer to recover the insurance benefits.¹²⁶

Assignment of Benefits - Insurance

Subsection 627.428(1), F.S., provides that "any named or omnibus insured or the named beneficiary under a policy" may be entitled to attorney fees. In 1971, the Fourth District Court of

¹²³ *Cammarata v. State Farm Fla. Ins. Co.*, 152 So.3d 606, 607 (Fla. 4th DCA 2014). In *Cammarata*, the claim was settled through the appraisal process using a neutral umpire appointed by the court at the request of the parties.

¹²⁴ *Id.* at 612.

¹²⁵ Black's Law Dictionary, 2nd Ed., <https://thelawdictionary.org/assignment/> (last visited Dec. 6, 2022).

¹²⁶ *Nationwide Mutual Insurance Company v. Pinnacle Medical, Inc.*, 753 So.2d 55, 57 (Fla. 2000) ("The right of an assignee to sue for breach of contract to enforce assigned rights predates the Florida Constitution.").

Appeal considered whether the insured's assignee of benefits from a property insurance policy was entitled to attorney fees and held the assignee was not entitled to fees because the assignee was not a named insured or beneficiary.¹²⁷ However, the Fourth District's opinion was appealed to the Florida Supreme Court and the Florida Supreme Court reversed, holding that an insured's assignee is entitled to attorney fees under s. 627.0127, F.S., the predecessor statute to s. 627.428, F.S.¹²⁸ The court held that "an assignee of an insurance claim stands to all intents and purposes in the shoes of the insured and logically should be entitled to an attorney's fee when he sues and recovers on the claim."¹²⁹

The court reaffirmed the holding in 2008:

[S]ection 627.428 authorizes an award of attorney's fees only to "the named or omnibus insured or named beneficiary" under an insurance policy and to other third parties who obtain coverage based on an assignment from an insured.¹³⁰

Section 627.422, F.S., governs the assignability of insurance contracts and provides that a policy may or may not be assignable according to its terms. The statute provides that a "property insurance policy may not prohibit the assignment of post-loss benefits unless it complies with s. 627.7153."¹³¹

Assignment of Benefits – Property Insurance

The Legislature, in 2019,¹³² created s. 627.7152, F.S., relating to assignment agreements under residential or commercial property insurance policies. Under this statute, an AOB is an instrument that assigns or transfers post-loss benefits to or from "a person providing services, including, but not limited to, inspecting, protecting, repairing, restoring, or replacing the property or mitigating against further damage to the property."¹³³ Fees charged by a public adjuster are not included in the definition of assignment agreement.¹³⁴ A valid AOB must specify that the assignee will hold harmless the assignor from all liabilities, including attorney fees.¹³⁵ Insurers are allowed to make available a policy that restricts in whole or in part an insured's right to execute an assignment agreement, including post-loss benefits, under certain conditions. The 2019 provisions also directed the court to award an attorney fee to the statutorily defined prevailing party in assignment of benefits litigation under a residential or commercial property insurance policy. However, the Legislature, in 2022,¹³⁶ amended the statute to:

- Prohibit assignment of the right to obtain attorney fees in suits arising out of a property insurance policy to persons other than a named or omnibus insured or a named beneficiary under the policy.

¹²⁷ *Southern American Fire Insurance Company v. All Ways Reliable Building Maintenance, Inc.*, 251 So.2d 11 (Fla. 4th DCA 1971), reversed, *All Ways Reliable Building Maintenance, Inc. v. Moore*, 261 So.2d 131 (Fla. 1972).

¹²⁸ *All Ways Reliable Bldg. Maintenance, Inc. v. Moore*, 261 So.2d 131 (1972).

¹²⁹ *Id.* at 132.

¹³⁰ *Continental Cas. Co. v. Ryan, Inc. Eastern*, 974 So.2d 368, 379 (citation omitted) (Fla. 2008).

¹³¹ Section 627.422(2), F.S.

¹³² Section 1, ch. 2019-57, Laws of Fla.

¹³³ Section 627.7152(1)(b), F.S.

¹³⁴ *Id.*

¹³⁵ Section 627.7152(2)(a)7., F.S.

¹³⁶ Section 18, ch. 2022-268, Laws of Fla.

- Eliminate the provision providing for attorney fees to the prevailing party.

The Legislature, in 2019,¹³⁷ created s. 627.7153, F.S., providing that property insurers may offer a policy prohibiting or restricting assignment of benefits, including post-loss benefits, under certain terms. To do so, the insurer must make available to the insured or potential insured at the same time the same coverage under a policy that does not restrict the right to execute an assignment agreement.¹³⁸

The Legislature, in 2022,¹³⁹ amended ss. 626.9373 and 627.428, F.S., respectively, to prohibit assignment of the right to obtain attorney fees in suits arising out of a property insurance policy to persons other than a named or omnibus insured or a named beneficiary under the policy. This prohibition applies to surplus lines and authorized insurers. As a result, assignment agreements may occur, but the assignee vendor will no longer be able to recover attorney fees in suits against an insurer.

In recent years, insurers have complained of abuse of the assignment of benefits process. An insurance company described the issue in a court filing:

The typical scenario surrounding the use of an “assignment of benefits” involved vendors and contractors, mostly water remediation companies, who were called by an insured immediately after a loss to perform emergency remediation services, such as water extraction. The vendor came to the insured’s home and, before performing any work, required the insured to sign an “assignment of benefits” – when the insured would be most vulnerable to fraud and price gouging. Vendors advised the insured, “We’ll take care of everything for you.” The vendor then submitted its bill to the insurer that was, on average, nearly 30 percent higher than comparative estimates from vendors without an assignment of benefits. Some vendors added to the invoice an additional 20 percent for “overhead and profit,” even though a general contractor would not be required or hired to oversee the work. Vendors used these inflated invoices to extract higher settlements from insurers. This, in turn, significantly increases litigation over the vendors’ invoices.¹⁴⁰

In a court filing in a different case, a company that provides emergency repair and construction services explained the rationale behind assignments of insurance benefits:

As a practical matter, a homeowner often will not be able to afford or hire a contractor immediately following a loss unless the contractor accepts an assignment of benefits to ensure payment. A homeowner may be unable to comply with the ... provision requiring the homeowner to protect and repair the premises unless the remediation contractor accepts an assignment of benefits,

¹³⁷ Section 2, ch. 2019-57, Laws of Fla.

¹³⁸ Section 627.7153(2), F.S.

¹³⁹ Sections 11 and 12, ch. 2022-268, Laws of Fla.

¹⁴⁰ *Security First Insurance Company v. State of Florida, Office of Insurance Regulation*, Case No. 1D14-1864 (Fla. 1st DCA 2015), Appellant’s Initial Brief at pp. 3-4 (appellate record citations omitted).

however, contractors will become unwilling to accept payments by assignment if court decisions render the assignments unenforceable ...

Whether the repair invoice is routed through the insured or submitted by the service provider directly by assignment, the service provider's repair invoice is submitted to the insurer for coverage and reviewed by an adjuster. The only difference an assignment makes is that, if an insurance company wishes to partially deny coverage or contest an invoice as unreasonable, the insured policyholder is not mired in litigation in which he or she has no stake.¹⁴¹

Citizens Property Insurance Corporation—Overview

Citizens Property Insurance Corporation (Citizens or corporation) is a state-created, not-for-profit, tax-exempt governmental entity whose public purpose is to provide property insurance coverage to those unable to find affordable coverage in the voluntary admitted market.¹⁴² Citizens is not a private insurance company.¹⁴³ Citizens was statutorily created in 2002 when the Florida Legislature combined the state's two insurers of last resort, the Florida Residential Property and Casualty Joint Underwriting Association (RPCJUA) and the Florida Windstorm Underwriting Association (FWUA).¹⁴⁴

Citizens operates in accordance with the provisions in s. 627.351(6), F.S., and is governed by an eight member Board of Governors (board) that administers its Plan of Operations. The Plan of Operations is reviewed and approved by the Financial Services Commission.¹⁴⁵ The Governor, President of the Senate, Speaker of the House of Representatives, and Chief Financial Officer each appoint two members to the board.¹⁴⁶ Citizens is subject to regulation by the OIR.

Citizens has three different accounts through which it offers property insurance: a personal lines account, a commercial lines account, and a coastal account.

Citizens' Accounts

The Personal Lines Account (PLA) offers personal lines residential policies that provide comprehensive, multi-peril coverage statewide, except for those areas contained in the Coastal Account. The PLA also writes policies that exclude coverage for wind in areas contained within the Coastal Account. Personal lines residential coverage consists of the types of coverage provided to homeowners, mobile home owners, dwellings, tenants, and condominium unit owner's policies.¹⁴⁷

¹⁴¹ *One Call Property Services, Inc. v. Security First Insurance Company*, Case No. 4D14-0424 (Fla. 4th DCA 2015), Appellant's Initial Brief at 46-48.

¹⁴² Admitted market means insurance companies licensed to transact insurance in Florida.

¹⁴³ Section 627.351(6)(a)1., F.S.

¹⁴⁴ Section 2, ch. 2002-240, Laws of Fla.

¹⁴⁵ Section 627.351(6)(a)2., F.S.

¹⁴⁶ Section 627.351(6)(c)4.a., F.S.

¹⁴⁷ See s. 627.351(6)(b)2.a., F.S.; Citizens, *Account History and Characteristics*, <https://www.citizensfla.com/documents/20702/1183352/20160315+05A+Citizens+Account+History.pdf/31f51358-7105-40e9-aa75-597f51a99563> (Mar. 2016) (last visited Dec. 4, 2022).

The Commercial Lines Account (CLA) offers commercial lines residential and non-residential policies that provide basic perils coverage statewide, except for those areas contained in the Coastal Account. The CLA also writes policies that exclude coverage for wind in areas contained within the Coastal Account. Commercial lines coverage includes commercial residential policies covering condominium associations, homeowners' associations, and apartment buildings. The coverage also includes commercial non-residential policies covering business properties.¹⁴⁸

The Coastal Account offers personal residential, commercial residential, and commercial non-residential policies in coastal areas of the state. Citizens must offer policies that solely cover the peril of wind (wind only policies) and may offer multi-peril policies.¹⁴⁹

The Citizens policyholder eligibility clearinghouse program was established by the Legislature in 2013.¹⁵⁰ Under the program, new and renewal policies for Citizens are placed into the clearinghouse where participating private insurers can review and decide to make offers of coverage before policies are placed or renewed with Citizens.¹⁵¹ An applicant for new coverage, or an insured for renewed coverage, is not eligible for coverage from Citizens if the premium offered from an authorized insurer is at or below the eligibility threshold for new personal lines residential risks of more than 20 percent.¹⁵² An applicant for coverage who was declared ineligible for coverage at renewal by Citizens in the previous 36 months must be considered a renewal under the Citizens' clearinghouse statute if the authorized insurer making the offer continues to insure the applicant and increased the rate higher than allowed under s. 627.351(6)(n)5., F.S.¹⁵³

Current Policies

As of December 31, 2021, Citizens reports 759,305 policies in-force with a total exposure of \$232,502,323,529.¹⁵⁴ As of October 31, 2022, Citizens reports 1,111,283 policies in-force with a total exposure of \$398,857,062,260 and premium with surcharges of \$3,023,462,297.¹⁵⁵ The chart below outlines Citizens account, number of policies in-force, total exposure and premium with surcharges.

Account	Policies In-Force	Total Exposure	Premium with Surcharges
PLA	885,505	\$298,071,397,688	\$2,155,714,380
Coastal	224,815	\$91,079,016,012	\$818,528,543
CLA	963	\$9,706,648,560	\$49,219,374
	1,111,283	\$398,857,062,260	\$3,023,462,297

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ Section 10, ch. 2013-60, Laws of Fla.

¹⁵¹ Section 627.3518(2)-(3), F.S.

¹⁵² Section 627.3518(5), F.S.

¹⁵³ *Id.*

¹⁵⁴ Citizens, *About Us, Snapshot*, Dec. 31, 2021, <https://www.citizensfla.com/-/20211231-policies-in-force> (last visited Dec. 4, 2022).

¹⁵⁵ Citizens, *Detail by Account*, Nov. 13, 2022, [356cef06-df92-a6e5-6001-d2b8e1573430 \(citizensfla.com\)](https://www.citizensfla.com/356cef06-df92-a6e5-6001-d2b8e1573430) (last visited Dec. 7, 2022).

Source: Citizens Property Insurance¹⁵⁶

From December 31, 2021 to October 31, 2022, Citizens' policy count grew by over 45 percent, adding 51,978 total policies in-force, and its total exposure has risen by \$166,354,738,731.

Eligibility for Insurance in Citizens

Current law requires Citizens to provide a procedure for determining the eligibility of a potential risk for insurance in Citizens and provides specific eligibility requirements based on premium amounts, value of the property insured, and the location of the property.¹⁵⁷ Risks not meeting the statutory eligibility requirements cannot be insured by Citizens. Citizens has additional eligibility requirements set out in their underwriting rules. These rules are approved by the OIR and are set out in Citizens' underwriting manuals.¹⁵⁸

Eligibility Based on Premium Amount

An applicant for residential insurance cannot buy insurance in Citizens if an authorized insurer in the private market offers the applicant insurance for a premium that does not exceed the Citizens premium by 20 percent or more.¹⁵⁹ In addition, the coverage offered by the private insurer must be comparable to Citizens' coverage.

A residential policyholder cannot renew insurance in Citizens if an authorized insurer offers to insure the property at a premium equal to or less than the Citizens' renewal premium. The insurance from the private market insurer must be comparable to the insurance from Citizens in order for the eligibility requirement for renewal premium to apply.¹⁶⁰

Eligibility Based on Value of Property Insured

In addition to the eligibility restrictions based on premium amount, current law provides eligibility restrictions for homes and condominium units based on the value of the property insured.¹⁶¹ Structures with a dwelling replacement cost of \$700,000 or more, or a single condominium unit that has a combined dwelling and contents replacement cost of \$700,000 or more, are not eligible for coverage with Citizens.¹⁶² However, Citizens is allowed to insure structures with a dwelling replacement cost or a condominium unit with a dwelling and contents replacement cost of one million dollars or less in Miami-Dade and Monroe counties, after the OIR determined these counties to be non-competitive.¹⁶³

¹⁵⁶ *Id.*

¹⁵⁷ Section 627.351(6)(c)5., F.S.

¹⁵⁸ See Citizens, *Revised Underwriting Manuals*, <https://www.citizensfla.com/-/20160329-revised-underwriting-manuals> (last visited Dec. 5, 2022).

¹⁵⁹ Section 627.351(6)(c)5., F.S.

¹⁶⁰ Section 627.351(6)(c)5., F.S.

¹⁶¹ Section 627.351(6)(a)3., F.S.

¹⁶² Section 627.351(6)(a)3.d., F.S.

¹⁶³ The OIR, Final Order Case No: 165625-14, Dec. 22, 2014, <https://www.floir.com/siteDocuments/Citizens165625-14-O.pdf>; See also Section 627.351(6)(a)3.d., F.S., and Citizens, *Update to Maximum Coverage Limits*, Nov. 12, 2019, <https://www.citizensfla.com/-/2019-roof-permits-acceptable-for-fbc-credits> (all sites last visited Dec. 5, 2022).

Citizens Glidepath Rates

From 2007 until 2010, Citizens' rates were frozen by statute at the level that had been established in 2006.¹⁶⁴ In 2010, the Legislature established a "glidepath" to impose annual rate increases up to a level that is actuarially sound. Under the original established glidepath, Citizens had to implement an annual rate increase which, except for sinkhole coverage, does not exceed 10 percent above the previous year for any individual policyholder, adjusted for coverage changes and surcharges.¹⁶⁵ In 2021, the Legislature revised this glidepath to increase it one percent per year to up to 15 percent, as follows:¹⁶⁶

- 11 percent for 2022.
- 12 percent for 2023.
- 13 percent for 2024.
- 14 percent for 2025.
- 15 percent for 2026 and all subsequent years.

The implementation of this increase ceases when Citizens has achieved actuarially sound rates.¹⁶⁷ In addition to the overall glidepath rate increase, Citizens can increase its rates to recover the additional reimbursement premium it incurs as a result of the annual cash build-up factor added to the price of the mandatory layer of the Florida Hurricane Catastrophe Fund coverage, pursuant to s. 215.555(5)(b), F.S.¹⁶⁸

Citizens Financial Resources

Citizens' financial resources include insurance premiums, investment income, and operating surplus from prior years, Florida Hurricane Catastrophe Fund (FHCF) reimbursements, private reinsurance, policyholder surcharges, and regular and emergency assessments. Non-weather water losses, reinsurance costs and litigation are currently the major determinants of insurance rates.¹⁶⁹ In the event of a catastrophic storm or series of smaller storms, reserves could be exhausted, leaving Citizens unable to pay all claims.¹⁷⁰ Under Florida law, if the Citizens' Board of Directors determines a Citizens' account has a projected deficit, Citizens is authorized to levy assessments¹⁷¹ on its policyholders and on each line of property and casualty line of business other than workers' compensation insurance and medical malpractice insurance.¹⁷² Citizens may impose three assessment tiers and their sequence is as follows:¹⁷³

¹⁶⁴ Section 15, ch. 2006-12, Laws of Fla.

¹⁶⁵ Section 10, ch. 2009-87, Laws of Fla.

¹⁶⁶ Section 627.351(6)(n)5., F.S.

¹⁶⁷ Section 627.351(6)(n)7., F.S.

¹⁶⁸ Section 627.351(6)(n)6., F.S.

¹⁶⁹ Citizens, *2022 Rate Kit, Citizens 2021 Rates, Frequently Asked Questions*, <https://www.citizensfla.com/documents/20702/15725518/20211213+2022+Rate+Kit.pdf/328181e5-1c41-a28d-76ea-b7d911462c6a?t=1639433573548> (last visited Dec. 5, 2022).

¹⁷⁰ Citizens, *Insurance/Insurance 101/Assessments*, <https://www.citizensfla.com/assessments> (last visited Dec. 5, 2022) (hereinafter cited as "Citizens' Assessments").

¹⁷¹ Assessments are charges that Citizens and non-Citizens policyholders can be required to pay, in addition to their regular policy premiums.

¹⁷² Accident and health insurance policies written under the National Flood Insurance Program or the Federal Crop Insurance Program are not assessable types of property and casualty insurance. Surplus lines insurers are not assessable, but their policyholders are. Section 627.351.(6)(b)3.f.-h., F.S.

¹⁷³ Citizens' Assessment.

Citizens Policyholder Surcharge – A surcharge of up to 15 percent of premium on all Citizens' policies, collected upon issuance or renewal. This 15 percent assessment can be levied for each of the three Citizens' accounts—the CLA, the PLA, and the Coastal Account—that project a deficit. Thus, the total maximum premium surcharge a policyholder could be assessed is 45 percent.¹⁷⁴

Regular Assessment – If the Citizens' surcharge is insufficient to cure the deficit for the coastal account, Citizens can require an assessment against all other insurers except medical malpractice and workers' compensation. The assessment may be recouped from policyholders through a rate filing process of up to two percent of premium or two percent of the deficit, whichever is greater.¹⁷⁵ This assessment is not levied against Citizens' policyholders.

Emergency Assessment – Requires any remaining deficit for Citizens' three accounts be funded by multi-year emergency assessments on all insurance policyholders (except medical malpractice and workers' compensation), including Citizens' policyholders. This assessment may not exceed the greater of 10 percent of the amount needed to cover the deficit, plus interest, fees, commissions, required reserves, and other costs associated with financing the original deficit, or 10 percent of the aggregate statewide direct written premium for subject lines of business and all accounts of the corporation for the prior year, plus interest, fees, commissions, required reserves, and other costs associated with financing the deficit.¹⁷⁶

Citizens Depopulation

Florida law requires Citizens to create programs to help return Citizens policies to the private market and reduce the risk of additional assessments for all Floridians.¹⁷⁷ In 2016, the Legislature passed requirements that Citizens, by January 1, 2017, amend its operations relating to take-out agreements.¹⁷⁸ As part of these updated requirements, codified under s. 627.351(6)(ii), F.S., a policy may not be taken out of Citizens unless Citizens:

- Publishes a periodic schedule of cycles during which an insurer may identify, and notify Citizens of, policies the insurer is requesting to take out;¹⁷⁹
- Maintains and makes available to the agent of record a consolidated list of all insurers requesting a take-out policy; such list must include a description of the coverage offered and the estimated premium for each take-out request; and
- Provides written notice to the policyholder and agent regarding all insurers requesting to take out the policy and the policyholder's option to accept a take-out offer or to reject all take out offers and to remain with the corporation. The notice must be in a format prescribed by the corporation and include, for each take-out offer:
 - The amount of the estimated premium;
 - A description of the coverage; and

¹⁷⁴ Sections 627.351(6)(b)3.i.(I) and 627.351(6)(c)21., F.S. *See also*, Citizens' Assessments.

¹⁷⁵ Section 627.351(6)(b)3.a., F.S.

¹⁷⁶ Section 627.351(6)(b)3.d., F.S.

¹⁷⁷ Section 627.351(6)(q)3.a., F.S.

¹⁷⁸ Chapter 2016-229, Laws of Fla.

¹⁷⁹ Such requests from insurers must include a description of the coverage offered and an estimated premium and must be submitted to the corporation in a form and manner prescribed by the corporation.

- A comparison of the estimated premium and coverage offered by the insurer to the estimated premium and coverage provided by the corporation.

Flood Insurance

The Flood Disaster Protection Act of 1973 (FDPA) prohibits lending institutions from making, increasing, extending, or renewing any loan secured by improved real estate or a mobile home located in special flood hazard areas and in which flood insurance has been made available under federal law unless the building or mobile home is covered by flood insurance in an amount equal to the outstanding principal balance of the loan or the maximum limit of coverage available.¹⁸⁰

Under Florida law, an authorized insurer may issue a policy for flood insurance coverage,¹⁸¹ however homeowners' insurance policies typically do not cover flood losses.¹⁸² Although private flood insurance may be obtained by endorsement or a separate policy, this requirement is generally satisfied with coverage obtained through the National Flood Insurance Program (NFIP) which is managed by Federal Emergency Management Agency (FEMA).¹⁸³ The NFIP offers flood insurance coverage for buildings and content which must be purchased separately and have separate deductibles. For residential property, the maximum coverage amount is \$250,000 for the building and \$100,000 for the content and, for commercial property, the maximum coverage for building and building content is \$500,000 each.¹⁸⁴

Citizens does not require proof of flood insurance as a condition of coverage provided the insured or applicant executes an the OIR approved form affirming that flood insurance is not provided by Citizens and that if flood insurance is not secured by the applicant or insured in addition to coverage by Citizens, the risk will not be covered for flood damage.¹⁸⁵ A Citizens' policyholder that elects not to purchase flood insurance and executes the form has the burden of proving that any claim for water damage was not caused by flooding.¹⁸⁶

According to U.S. Census Bureau "2020 Population and Housing State Data", there are 9,865,350 houses in Florida with only 1,714,008 NFIP active policies or approximately 17.37% homes insured for flood damage.¹⁸⁷ Only about 18.5% of homeowners who were ordered to evacuate the evening before Hurricane Ian made landfall had a flood insurance policy with

¹⁸⁰ 42 U.S.C. s. 4012a.(b). See The FEMA, *FEMA Flood Map Service Center: Welcome!*, [FEMA Flood Map Service Center | Search All Products](#).

¹⁸¹ Section 627.715(1), F.S.

¹⁸² Disaster Rally, *National Flood Insurance Program – How to Be Eligible*, [National Flood Insurance Program - How to Be Eligible \(disasterrally.com\)](#) (last visited Dec. 5, 2022).

¹⁸³ The Office of the Comptroller of the Currency, *Flood Disaster Protection Act: Guidance Regarding Lapse and Extension of FEMA's Authority to Issue Flood Insurance Contracts*, Jun. 9, 2010, [Flood Disaster Protection Act: Guidance Regarding Lapse and Extension of FEMA's Authority to Issue Flood Insurance Contracts | OCC \(ots.gov\)](#) (last visited Dec. 6, 2022).

¹⁸⁴ The FEMA, *National Flood Insurance Program, Understanding Your Policy Terms*, [Flood Insurance Coverage, Deductibles Explained \(floodsmart.gov\)](#) (last visited Dec. 5, 2022).

¹⁸⁵ Section 627.351(6)(aa), F.S.

¹⁸⁶ *Id.*

¹⁸⁷ Howard, P., Policygenius, *Flood Insurance Statistics in 2022*, Jul. 1, 2022, [Flood Insurance Statistics \[UPDATED for 2022\] - Policygenius](#) (last visited Dec. 5, 2022) (noting that data was analyzed to calculate the percentage of homes in each state with flood insurance policies with NFIP).

NFIP.¹⁸⁸ Even though the vast majority of flood insurance coverage is secured through the NFIP, the Florida private flood insurance market has grown more than 300% from 2017-2020.¹⁸⁹ Notwithstanding this growth, the OIR has collected data on an ad hoc basis that, as of Jun. 1, 2020, there were only 89,505 primary personal residential private flood policies in-force.¹⁹⁰

Flood Notice

An insurer that issues or renews a homeowner's insurance policy without flood coverage must include the following statement with the policy documents:

“FLOOD INSURANCE: YOU MAY ALSO NEED TO CONSIDER THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER’S INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD INSURANCE COVERAGE, YOU MAY HAVE UNCOVERED LOSSES CAUSED BY FLOOD. PLEASE DISCUSS THE NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE WITH YOUR INSURANCE AGENT.”

Arbitration

Arbitration Generally

Arbitration is an out-of-court alternative dispute resolution process whereby the parties to an agreement submit the dispute for resolution to one or more impartial persons for a final and binding decision.¹⁹¹ Arbitration is intended to be a speedy and economical alternative to court litigation, which is often slow, time-consuming, and expensive.¹⁹² Parties to arbitration may give up safeguards that litigants in court proceedings enjoy, such as a jury trial and the rules of evidence.¹⁹³

Federal Arbitration Act

Congress enacted the Federal Arbitration Act (FAA) in 1925 to establish, in part, the enforceability of pre-dispute arbitration agreements involving interstate commerce.¹⁹⁴ The United States Supreme Court has recognized that with the passage of the FAA, Congress expressed intent for courts to enforce arbitration agreements and to place these agreements on an

¹⁸⁸ McCausland, P., MSN, *Hurricane Ian Exposed a Flood Insurance Nightmare for Homeowners in Florida*, Oct. 14, 2022, [Hurricane Ian exposed a flood insurance nightmare for homeowners in Florida \(msn.com\)](https://www.msn.com/en-us/news/national/hurricane-ian-exposed-a-flood-insurance-nightmare-for-homeowners-in-florida/mn-bm10888888) (last visited Dec. 5, 2022).

¹⁸⁹ Marante, S., electronic mail to Jacqueline M. Moody, *Re: Private flood insurance*, Dec. 7, 2022 (on file with the Senate Committee on Banking & Insurance) (noting that the OIR has received notice from two insurers that they may no longer offer private flood insurance).

¹⁹⁰ *Id.*

¹⁹¹ The American Arbitration Association, *Arbitration*, <https://www.adr.org/Arbitration> (last visited Dec. 5, 2022).

¹⁹² *ManorCare Health Services, Inc. v. Stiehl*, 22 So.3d 96, 105 (Judge Altenbernd concurring) (Fla. 2d DCA 2009).

¹⁹³ *United Ins. Co. of America v. Office of Ins. Regulation*, 985 So.2d 665, 668 (Fla. 1st DCA 2008).

¹⁹⁴ See 9 U.S.C.A. ss. 1-16.

equal footing with other contracts.¹⁹⁵ The FAA evidences a federal policy that favors and encourages the use of arbitration to resolve disputes.

Florida Arbitration Code

Florida traditionally has favored arbitration. In 1957, the Legislature enacted the Florida Arbitration Code¹⁹⁶ (FAC), which prescribed a framework governing the rights and procedures under arbitration agreements, including the enforceability of arbitration agreements.¹⁹⁷ The FAC was subsequently amended in 1967,¹⁹⁸ and remained largely unchanged until 2013. The FAC governs the arbitration process in its entirety, including, but not limited to the scope and enforceability of arbitration agreements, appointment of arbitrators, arbitration hearing process and procedure, entry and enforcement of arbitration awards, and appeals.

Revised Florida Arbitration Code

During the 2013 Legislative Session, the Legislature passed CS/SB 530 that substantially revised the then existing arbitration code and replaced it with the “Revised Florida Arbitration Code.”¹⁹⁹ The Revised Code is substantially based on the 2000 revision of the Uniform Arbitration Act by the National Conference of Commissioners on Uniform State Laws.²⁰⁰

Among its various provisions, the Revised Code authorizes an arbitrator to award provisional remedies before a final award is made to protect the effectiveness of the arbitration proceeding.²⁰¹ An arbitrator may award exemplary relief and other remedies that the arbitrator considers just and appropriate.²⁰² A party awarded a provisional remedy or final award may enforce the award by having it confirmed by a court.²⁰³

The revised arbitration code generally allows parties to an arbitration agreement to waive or vary the effect of the code’s requirements. However, the code lists a number of provisions that the parties to an agreement may not waive until a controversy arises and provisions that may not be waived at all.²⁰⁴ Parties may not waive the right to judicial relief, the right to a provisional remedy, jurisdiction of the courts, the right to appeal, the right to notice, the right to disclosure, or the right to an attorney, before a controversy arises. Parties may not waive other requirements at any time which would fundamentally undermine the arbitration agreement.

¹⁹⁵ *Allied-Bruce Terminix Cos, Inc. v. Dobson*, 513 U.S. 265, 270-271 (1995).

¹⁹⁶ Chapter 682, F.S.

¹⁹⁷ Chapter 57-402, Laws of Fla.

¹⁹⁸ Chapter 67-254, Laws of Fla.

¹⁹⁹ Chapter 2013-232, Laws of Fla.

²⁰⁰ <https://www.uniformlaws.org/committees/community-home/librarydocuments?LibraryKey=ba0e5b1d-67c0-4292-95e4-7a4157c6d2e1> (last visited Dec. 5, 2022).

²⁰¹ Section 682.031, F.S.

²⁰² Section 682.11, F.S.

²⁰³ Sections 682.081 and 682.11, F.S.

²⁰⁴ Section 682.013, F.S.

Regulation of Insurance in Florida

The OIR regulates specified insurance products, insurers and other risk bearing entities in Florida.²⁰⁵ As part of their regulatory oversight, the OIR may suspend or revoke an insurer's certificate of authority under certain conditions.²⁰⁶ The OIR is responsible for examining the affairs, transactions, accounts, records, and assets of each insurer that holds a certificate of authority to transact insurance business in Florida.²⁰⁷ As part of the examination process, all persons being examined must make available to the OIR the accounts, records, documents, files, information, assets, and matters in their possession or control that relate to the subject of the examination.²⁰⁸ The OIR is also authorized to conduct market conduct examinations to determine compliance with applicable provisions of the Insurance Code.²⁰⁹

Each insurer must file with the OIR their basic insurance policy or annuity contract forms and any application form that is to be made a part of the policy or contract.²¹⁰ These forms may not be delivered or issued for delivery unless the form has been filed with the office.²¹¹

Insurer Reporting of Property Insurance Data and other Information to the Office of Insurance Regulation

All insurers with a Florida certificate of authority to transact insurance business must file quarterly and annual reports with the OIR containing various financial data, including audited financial statements, actuarial opinions, and certain claims data.²¹² Each year, insurers must file an annual statement covering the preceding calendar year on or before March 1. Quarterly statements covering each period ending on March 31, June 30, and September 30 must be filed within 45 days after each such date.²¹³

In 2021, the Legislature enacted legislation²¹⁴ to assist the OIR and the Legislature in identifying current and emerging property insurance litigation trends that are cost drivers adversely affecting insurance rates. As of January 1, 2022, each insurer or insurer group doing business in Florida must provide specific pieces of data regarding litigation of personal and commercial residential property insurance claims to the OIR on an annual basis.²¹⁵ This data includes, but is not limited to, the following information on a per claim basis:

- Type of policy;
- Date, location, and type of loss;
- Name and type of vendors utilized for mitigation, repair, or replacement;

²⁰⁵ Section 20.121(3)(a), F.S. The Financial Services Commission, composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture, serves as agency head of the Office of Insurance Regulation for purposes of rulemaking. Further, the Financial Services Commission appoints the commissioner of the Office of Insurance Regulation.

²⁰⁶ Section 624.418, F.S.

²⁰⁷ Section 624.316(1)(a), F.S.

²⁰⁸ Section 624.318(2), F.S.

²⁰⁹ Section 624.3161, F.S.

²¹⁰ Section 627.410, F.S.

²¹¹ *Id.*

²¹² Section 624.424, F.S.

²¹³ Section 624.424(1)(a), F.S.

²¹⁴ Chapter 2021-77, Laws of Fla.

²¹⁵ Section 624.424(11), F.S.

- Dates on which the claim was reported to the insurer, closed by the insurer, and reopened by the insurer;
- Dates on which a supplemental claim was made;
- Whether the claimant had a public adjuster or an attorney;
- Total amounts that the insurer paid for indemnity, loss adjustment expenses,²¹⁶ and insured's attorney fees;
- Whether the insured's attorney requested that a contingency risk multiplier (CRM)²¹⁷ be applied to the attorney fees calculation and, if so, what CRM was applied.

Section 624.424(10), F.S., requires insurers and insurer groups doing business in Florida to file quarterly reports with the OIR. These reports, also known as QUASR reports, must include the following information for each county in Florida, compiled on a quarterly basis:

- The total number of policies in force at the end of each month.
- The total number of policies canceled.
- The total number of policies nonrenewed.
- The number of policies canceled due to hurricane risk.
- The number of policies nonrenewed due to hurricane risk.
- The number of new policies written.
- The total dollar value of structure exposure under policies that include wind coverage.
- The number of policies that exclude wind coverage.

The OIR must make publicly available data detailing the number of policies, amount of premium, number of cancellations, and other data for each property insurer on a statewide basis.²¹⁸ The information must be published on the OIR website within one month after each quarterly and annual filing.²¹⁹ This information is not a trade secret as defined in s. 688.002(4), F.S., or s. 812.081, F.S., and is not subject to the public records exemption for trade secrets provided in s. 119.0715, F.S.²²⁰

Office of Insurance Regulation Insurer Stability Unit

Section 627.7154, F.S., establishes a property insurer stability unit (unit) within the OIR. The purpose of the unit is to detect and prevent insurer insolvencies in the homeowners' and condominium unit owners' insurance market. Specifically, the unit is to identify significant concerns regarding insurer compliance with the insurance code. The unit must, at minimum:

- Conduct target market exams when there is reason to believe that an insurer's claims practices, rate requirements, investment activities, or financial statements suggest said insurer may be in an unsound financial condition.
- Monitor closely all risk-based capital reports, own-risked solvency assessments, reinsurance agreements, and financial statements filed by insurers.

²¹⁶ Loss adjustment expenses are the costs associated with investigating and adjusting losses or insurance claims. IRMI, <https://www.irmi.com/term/insurance-definitions/loss-adjustment-expense> (last visited Dec. 8, 2022).

²¹⁷ A CRM is a multiplier applied to attorney fees that reflects the risk of attorneys accepting, on a contingency fee basis, cases that may be difficult to win. *See e.g., Joyce v. Federated Nat'l Ins. Co.*, 228 So.3d 1122 (Fla. 2017).

²¹⁸ Section 624.424(10)(b), F.S.

²¹⁹ *Id.*

²²⁰ *Id.*

- Have primary responsibility, coordinating with Florida Commission on Hurricane Loss Projection Methodology, to conduct annual catastrophe stress tests of all domestic insurers and insurers that are commercially domiciled in this state.
- Update required wind mitigation credits.
- Review the causes of insolvency and business practices of insurers that have been referred to the Division of Rehabilitation and Liquidation of the DFS, and make recommendations to prevent future occurrences of such insurers.
- File biannual reports on the status of the homeowners' and condominium unit owners' insurance market to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives, and the chairs of the legislative committees with jurisdiction over matters of insurance.²²¹

The section also specifies events that trigger a referral to the insurer stability unit. Expenses for the unit are to be paid from the Insurance Regulatory Trust Fund, except that, if the unit recommends that a market conduct examination or targeted market examination be conducted, the reasonable cost of the examination shall be paid by the person examined.²²²

Market Conduct Examinations

The OIR is authorized to perform a market conduct examination of, among other entities, any authorized insurer.²²³ The purpose of the examination is to determine the entity's compliance with Florida law.²²⁴ The costs of the examination are to be paid by the subject entity.²²⁵

If the examination reveals that the "insurer has exhibited a pattern or practice of willful violations of an unfair insurance trade practice related to claims-handling which caused harm to policyholders," the OIR may order the insurer to file its claims-handling practices and procedures with the OIR for review and inspection.²²⁶ The practices and procedures are to be held by the OIR for 36 months and are considered public records, not trade secrets, during the 36-month period.²²⁷ The term, "claims-handling practices and procedures," is defined as "any policies, guidelines, rules, protocols, standard operating procedures, instructions, or directives that govern or guide how and the manner in which an insured's claims for benefits under any policy will be processed."²²⁸

Continuation of Coverage

Chapter 631, F.S., provides direction for the handling of insurers that have become insolvent. Part I of the Chapter provides specifically for the rehabilitation and liquidation of insolvent

²²¹ Section 627.7154(3), F.S.

²²² Section 627.7154(4), F.S.

²²³ Section 624.3161(1), F.S.

²²⁴ *Id.*

²²⁵ Section 624.3161(4), F.S.

²²⁶ Section 624.3161(6), F.S.

²²⁷ *Id.*

²²⁸ *Id.*

insurers. Section 631.252(1), F.S., requires policies of the insolvent insurer be canceled upon the earliest of:

- (a) The date of entry of the liquidation or, if the court so provides in its order, the expiration of 30 days from the date of entry of the liquidation order;
- (b) The normal expiration of the policy or contract coverage;
- (c) The replacement of the coverage by the insured, or the replacement of the policy or contract of coverage, with a policy or contract acceptable to the insured by the receiver with another insurer; or
- (d) The termination of the coverage by the insured.

Other than for certain life or health insurance coverages, claims made during the 30-day period under paragraph (1)(a) are handled as if the claim was made prior to the date of the insurer's liquidation.²²⁹ The 30-day coverage period may not be extended.²³⁰

III. Effect of Proposed Changes:

Florida Optional Reinsurance Assistance Program

Section 1 of the bill creates s. 215.5552, F.S., establishing the Florida Optional Reinsurance Assistance (FORA) Program for the 2023 hurricane season within the State Board of Administration (board). The bill authorizes cumulative transfers not to exceed \$1 billion from the General Revenue Fund to the program for the 2022-23 contract term beginning June 1, 2023. The FORA program statute expires June 30, 2026, if no general revenue funds have been transferred to fund the FORA program. If such funds are transferred, the statute expires July 1, 2030, and all unencumbered FORA program funds must be transferred back to the General Revenue Fund. The bill gives the board rulemaking authority, including emergency rulemaking authority, to adopt rules as necessary to implement the FORA program.

The bill authorizes the purchase of multiple reimbursement layers of reinsurance for hurricane losses directly below the mandatory layer of the Florida Hurricane Catastrophe Fund (FHCF). The FHCF mandatory retention is expected to be approximately \$9 billion for the 2022-2023 contract year. The FORA program provides potentially four optional layers below the FHCF retention prior to the third event dropdown of the FHCF retention set forth in s. 215.555(2)(e). The availability of the four potential layers will be based on the monies available – the \$1 billion dollar appropriation, plus the premiums collected by the FORA program participants. The Layers will be determined by the board, but are set prior to insurer selections at:

- The Layer 1 limit is \$1 billion.
- The Layer 2 limit is \$1 billion.
- The Layer 3 limit is \$2 billion divided by the RAP qualification ratio minus \$2 billion.
- The Layer 4 limit is \$1 billion minus the total FORA program industry limit selected for FORA program layers 1, 2 and 3, plus the total FORA program premium collected for FORA program layers 1, 2, and 3.

²²⁹ Section 631.252(2), F.S.

²³⁰ Section 631.252(3), F.S.

Participation in the FORA program is optional, but is available to insurers that participate in FHCF as of November 30, 2022. Qualifying Reinsurance to Assist Policyholders (RAP) insurers that are required to defer participation in RAP to the 2023-2024 contract year are excluded from purchasing FORA program layers 1 through 3. Qualifying RAP insurers required to participate in the 2022-2023 contract year may select FORA program layers 1 through 3. All FORA program eligible insurers may select FORA layer 4. Layers 1 through 4 cannot be purchased separately. All FORA program eligible insurers may purchase Layer 4. If a FORA program insurer chooses to purchase layers 2, 3, or 4, it must purchase all layers sequentially up to the selected layer. Citizens Property Insurance Corporation is excluded from participating in FORA.

FORA Program Reimbursement Contracts

The FORA program coverage reimburses 100 percent of each insurer's covered losses up to each individual insurer's limit of coverage for the two hurricanes causing the largest losses for that insurer during the contract year. A FORA program reimbursement contract effective June 1, 2023, must be executed by April 15, 2023, for layers 1 through 3, and by May 30, 2023, for layer 4. The contract must:

- Contain a promise to reimburse the FORA program insurer for 100 percent of its losses from each covered event in excess of the lowest selected FORA program layer's retention. The sum of the FORA program insurer's covered losses may not exceed the FORA insurer's combined selected FORA program layer limits.
- Provide that reimbursement amounts may not be reduced by reinsurance payable to the insurer from other sources.

FORA Premiums

The FORA program premiums will be:

- FORA layer 1 premium is 50 percent Rate on Line multiplied by the FORA insurer's FORA layer 1 limit.
- FORA layer 2 premium is 55 percent Rate on Line multiplied by the FORA insurer's FORA layer 2 limit.
- FORA layer 3 premium is 60 percent Rate on Line multiplied by the FORA insurer's FORA layer 3 limit.
- FORA layer 4 premium is 65 percent Rate on Line multiplied by the FORA insurer's FORA layer 4 limit.

Initial FORA premiums will be based on the 2023 FHCF projected industry retention, FHCF retention multiples, 2022 RAP Qualification Ratio and insurers' 2022 FHCF premiums. Final FORA premiums will be adjusted after December 31, 2023, based on December 31, 2023, FHCF premiums, FHCF industry retention, the 2023 RAP qualification ratio and insurers' 2023 FHCF premiums. Failure to pay the initial FORA premium in full by July 1, 2023, will result in disqualification as a FORA insurer. The final FORA premium will be due no later than March 1, 2024.

The FORA program is funded through a combination of insurer premiums collected for FORA coverage and the authorization of the transfer of up to \$1 billion in general revenue funds.

Bad Faith Failure to Settle Actions against Property Insurers

Section 2 amends s. 624.1551, F.S., to provide that bad faith litigation for failure to settle a property insurance claim may not be filed until after the insured has established through adverse adjudication by a court that the insurer breached the insurance contract and a final judgment or decree has been rendered against the insurer. The bill provides that acceptance of an offer of judgment or the payment of an appraisal award does not constitute an adverse adjudication. This is intended to have the effect of prohibiting a bad faith failure to settle action solely on the basis of the policyholder's successful recovery of additional claim proceeds through the insurance contract's appraisal process or acceptance of an offer of judgment. The bill also provides that the difference between an insurer's appraiser's final estimate and the appraisal award may be evidence of bad faith but is not considered an adverse adjudication and does not on its own give rise to a cause of action for bad faith.

Regulation of Insurance in Florida

Section 3 amends s. 624.3161, F.S., to authorize the Office of Insurance Regulation (OIR) to subject any authorized insurer to a market conduct examination after a hurricane if the insurer:

- Is among the top 20 percent of insurers based upon a calculation of the ratio of hurricane-related property insurance claims filed to the number of property insurance policies in force;
- Is among the top 20 percent of insurers based upon a calculation of the ratio of consumer complaints made to DFS to hurricane-related claims;
- Has made significant payments to its managing general agent since the hurricane; or
- Is identified by OIR as necessitating a market conduct exam for any other reason.

The relevant criteria under ss. 624.3161 and s. 624.316, F.S.²³¹, are to be applied to the market conduct examination. The market conduct examination, if any, must be started within 18 months after the landfall of the related hurricane. The insurer's managing general agent must be included in the market conduct examination as if it were the insurer.

Section 4 amends s. 624.418(2), F.S., relating to the OIR's authority to suspend or revoke an insurer's certificate of authority. The bill adds an additional condition for the OIR to use this authority where the insurer engages in a general business practice of, without just cause, compelling insureds to participate in appraisal in order for the insured to secure the full payment or settlement of a property insurance claims. The OIR may, instead of suspending or revoking the insurer's certificate of authority, choose to impose administrative fines and restitution or seek to reach a consent order with the insurer.

Section 5 amends s. 624.424(10)(a), F.S., to add additional elements to the mandated insurer's quarterly reports filed with the OIR to include the number of claims opened, closed, and pending each month; the number of claims where the insurer invoked any form of alternative dispute resolution (ADR) and which form of ADR was used.

²³¹ This section is entitled "Examination of Insurers."

Section 12 amends s. 627.410(3), F.S., relating to the required filing of forms by insurers with the OIR. The bill adds the authority of the OIR to, based on a finding from a market conduct examination that the insurer had exhibited a pattern or practice of one or more willful unfair insurance trade practice violations with regard to its use of appraisal, to withdraw OIR approval of the forms and, in addition to any other authorized regulatory action, issue an order that prohibits the insurer from invoking appraisal for up to two years.

Section 22 amends s. 627.7154(3)(f), F.S., relating to the Property Insurer Stability Unit (unit) within the OIR. The bill adds an element to the unit's required semiannual report on the status of the homeowners' and condominium homeowners' insurance market to include the name of any insurer, as a result of a market conduct examination, found to have exhibited a pattern or practice of one or more willful unfair insurance trade practice violations with regard to its use of appraisal compelling insureds to participate in appraisal in order for the insured to secure the full payment or settlement of a property insurance claims, in addition to the findings of the examination. The bill requires the OIR to publish this same information on its internet webpage.

Attorney Fees Awards in Property Insurance Litigation

Section 6 amends s. 626.9373, F.S., and **section 13** amends s. 627.428, F.S., to provide that the one-way attorney fee provisions of each statute are not applicable in a suit arising under a residential or commercial property insurance policy issued by an authorized insurer. Section 627.428 applies to authorized insurers, while s. 626.9373, F.S., applies to surplus lines insurers.

Section 17 of the bill also deletes the attorney fee provisions of s. 627.70152(8), F.S., currently used to award fees under s. 627.428, F.S., and s. 626.9373, F.S. The deletion of subsection (8) repeals language limiting fees to awards under that subsection and court sanctions, which has the effect of reinstating the offer of judgment process in s. 768.79, F.S., for property insurance claims. Technical changes are also made to this section.

Section 24 amends s. 768.79, F.S., regarding offers of judgment, to allow a property insurer to, for a breach of contract action, make a joint offer of settlement that is conditioned on the mutual acceptance of all joint offerees. This is designed to prevent a scenario where, for instance, a husband and wife both jointly own property, and an offer of judgment is made to each spouse that results in one spouse accepting the offer but the other declining and going on to bring a lawsuit.

Section 19 amends s. 627.7074, F.S., to repeal language that awards an attorney fee to an insured that prevails in neutral evaluation. The bill also makes conforming change related to the elimination of attorney fee awards under s. 627.428, F.S., in property insurance litigation.

Unfair Insurance Claim Settlement Practices

Section 8 amends s. 626.9541(1)(i), F.S., of the Unfair Insurance Trade Practices Act to conform changes made by the section 15 of the bill to s. 627.70131, F.S., which provides timelines regarding property insurance claim adjustment and claim payments. Specifically, the bill reduces the requirement to pay undisputed amounts of benefits from 90 days to 60 days. The bill revises the factors that excuse an insurer's failure to perform to "factors beyond the control of the insurer

as defined in s. 627.70131(5), F.S.” rather than acts of God, the impossibility of performance, or the other claimant actions specified under current law.

Prompt Pay Laws for Property Insurance

Section 15 amends s. 627.70131, F.S., which sets forth requirements for insurers to timely communicate with claimants, timely investigate the claim, and timely pay or deny the claim. The bill requires insurers to more quickly communicate with claimants, adjust the claim, and pay or deny the claim by:

- Reducing the time for insurers to acknowledge a claim or respond to communication from 14 days to 7 days.
- Reducing the time for insurers to begin an investigation, if reasonably necessary, from 14 days to 7 days after the proof-of-loss statement is received.
- Reducing the time for insurers to conduct a physical inspection from 45 days to 30 days and applies this provision to hurricane claims.
- Requiring insurers to provide to policyholders a copy of any adjuster’s report estimating the loss within 7 days after it is created.
- Reducing the time for insurers to pay or deny a claim, or a portion of the claim, from 90 days to 60 days, which may be extended 30 days (for payment to be made within a total of 90 days) by an the OIR order finding the delay is caused by factors beyond the control of the insurer.

The bill allows the OIR to extend the deadlines that are required of insurers under the prompt pay laws for up to 30 additional days if the failure is caused by “factors beyond the control of the insurer,” which is newly defined in s. 627.70131(5)(a), F.S., as any of the following events that is the basis for the OIR issuing an order finding that such event renders all or specified residential property insurers reasonably unable to meet the requirements of this section in specified locations, and ordering that such insurer or insurers may have additional time as specified by the office to comply with the requirements of this section:

- A state of emergency declared by the Governor under s. 252.36,
- A breach of security that must be reported under s. 501.171(3), or
- An information technology issue.

The office may not extend the period for payment or denial of a claim for more than 30 additional days.

The requirements of the section also do not apply if actions by the policyholder or the policyholder’s representative which constitute fraud, lack of cooperation, or intentional misrepresentation regarding the claim for which benefits are owed, reasonably prevent the insurer from complying with any requirement of this section.

Section 627.70131(1)(d), F.S., is created to authorize insurers to use electronic methods to investigate the loss that is reported in a claim. Methods that may be used include, but are not limited to:

- Electronic photographs;
- Video recordings of the loss;

- Video conferencing between the adjuster and the policyholder which includes video recording of the loss; and
- Video recordings or photographs of the loss using a drone, driverless vehicle, or other machine that can move independently or through remote control.

An insurer may allow the policyholder to use such electronic methods to assist in the investigation. An insurer may void the insurance policy if the policyholder or any other person at the direction of the policyholder, with intent to injure, defraud, or deceive any insurer, uses electronic methods to commit insurance fraud by providing false, incomplete, or misleading information concerning any material fact to a claim. An insurer may assign a licensed adjuster to physically inspect the property even if electronic methods are used to investigate the loss.

Section 627.70131(4)(b), F.S., is created to require an insurer to maintain the following records, including dates:

- Any claim-related communication made between the insurer and the policyholder or the policyholder's representative;
- The insurer's receipt of the policyholder's proof-of-loss statement;
- Any claim-related request for information made by the insurer to the policyholder or the policyholder's representative;
- Any claim-related inspection of the property made by the insurer;
- Any detailed estimate of the amount of the loss generated by the insurer's adjuster;
- The beginning and end of any tolling period; and
- The insurer's payment or denial of the claim.

The bill creates section 627.70131(8), F.S., which tolls the requirements of the section as follows:

- During the pendency of any mediation proceeding or any alternative dispute resolution provided for in the insurance contract. The tolling period ends upon completion of the proceeding.
- Upon the failure of a policyholder or a policyholder's representative to provide material claims information requested by the insurer within 10 days after the request was received until the insurer receives such information. This tolling period applies only to requests sent by the insurer to the policyholder or a policyholder's representative at least 15 days before the insurer is required to make a payment or deny the claim.

Citizens Property Insurance Corporation

Section 8 amends s. 627.351, F.S., with the effect of changing the structure of Citizens, eligibility criteria, and criteria for setting rates.

Citizens' Accounts

Effective July 1, 2023, upon eliminating all outstanding financing obligations, Citizens may consolidate the personal lines account, commercial lines account, and coastal account into one account, known as the Citizens account, for all of its revenues, assets, liabilities, losses, and expenses. A single account will allow Citizens to access its entire surplus to pay claims. If

established, the Citizens account is authorized to provide coverage to the same extent each of the three separate accounts may provide coverage under current law.

Citizens is not authorized to levy regular assessments if the three separate accounts are consolidated into the Citizens account, but any outstanding balance owed for regular assessments that are levied before the Citizens account is established remain payable to Citizens. Citizens must, however, levy the following assessments upon determination that the Citizens account has a projected deficit:

- A surcharge of up to 15 percent against all of Citizens' policyholders; and
- For any remaining projected deficit, an emergency assessment on all insurance policyholders (except medical malpractice and workers' compensation) which may not exceed the greater of 10 percent of the amount needed to cover the deficit, plus interest, fees, commissions, required reserves, and other costs associated with financing the original deficit, or 10 percent of the aggregate statewide direct written premium for subject lines of business and the Citizens account for the prior year, plus interest, fees, commissions, required reserves, and other costs associated with financing the deficit.

Provisions under current law [s. 627.351(6)(b)2. and (b)3., F.S.,] regarding coverage and any deficits incurred in the three separate accounts will be replaced with new and substantially similar provisions regarding coverage and any deficits incurred in the Citizens account [under s. 627.351(6)(b)4. and 5., F.S.].

The bill also revises the acknowledgment that an applicant for Citizens coverage will have to sign after the single Citizens account is established.

Eligibility

The bill increases the eligibility threshold for renewal coverage from Citizens. Citizens renewal policyholders for personal and commercial lines residential risks, and take-out offers, are eligible for coverage if the premium for coverage from the authorized insurer is more than 20 percent greater than the renewal premium for comparable coverage from Citizens, including any surcharges or assessments. This increased eligibility threshold applies to renewal policies for personal lines residential risks on or after April 1, 2023. A policyholder that is removed from Citizens through an assumption agreement does not remain eligible for coverage from Citizens beyond the end of the policy term, but remains on Citizens' policy forms through the end of the policy term.

Citizens' eligibility threshold for new commercial lines residential risk is increased to make such applicants ineligible for coverage unless the premium from the authorized insurer is more than 20 percent, as opposed to more than 15 percent, of the premium for comparable coverage from Citizens. This change is consistent with the eligibility threshold for new personal lines residential risk coverage.

The bill removes language suggesting that the notice from Citizens to policyholders and the agent of record regarding take-out offers should include notice that the policyholder has an option to accept or reject the offer and remain with Citizens.

Rates

Section 8 maintains Citizens' requirement for its rates to be actuarially sound and adds a requirement that the rates not be competitive with the approved rates charged in the admitted market. The bill notes that this provision is added to ensure that Citizens functions as a residual market mechanism and provides insurance only when insurance cannot be procured in the voluntary market.

The bill removes the glidepath rate limitations for any new or renewal personal lines policy for non-primary residences written on or after November 1, 2023, and sets the rate to no more than 50% above, but not less than, the established rate for Citizens which was in effect 1 year before the date of the application. The term "primary residence" is defined as the dwelling that is the policyholder's primary home or is a rental property that is the primary home of the tenant and which the policyholder or tenant occupies for more than 9 months of each year.

Flood Insurance

The bill requires an applicant or insured of Citizens for personal lines residential coverage (for example, homeowner's coverage) to obtain flood insurance as a condition of coverage which must be at least equivalent to the coverage available from the National Flood Insurance Program or certain private market flood products authorized by s. 627.715(1), F.S., that provide coverage that is not below NFIP coverage. The limits for such coverage must be the lesser of the policy limit on the Citizens policy or the coverage limits under NFIP flood coverage. The applicant or insured must execute a form that is approved by the OIR which affirms that flood insurance is not provided by Citizens, and that the risk will not be eligible for coverage by Citizens if flood insurance is not secured. Policyholders' requirement to obtain flood insurance must be implemented as follows:

- Personal lines residential Citizens policyholders whose property is located within special hazard flood zones defined by the FEMA, must have flood coverage by:
 - April 1, 2023 for Citizens' new policies.
 - July 1, 2023 for Citizens' renewal policies.
- For all other risks, the requirement to flood insurance must be implemented for specified Citizens' policyholders as follows:
 - March 1, 2024, for policies insuring property to a limit of \$600,000 or more.
 - March 1, 2025, for policies insuring property to a limit of at least \$500,000 but less than \$600,000.
 - March 1, 2026, for policies insuring property to a limit of at least \$400,000 but less than \$500,000.
 - March 1, 2027, for all other policyholders.

Conforming Changes

Section 9 amends s. 627.351(6)(s), F.S., to provide a conforming change to the elimination of attorney fee awards under s. 627.428, F.S., for property insurance litigation.

Section 10 amends s. 627.3511, F.S. to conform cross references.

Section 11 of the bill amends s. 627.3518, F.S., the Citizens' clearinghouse statute to incorporate the revisions made in the bill to the Citizens eligibility standard. The bill repeals language which that requires an applicant for coverage who was declared ineligible for coverage at renewal by Citizens in the previous 36 months be considered a renewal under the Citizens' clearinghouse statute if the authorized insurer continues to insure the applicant and increased the rate higher than allowed under Citizens' eligibility standard.

Flood Notice

Section 14 amends s. 627.7011, F.S., to require that the mandatory flood insurance notice be included on the declarations page, rather than with the policy documents, at initial issuance and every renewal. The bill also revises the notice to specify that policyholders' flood losses will be uncovered if they do not purchase flood insurance, and to state that the policyholder should consider purchasing flood insurance.

Claim Filing Deadline

Section 16 amends s. 627.70132, F.S., to reduce the deadline for policyholders to report a property insurance claim under the policy from 2 years to 1 year for a new or reopened claim, and from 3 years to 18 months for a supplemental claim.

Mandatory Binding Arbitration Provisions in Property Insurance Contracts

Section 18 creates s. 627.70154, F.S., providing conditions whereby an insurer may include mandatory binding arbitration in its policies. The insurer may not require a policyholder to participate in mandatory binding arbitration unless:

- The mandatory binding arbitration requirements are contained in a separate endorsement attached to the property insurance policy;
- The premium for the policy includes an actuarially sound credit or premium discount for the mandatory binding arbitration endorsement;
- The policyholder signs a form accepting mandatory binding arbitration and which form must notify the policyholder of the rights given up in exchange for the credit or premium discount, including, but not limited to, the right to a trial by jury; and
- The endorsement requires that the insurer will comply with the mediation provisions in s. 627.7015, F.S., before the initiation of arbitration.

Homeowner Claim Bill of Rights

Section 20 amends s. 627.7142, F.S., the Homeowner Claim Bill of Rights to conform to the bill's amendments to s. 627.70131, F.S.

Assignment of Benefits

Section 21 amends s. 627.7152, F.S., to prohibit the assignment, in whole or in part, of any post-loss insurance benefit under any residential property insurance policy or under any commercial property insurance policy issued on or after January 1, 2023. The bill specifies that assignment agreements under a residential property insurance policy or

under a commercial property insurance policy are only valid on policies issued on or after July 1, 2019, and before January 1, 2023.

Continuation of Coverage

Section 23 amends s. 631.252(3), F.S., to allow the OIR to extend the 30-day coverage period for policies of insolvent insurers by an additional 15 days if the OIR reasonably believes that market conditions are such that the policies cannot be placed with an authorized insurer within the 30-day period.

Appropriation

Section 25 provides that for the 2022-2023 fiscal year, the sum of \$1,757,982 in recurring funds is appropriated from the Insurance Regulatory Trust Fund to the Office of Insurance Regulation with associated salary rate of \$844,464. From these funds, \$1,356,615 is appropriated in the Salaries and Benefits appropriation category, \$400,000 is appropriated in the Other Personal Services appropriation category, and \$1,367 is appropriated in the Transfer to Department of Management Services - Human Resources Services Purchased Per Statewide Contract appropriation category. The funds shall be utilized for the recruitment and retention of personnel within the office to ensure the ongoing monitoring of insurance company products and services, as well as the financial condition of licensed insurance companies.

Effective Dates

Section 26 provides that the bill takes effect upon becoming law, except as otherwise expressly provided. Bill sections with alternative effective dates are:

- **Section 8 and Section 11**, which are effective January 1, 2023.
- **Section 15**, which is effective March 1, 2023.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill appropriates for 2022-2023 fiscal year, \$1,757,982 in recurring funds from the Insurance Regulatory Trust Fund to the OIR with an associated salary rate of \$844,464. The funds will be allocated as follows: \$1,356,615 for Salaries and Benefits, \$400,000 for Other Personal Services Category, and \$1,367 to DMS. Funds also will be used for recruitment and retention of personnel within the OIR.

C. Government Sector Impact:

The bill authorizes cumulative transfers not to exceed \$1 billion from the General Revenue Fund to the Florida Optional Reinsurance Assistance (FORA) Program for the 2022-23 contract term beginning June 1, 2023. The FORA program statute expires June 30, 2026, if no general revenue funds have been transferred to fund the FORA program. If such funds are transferred, the statute expires July 1, 2030, and all unencumbered FORA program funds must be transferred back to the General Revenue Fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends ss. 624.1551, 624.3161, 626.9373, 626.9541, 627.351, 627.3511, 627.3518, 627.428, 627.7011, 627.70131, 627.70132, 627.70152, 627.7074, 627.7142, 627.7152, 631.252, and 768.79 of the Florida Statutes.

This bill creates s. 215.5552 and s. 627.70154 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



489604

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
12/12/2022	.	
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The Committee on Banking and Insurance (Thompson) recommended the following:

Senate Amendment

Delete line 447
and insert:
does not, on its own, give rise to a cause of action. However,
an arbitration ruling rendered against the insurer constitutes
an adverse adjudication for purposes of establishing a claim for
extracontractual damages under this section.



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LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
12/12/2022	.	
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The Committee on Banking and Insurance (Thompson) recommended the following:

Senate Amendment (with title amendment)

Delete lines 2400 - 2682
and insert:

(1) Upon the rendition of a judgment or decree by any of the courts of this state against an insurer and in favor of any named or omnibus insured or the named beneficiary under a policy or contract executed by the insurer, the trial court or, in the event of an appeal in which the insured or beneficiary prevails, the appellate court shall adjudge or decree against the insurer



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and in favor of the insured or beneficiary a reasonable sum as fees or compensation for the insured's or beneficiary's attorney prosecuting the suit in which the recovery is had. In a suit arising under a residential or commercial property insurance policy, the amount of reasonable attorney fees shall be awarded only as provided in s. 57.105, ~~or~~ s. 627.70152, or s. 768.79, as applicable.

~~(4) In a suit arising under a residential or commercial property insurance policy, the right to attorney fees under this section may not be transferred to, assigned to, or acquired in any other manner by anyone other than a named or omnibus insured or a named beneficiary.~~

Section 14. Paragraph (b) of subsection (4) of section 627.7011, Florida Statutes, is amended to read:

627.7011 Homeowners' policies; offer of replacement cost coverage and law and ordinance coverage.—

(4)

(b) An insurer that issues a homeowner's insurance policy that does not provide flood insurance coverage must include on the policy declarations page ~~with the policy documents~~ at initial issuance and every renewal, in bold type no smaller than 18 points, the following statement:

"FLOOD INSURANCE: YOU SHOULD ~~MAY ALSO NEED TO~~ CONSIDER THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER'S INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD INSURANCE COVERAGE, YOUR ~~YOU MAY HAVE~~ UNCOVERED LOSSES



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CAUSED BY FLOOD ARE NOT COVERED. PLEASE DISCUSS THE
NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE
WITH YOUR INSURANCE AGENT."

Section 15. Effective March 1, 2023, present subsection (8)
of section 627.70131, Florida Statutes, is redesignated as
subsection (9), a new subsection (8) is added to that section,
and paragraph (a) of subsection (1), subsections (3), (4), and
(5), and paragraph (a) of subsection (7) of that section are
amended, to read:

627.70131 Insurer's duty to acknowledge communications
regarding claims; investigation.-

(1)(a) Upon an insurer's receiving a communication with
respect to a claim, the insurer shall, within 7 ~~14~~ calendar
days, review and acknowledge receipt of such communication
unless payment is made within that period of time or unless the
failure to acknowledge is caused by factors beyond the control
of the insurer ~~which reasonably prevent such acknowledgment~~. If
the acknowledgment is not in writing, a notification indicating
acknowledgment shall be made in the insurer's claim file and
dated. A communication made to or by a representative of an
insurer with respect to a claim shall constitute communication
to or by the insurer.

(3)(a) Unless otherwise provided by the policy of insurance
or by law, within 7 ~~14~~ days after an insurer receives proof-of-
loss statements, the insurer shall begin such investigation as
is reasonably necessary unless the failure to begin such
investigation is caused by factors beyond the control of the
insurer ~~which reasonably prevent the commencement of such~~



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69 ~~investigation.~~

70 (b) If such investigation involves a physical inspection of
71 the property, the licensed adjuster assigned by the insurer must
72 provide the policyholder with a printed or electronic document
73 containing his or her name and state adjuster license number.

74 ~~For claims other than those subject to a hurricane deductible,~~
75 An insurer must conduct any such physical inspection within 30
76 ~~45~~ days after its receipt of the proof-of-loss statements.

77 (c) Any subsequent communication with the policyholder
78 regarding the claim must also include the name and license
79 number of the adjuster communicating about the claim.
80 Communication of the adjuster's name and license number may be
81 included with other information provided to the policyholder.

82 (d) An insurer may use electronic methods to investigate
83 the loss. Such electronic methods may include any method that
84 provides the insurer with clear, color pictures or video
85 documenting the loss, including, but not limited to, electronic
86 photographs or video recordings of the loss, video conferencing
87 between the adjuster and the policyholder which includes video
88 recording of the loss, and video recordings or photographs of
89 the loss using a drone, driverless vehicle, or other machine
90 that can move independently or through remote control. The
91 insurer also may allow the policyholder to use such methods to
92 assist in the investigation of the loss. An insurer may void the
93 insurance policy if the policyholder or any other person at the
94 direction of the policyholder, with intent to injure, defraud,
95 or deceive any insurer, commits insurance fraud by providing
96 false, incomplete, or misleading information concerning any fact
97 or thing material to a claim using electronic methods. The use



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of electronic methods to investigate the loss does not prohibit an insurer from assigning a licensed adjuster to physically inspect the property.

~~(e) Within 7 days after the insurer's assignment of an adjuster to the claim,~~ The insurer must send ~~notify~~ the policyholder ~~that he or she may request~~ a copy of any detailed estimate of the amount of the loss within 7 days after the estimate is generated by an insurer's adjuster. ~~After receiving such a request from the policyholder, the insurer must send any such detailed estimate to the policyholder within the later of 7 days after the insurer received the request or 7 days after the detailed estimate of the amount of the loss is completed.~~ This paragraph does not require that an insurer create a detailed estimate of the amount of the loss if such estimate is not reasonably necessary as part of the claim investigation.

(4) An insurer shall maintain:

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

(b) Claim records, including dates, of:

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

2. The insurer's receipt of the policyholder's proof of loss statement;

3. Any claim-related request for information made by the insurer to the policyholder or the policyholder's representative;

4. Any claim-related inspections of the property made by



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the insurer, including physical inspections and inspections made
by electronic means;

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

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

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

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

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

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

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

(b) "Insurer" means any residential property insurer.

(7)(a) Within 60 ~~90~~ days after an insurer receives notice
of an initial, reopened, or supplemental property insurance
claim from a policyholder, the insurer shall pay or deny such



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claim or a portion of the claim unless the failure to pay is caused by factors beyond the control of the insurer ~~which reasonably prevent such payment~~. The insurer shall provide a reasonable explanation in writing to the policyholder of the basis in the insurance policy, in relation to the facts or applicable law, for the payment, denial, or partial denial of a claim. If the insurer's claim payment is less than specified in any insurer's detailed estimate of the amount of the loss, the insurer must provide a reasonable explanation in writing of the difference to the policyholder. Any payment of an initial or supplemental claim or portion of such claim made 60 ~~90~~ days after the insurer receives notice of the claim, or made ~~more than 15 days~~ after the expiration of any additional timeframe provided to pay or deny a claim or a portion of a claim made pursuant to an order of the office finding there are no longer factors beyond the control of the insurer ~~which reasonably prevented such payment~~, whichever is later, bears interest at the rate set forth in s. 55.03. Interest begins to accrue from the date the insurer receives notice of the claim. The provisions of this subsection may not be waived, voided, or nullified by the terms of the insurance policy. If there is a right to prejudgment interest, the insured must select whether to receive prejudgment interest or interest under this subsection. Interest is payable when the claim or portion of the claim is paid. Failure to comply with this subsection constitutes a violation of this code. However, failure to comply with this subsection does not form the sole basis for a private cause of action.

(8) The requirements of this section are tolled:



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

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

Section 16. Subsection (2) of section 627.70132, Florida Statutes, is amended to read:

627.70132 Notice of property insurance claim.—

(2) A claim or reopened claim, but not a supplemental claim, under an insurance policy that provides property insurance, as defined in s. 624.604, including a property insurance policy issued by an eligible surplus lines insurer, for loss or damage caused by any peril is barred unless notice of the claim was given to the insurer in accordance with the terms of the policy within 1 year ~~2 years~~ after the date of loss. A supplemental claim is barred unless notice of the supplemental claim was given to the insurer in accordance with the terms of the policy within 18 months ~~3 years~~ after the date of loss.

Section 17. Subsection (1) of section 627.70152, Florida



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Statutes, is amended to read:

627.70152 Suits arising under a property insurance policy.—

(1) APPLICATION.—This section applies exclusively to all suits ~~not brought by an assignee~~ arising under a residential or commercial property insurance policy, including a residential or commercial property insurance policy issued by an eligible surplus lines insurer.

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete lines 99 - 125

and insert:

627.428, F.S.; revising conditions under which attorney fees may be awarded in suits arising under a residential or commercial property insurance policy; deleting a restriction on transferring, assigning, or acquiring a certain right to attorney fees; amending s. 627.7011, F.S.; revising disclosure requirements relating to flood insurance for insurers issuing homeowners' policies; amending s. 627.70131, F.S.; revising requirements for insurers relating to acknowledging communications regarding claims, investigating claims, sending estimates of losses to policyholders, recordkeeping, and paying or denying claims; authorizing insurers to use specified methods in investigating losses; authorizing insurers to void insurance policies under certain circumstances; defining the term "factors beyond the control of the insurer"; specifying circumstances under which certain



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243 requirements are tolled; providing construction;
244 amending s. 627.70132, F.S.; revising timeframes under
245 which notices of claims, reopened claims, and
246 supplemental claims under property insurance policies
247 must be given to insurers or be barred; amending s.
248 627.70152, F.S.; revising applicability of provisions
249 relating to suits arising under a property insurance
250 policy; creating s. 627.70154, F.S.; specifying



574674

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
12/12/2022	.	
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The Committee on Banking and Insurance (Powell) recommended the following:

Senate Amendment (with title amendment)

Delete lines 2418 - 2421
and insert:

Section 14. Paragraph (c) is added to subsection (1) of section 627.7011, Florida Statutes, and paragraph (b) of subsection (4) of that section is amended, to read:



574674

627.7011 Homeowners' policies; offer of replacement cost coverage and law and ordinance coverage.—

(1) Prior to issuing a homeowner's insurance policy, the insurer must offer each of the following:

(c) If a homeowner's insurance policy provides an option with limited coverage, a premium for such reduced coverage which includes a substantial, actuarially sound premium discount or credit for the impact of the reduced coverage.

An insurer is not required to make the offers required by this subsection with respect to the issuance or renewal of a homeowner's policy that contains the provisions specified in paragraph (b) for law and ordinance coverage limited to 25 percent of the dwelling limit, except that the insurer must offer the law and ordinance coverage limited to 50 percent of the dwelling limit. This subsection does not prohibit the offer of a guaranteed replacement cost policy.

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete line 102

and insert:

policies; amending s. 627.7011, F.S.; requiring that insurers issuing homeowners' policies with limited coverage options to offer a premium including a substantial, actuarially sound premium discount or credit for the impact of the reduced coverage; revising



320720

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
12/12/2022	.	
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The Committee on Banking and Insurance (Torres) recommended the following:

Senate Amendment (with directory and title amendments)

Between lines 2593 and 2594
insert:

(9) An insurer shall notify each first-party claimant or beneficiary that they may obtain copies of claim-related documents upon request. As used in this subsection, the term "claim-related documents" means all documents related to the evaluation of damages, including, but not limited to, repair and



320720

replacement estimates and bids; appraisals; scopes of loss;
drawings, plans, and reports; third-party findings on the amount
of loss, covered damages, and the cost of repairs; and all other
valuation, measurement, and loss adjustment calculations of the
amount of loss. However, attorney work product and attorney-
client privileged documents and documents that indicate fraud by
the insured or that contain medically privileged information are
excluded from the documents an insurer is required to provide to
a claimant pursuant to this subsection. Within 15 calendar days
after receiving a request from an insured or a beneficiary for
claim-related documents, the insurer shall provide the insured
or beneficiary with copies of all claim-related documents except
those excluded by this section. This subsection may not be
construed to affect existing litigation discovery rights.

==== D I R E C T O R Y C L A U S E A M E N D M E N T =====

And the directory clause is amended as follows:

Delete line 2441

and insert:

subsection (10), a new subsection (8) and subsection (9) are
added to that section,

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete line 114

and insert:

under which certain requirements are tolled; requiring
insurers to notify first-party claimants and
beneficiaries that they may obtain copies of claim-



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39 related documents upon request; defining the term
40 "claim-related documents"; providing an exception;
41 requiring insurers to provide such documents within a
42 specified timeframe; providing



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LEGISLATIVE ACTION

Senate	.	House
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The Committee on Banking and Insurance (Powell) recommended the following:

Senate Amendment (with directory and title amendments)

Between lines 2593 and 2594
insert:

(9) Following a declaration of a state of emergency by the Governor pursuant to s. 252.36 due to a natural disaster, tropical storm, or hurricane and an insurance claim arising from such events, if the insurer within a 6-month period assigns a third or subsequent licensed claims adjuster to be primarily responsible for the insurance claim, the insurer must render a



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claims decision within 30 days.

=====
D I R E C T O R Y C L A U S E A M E N D M E N T =====

And the directory clause is amended as follows:

Delete line 2441

and insert:

subsection (10), a new subsection (8) and subsection (9) are
added to that section,

=====
T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete line 114

and insert:

under which certain requirements are tolled; requiring
an insurer, under certain circumstances, to render a
claims decision within a specified timeframe;
providing

By Senator Boyd

20-00001C-22A

20222A__

1 A bill to be entitled
 2 An act relating to property insurance; creating s.
 3 215.5552, F.S.; creating the Florida Optional
 4 Reinsurance Assistance program (FORA), to be
 5 administered by the State Board of Administration;
 6 defining terms; authorizing eligible insurers to
 7 purchase reinsurance coverage under FORA; requiring
 8 the board to provide specified coverage layers;
 9 specifying coverage limits for each option; specifying
 10 requirements for reimbursement contracts between the
 11 board and FORA insurers; specifying the calculation of
 12 payout multiples and layer retentions; authorizing the
 13 board to inspect, examine, and verify certain records;
 14 specifying the calculation of premiums and
 15 requirements for the payment of premiums; providing
 16 construction relating to the claims-paying capacity of
 17 the Florida Hurricane Catastrophe Fund; specifying
 18 requirements and procedures if a FORA insurer becomes
 19 insolvent; providing construction relating to
 20 violations; authorizing the board to take legal
 21 actions and adopt rules, including emergency rules;
 22 providing legislative findings; specifying
 23 requirements and procedures for the appropriation of
 24 funds from the General Revenue Fund to provide
 25 reimbursements; requiring the board to submit annual
 26 reports to the Governor and the Legislature; providing
 27 for contingent expiration; amending s. 624.1551, F.S.;
 28 revising conditions that must be met for a claim for
 29 extracontractual damages in a civil remedy action

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

20-00001C-22A

20222A__

30 against a property insurer; providing construction;
 31 amending s. 624.3161, F.S.; providing that property
 32 insurers may be subject to an additional market
 33 conduct examination by the Office of Insurance
 34 Regulation after a hurricane under certain
 35 circumstances; providing requirements for such
 36 examination; amending s. 624.418, F.S.; adding
 37 specified grounds on which the office may suspend or
 38 revoke a property insurer's certificate of authority;
 39 amending s. 624.424, F.S.; adding information required
 40 to be reported by property insurers in their quarterly
 41 supplemental reports; amending s. 626.9373, F.S.;
 42 deleting a right to attorney fees for judgments or
 43 decrees against surplus lines insurers in suits
 44 arising under residential or commercial property
 45 insurance policies; amending s. 626.9541, F.S.;
 46 revising conditions for a certain unfair claim
 47 settlement practice by a property insurer; amending s.
 48 627.351, F.S.; authorizing Citizens Property Insurance
 49 Corporation, if certain conditions are met, to
 50 consolidate its three separate accounts into a single
 51 Citizens account for all revenues, assets,
 52 liabilities, losses, and expenses of the corporation;
 53 specifying the corporation's authority, and
 54 requirements for and prohibited acts by the
 55 corporation, under the Citizens account; providing
 56 applicability; specifying requirements and procedures
 57 with respect to a deficit in the Citizens account;
 58 defining terms; providing requirements for the Florida

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

20-00001C-22A

20222A__

59 Surplus Lines Service Office; revising requirements
 60 for the corporation's plan of operation; revising
 61 eligibility requirements for renewing coverage with
 62 the corporation for personal lines residential and
 63 commercial lines residential risks; providing
 64 construction; providing requirements relating to
 65 certain excess premium and investment income in the
 66 Citizens account; authorizing specified insurers to
 67 petition the office to qualify as limited
 68 apportionment companies; providing requirements for
 69 such companies; specifying disclosure requirements to
 70 applicants for coverage from the corporation if the
 71 Citizens account is established; providing that, for
 72 certain purposes, the corporation's rates for coverage
 73 may not be competitive with approved rates charged in
 74 the admitted voluntary market; requiring the office to
 75 provide certain information to the corporation;
 76 specifying annual rate increase limits for personal
 77 lines policies written on or after a specified date
 78 which do not cover a primary residence; defining the
 79 term "primary residence"; requiring the corporation to
 80 require the securing and maintenance of flood
 81 insurance as a condition of personal lines residential
 82 coverage; specifying requirements for such flood
 83 insurance coverage; specifying deadlines by which
 84 policyholders must secure and maintain flood
 85 insurance; revising eligibility requirements for
 86 coverage with the corporation when take-out offers are
 87 received by policyholders; specifying a burden of

Page 3 of 105

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

20-00001C-22A

20222A__

88 proof for corporation policyholders making claims for
 89 water damage; making technical changes; conforming
 90 provisions to changes made by the act; amending s.
 91 627.3511, F.S.; conforming cross-references; amending
 92 s. 627.3518, F.S.; deleting a provision construing the
 93 eligibility for coverage with the corporation for
 94 certain applicants; conforming a provision to changes
 95 made by the act; amending s. 627.410, F.S.; requiring
 96 the office to reexamine certain policy forms of a
 97 property insurer under certain circumstances;
 98 specifying actions the office may take; amending s.
 99 627.428, F.S.; deleting a right to attorney fees for
 100 judgments or decrees against insurers in suits arising
 101 under residential or commercial property insurance
 102 policies; amending s. 627.7011, F.S.; revising
 103 disclosure requirements relating to flood insurance
 104 for insurers issuing homeowners' policies; amending s.
 105 627.70131, F.S.; revising requirements for insurers
 106 relating to acknowledging communications regarding
 107 claims, investigating claims, sending estimates of
 108 losses to policyholders, recordkeeping, and paying or
 109 denying claims; authorizing insurers to use specified
 110 methods in investigating losses; authorizing insurers
 111 to void insurance policies under certain
 112 circumstances; defining the term "factors beyond the
 113 control of the insurer"; specifying circumstances
 114 under which certain requirements are tolled; providing
 115 construction; amending s. 627.70132, F.S.; revising
 116 timeframes under which notices of claims, reopened

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117 claims, and supplemental claims under property
 118 insurance policies must be given to insurers or be
 119 barred; amending s. 627.70152, F.S.; revising
 120 applicability; deleting the definition of the term
 121 "amount obtained"; providing that certain
 122 prelitigation notices and documentation are not
 123 admissible as evidence in any proceeding; deleting
 124 provisions relating to the calculation of attorney
 125 fees; creating s. 627.70154, F.S.; specifying
 126 conditions that must be met for a property insurance
 127 policy to require mandatory binding arbitration;
 128 amending s. 627.7074, F.S.; deleting the right to
 129 attorney fees payable by insurers in the alternative
 130 procedure for resolution of disputed sinkhole
 131 insurance claims; conforming a provision to changes
 132 made by the act; amending s. 627.7142, F.S.;
 133 conforming provisions to changes made by the act;
 134 amending s. 627.7152, F.S.; prohibiting policyholders
 135 from assigning post-loss insurance benefits under
 136 residential or commercial property insurance policies
 137 issued on or after a specified date; providing
 138 construction; amending s. 627.7154, F.S.; revising
 139 duties of the office's Property Insurer Stability
 140 Unit; amending s. 631.252, F.S.; providing that a
 141 coverage continuation period for policies of an
 142 insolvent property insurer may be extended by the
 143 office under specified circumstances; amending s.
 144 768.79, F.S.; authorizing a property insurer in a
 145 breach of contract action to make a joint offer of

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146 judgment or settlement that is conditioned on the
 147 mutual acceptance of all joint offerees; providing an
 148 appropriation; providing effective dates.
 149
 150 Be It Enacted by the Legislature of the State of Florida:
 151
 152 Section 1. Section 215.5552, Florida Statutes, is created
 153 to read:
 154 215.5552 Florida Optional Reinsurance Assistance program.—
 155 (1) CREATION OF THE FLORIDA OPTIONAL REINSURANCE ASSISTANCE
 156 PROGRAM.—There is created the Florida Optional Reinsurance
 157 Assistance program to be administered by the State Board of
 158 Administration.
 159 (2) DEFINITIONS.—As used in this section, the term:
 160 (a) "Board" means the State Board of Administration.
 161 (b) "Contract year" has the same meaning as in s.
 162 215.555(2)(o).
 163 (c) "Covered event" has the same meaning as in s.
 164 215.555(2)(b).
 165 (d) "Covered policy" has the same meaning as in s.
 166 215.555(2)(c).
 167 (e) "FHCF" means the Florida Hurricane Catastrophe Fund
 168 created under s. 215.555.
 169 (f) "Final FORA premium" means the premium due no later
 170 than March 1, 2024, paid by a FORA insurer after the actual 2023
 171 FHCF premiums are calculated.
 172 (g) "FORA" means the Florida Optional Reinsurance
 173 Assistance program created under this section.
 174 (h) "FORA eligible insurer" means a FHCF participating

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insurer as of November 30, 2022. New FHCF participants after that date are ineligible for FORA coverage. In addition, any joint underwriting association, risk apportionment plan, or other entity created under s. 627.351 is not considered a FORA insurer and may not obtain coverage under FORA.

(i) "FORA insurer" means a FORA eligible insurer that executes a FORA reimbursement contract pursuant to this section.

(j) "FORA layer limit" means, for the 2023-2024 contract year, a FORA insurer's maximum payout for its FORA layer.

(k) "FORA layer retention" means the amount of losses below which a FORA insurer is not entitled to reimbursement for the selected layer under FORA.

(l) "FORA payout multiple" means the factors by FHCF coverage and FORA layer that are multiplied by a FORA insurer's FHCF premium to calculate the FORA insurer's FORA layer limits.

(m) "FORA reimbursement contract" means the reimbursement contract reflecting the obligations of a FORA insurer and the board.

(n) "FORA retention multiple" means the factors by FHCF coverage and FORA layer that are multiplied by a FORA insurer's FHCF premium to calculate the FORA insurer's FORA layer retentions.

(o) "Initial FORA premium" means the premium paid by a FORA insurer by July 1, 2023, for coverage under the FORA program.

(p) "Losses" has the same meaning as in s. 215.555(2)(d).

(q) "RAP insurer" has the same meaning as in s. 215.5551(2)(h).

(r) "Unsound insurer" means a FORA insurer determined by the Office of Insurance Regulation to be in unsound condition as

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defined in s. 624.80(2) or a FORA insurer placed in receivership under chapter 631.

(3) COVERAGE.

(a) Each FORA eligible insurer may purchase coverage under FORA. The board shall provide four optional layers below the FHCF retention prior to the third event dropdown of the FHCF retention set forth in s. 215.555(2)(e)4. Only RAP insurers required to participate in the 2022-2023 contract year may select FORA layers 1 through 3. All FORA eligible insurers may purchase FORA layer 4. If a RAP insurer required to participate in the 2022-2023 contract year chooses to purchase layer 2, 3, or 4, such layers must be purchased inclusive of the prior layer and cannot be purchased separately.

(b) FORA industry limits prior to FORA insurer selections are as follows:

1. FORA industry layer 1 limit is \$1 billion.

2. FORA industry layer 2 limit is \$1 billion.

3. FORA industry layer 3 limit is \$2 billion divided by the RAP Qualification ratio minus \$2 billion.

4. FORA industry layer 4 limit is \$1 billion minus the total FORA industry limit selected for FORA layers 1, 2, and 3, plus the total FORA premium collected for FORA layers 1, 2, and 3.

(c) The maximum aggregate coverage for all selected FORA layers is \$1 billion as provided under paragraph (11)(a) plus premiums needed to fulfill the obligations of this section.

(4) FORA REIMBURSEMENT CONTRACTS.

(a) FORA eligible insurers selecting coverage must execute a FORA reimbursement contract with the board.

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(b) The board must enter into a FORA reimbursement contract effective June 1, 2023, with each FORA eligible insurer electing to purchase coverage. Such contract must provide coverage pursuant to this section in exchange for premium paid.

(c) The FORA reimbursement contract must be executed by the FORA insurer no later than April 15, 2023, for layers 1 through 3, and May 30, 2023, for layer 4.

(d) For the two covered events with the largest losses for the FORA insurer, the FORA reimbursement contract must contain a promise by the board to reimburse the FORA insurer for 100 percent of its losses from each covered event in excess of the lowest selected FORA layer's retention. The sum of the FORA insurer's covered losses from the two covered events with the largest losses from each FORA layer may not exceed the FORA insurer's combined selected FORA layer limit or limits.

(e) The FORA reimbursement contract must provide that reimbursement amounts are not reduced by reinsurance paid or payable to the insurer from other sources.

(f) The board shall calculate and report to each FORA insurer the initial and final FORA payout multiples for each FORA layer using the source data described in paragraph (5) (a).

1. For FORA layer 1, the FORA payout multiple is the quotient of \$1 billion divided by the FHCF industry aggregate retention multiplied by the FHCF retention multiple for the FHCF coverage selected.

2. For FORA layer 2, the FORA payout multiple is the quotient of \$1 billion divided by the FHCF industry aggregate retention multiplied by the FHCF retention multiple for the FHCF coverage selected.

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3. For FORA layer 3, the FORA payout multiple is calculated as follows: the numerator is the quotient of \$2 billion divided by the RAP qualification ratio as defined in s. 215.5551(2) (j) minus \$2 billion. The denominator is the FHCF industry aggregate retention. The FORA multiple is the FHCF retention multiple multiplied by the numerator divided by the denominator.

4. The FORA layer 4 payout multiple is the total FORA industry layer 4 limit divided by the FHCF industry aggregate retention multiplied by the FHCF retention multiple for the FHCF coverage selected. For FORA layer 4, the total FORA industry layer limit is \$1 billion minus the total FORA industry limit selected for FORA layers 1, 2, and 3, plus the total FORA premium collected for FORA layers 1, 2, and 3.

(g) For each FORA layer, the FORA payout multiple is multiplied by the FORA insurer's FHCF premium to calculate its FORA maximum payout. FORA payout multiples are calculated for 45 percent, 75 percent, and 90 percent FHCF mandatory coverage selections.

(h) For a FORA insurer that selects more than one layer, the FORA layer limits shall be combined to a single aggregate limit for the two covered events with the largest losses for the FORA insurer.

(i) FORA layer retentions are calculated as follows:

1. For each FORA layer, the board shall calculate and report to each FORA insurer the initial and final FORA retention multiples for each FHCF coverage selection as the FHCF retention multiple minus the FORA payout multiple using the source data described in paragraph (5) (a). The FORA retention multiple is multiplied by the FORA insurer's FHCF premium to calculate its

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FORA retention. FORA retention multiples are calculated for 45 percent, 75 percent, and 90 percent FHCF mandatory coverage selections.

2. The FORA industry retention for the 2023-2024 contract year for FORA layer 1 is the FHCF's industry retention minus \$1 billion. The FORA layer 2 industry retention is the FHCF industry retention minus \$2 billion. The FORA layer 3 industry retention is the FHCF's industry retention minus the quotient of \$2 billion divided by the RAP qualification ratio. The FORA layer 4 industry retention is the FORA layer 3 retention minus the FORA layer 4 limit.

3. A FORA insurer's initial and final FORA retentions are determined by multiplying its FHCF reimbursement premium by the FORA retention multiple for each FHCF coverage selection using the source data in paragraph (5)(a).

4. For a FORA insurer that selects more than one layer, the FORA combined layer retention shall be the lowest selected layer retention for each of the two covered events with the largest losses for the FORA insurer.

(j) To ensure that insurers have properly reported the losses for which FORA reimbursements have been made, the board may inspect, examine, and verify the records of each FORA participating insurer's covered policies at such times as the board deems appropriate for the specific purpose of validating the accuracy of losses required to be reported under the terms and conditions of the FORA reimbursement contract.

(5) FORA PREMIUMS.—

(a) Premiums shall be charged as follows:

1. Fifty percent Rate on Line multiplied by the FORA

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insurer's FORA layer 1 limit.

2. Fifty-five percent Rate on Line multiplied by the FORA insurer's FORA layer 2 limit.

3. Sixty percent Rate on Line multiplied by the FORA insurer's FORA layer 3 limit.

4. Sixty-five percent Rate on Line multiplied by the FORA insurer's FORA layer 4 limit.

(b) Initial FORA premiums shall be based on the 2023 FHCF projected industry retention, FHCF retention multiples, 2022 RAP qualification ratio, and insurers' 2022 FHCF premiums. Final FORA premiums will be adjusted after December 31, 2023, based on December 31, 2023, FHCF premiums, FHCF industry retention, the 2023 RAP qualification ratio and insurers' 2023 FHCF premiums.

(c) Failure to pay the initial FORA premium in full by July 1, 2023, shall result in disqualification as a FORA insurer. The final FORA premium will be due no later than March 1, 2024.

(6) CLAIMS-PAYING CAPACITY.—FORA shall not affect the claims-paying capacity of the FHCF as provided in s. 215.555(4)(c)1.

(7) INSOLVENCY OF FORA INSURER.—

(a) The FORA reimbursement contract must provide that in the event of an insolvency of a FORA insurer, the board shall pay reimbursements directly to the applicable state guaranty fund for the benefit of policyholders in this state of the FORA insurer.

(b) If an authorized insurer or the Citizens Property Insurance Corporation accepts an assignment of an unsound insurer's FORA reimbursement contract, the board shall apply the unsound insurer's FORA reimbursement contract to such policies

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and treat the authorized insurer or the Citizens Property Insurance Corporation as if it were the unsound insurer for the remaining term of the FORA reimbursement contract, with all rights and duties of the unsound insurer beginning on the date it provides coverage for such policies. This paragraph may not be construed to limit the board's right to receive the premium due under the Unsound insurer's FORA reimbursement contract.

(8) VIOLATIONS.—Any violation of this section or of rules adopted under this section constitutes a violation of the Florida Insurance Code.

(9) LEGAL PROCEEDINGS.—The board may take any action necessary to enforce the rules, provisions, and requirements of the FORA reimbursement contract under this section.

(10) RULEMAKING.—The board may adopt rules to implement this section. In addition, the board may adopt emergency rules pursuant to s. 120.54(4) at any time as are necessary to implement this section for the 2023-2024 fiscal year. The Legislature finds that such emergency rulemaking power is necessary in order to address a critical need in the state's problematic property insurance market. The Legislature further finds that the uniquely short timeframe needed to effectively implement this section for the 2023-2024 fiscal year requires that the board adopt rules as quickly as practicable. Therefore, in adopting such emergency rules, the board need not make the findings required by s. 120.54(4)(a). Emergency rules adopted under this section are exempt from s. 120.54(4)(c) and shall remain in effect until replaced by rules adopted under the nonemergency rulemaking procedures of chapter 120, which must occur no later than December 31, 2023.

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(11) APPROPRIATION.—

(a) Within 60 days after a covered event, the board shall submit written notice to the Executive Office of the Governor if the board determines that funds from FORA coverage established by this section will be necessary to reimburse FORA insurers for losses associated with the covered event. The initial notice, and any subsequent requests, must specify the amount necessary to provide FORA reimbursements. Upon receiving such notice, the Executive Office of the Governor shall instruct the Chief Financial Officer to draw a warrant from the General Revenue Fund for a transfer to the board for FORA in the amount requested. The Executive Office of the Governor shall provide written notification to the chair and vice chair of the Legislative Budget Commission at least 3 days before the effective date of the warrant. Cumulative transfers authorized under this paragraph may not exceed \$1 billion.

(b) Upon this act becoming a law, the Executive Office of the Governor shall instruct the Chief Financial Officer to draw a warrant from the General Revenue Fund for a transfer of \$2 million to the board for the implementation and administration of FORA and post-event examinations for covered events that require FORA coverage. If the board determines additional administrative funds are needed, the board shall submit written notice to the Executive Office of the Governor that funds will be necessary for the implementation and administration of FORA and post-event examinations for covered events that require FORA coverage. The notice must specify the amount necessary for administration of FORA and post-event examinations. Upon receiving such notice, the Executive Office of the Governor

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shall instruct the Chief Financial Officer to draw a warrant from the General Revenue Fund for a transfer to the board for FORA in the amount requested. The Executive Office of the Governor shall provide written notification to the chair and vice chair of the Legislative Budget Commission at least 3 days before the effective date of the warrant. Cumulative transfers authorized under this paragraph may not exceed \$6 million.

(c) If a covered event occurs that triggers reimbursements under FORA, no later than January 31, 2024, and quarterly thereafter, the board shall submit a report to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives detailing any reimbursements of FORA, all premiums collected, all loss development projections, and detailed information about administrative and post-event examination activities and expenditures.

(12) EXPIRATION DATE.—If no general revenue funds have been transferred to the board for FORA under subsection (11) by June 30, 2026, this section expires on July 1, 2026. If general revenue funds have been transferred to the board for FORA under subsection (11) by June 30, 2026, this section expires on July 1, 2030, and all unencumbered funds collected under this section shall be transferred by the board back to the General Revenue Fund unallocated.

Section 2. Section 624.1551, Florida Statutes, is amended to read:

624.1551 Civil remedy actions against property insurers.—Notwithstanding any provision of s. 624.155 to the contrary, in any claim for extracontractual damages under s. 624.155(1)(b),

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no action shall lie until a named or omnibus insured or a named beneficiary has established through an adverse adjudication by a court of law ~~a claimant must establish~~ that the property insurer breached the insurance contract and a final judgment or decree has been rendered against the insurer. Acceptance of an offer of judgment under s. 768.79 or the payment of an appraisal award does not constitute an adverse adjudication under this section. The difference between an insurer's appraiser's final estimate and the appraisal award may be evidence of bad faith ~~to prevail in a claim for extracontractual damages~~ under s. 624.155(1)(b), but is not deemed an adverse adjudication under this section and does not, on its own, give rise to a cause of action.

Section 3. Subsection (7) is added to section 624.3161, Florida Statutes, to read:

624.3161 Market conduct examinations.—

(7) Notwithstanding subsection (1), any authorized insurer transacting property insurance business in this state may be subject to an additional market conduct examination after a hurricane if the insurer:

(a) Is among the top 20 percent of insurers based upon a calculation of the ratio of hurricane-related property insurance claims filed to the number of property insurance policies in force;

(b) Is among the top 20 percent of insurers based upon a calculation of the ratio of consumer complaints made to the department to hurricane-related claims;

(c) Has made significant payments to its managing general agent since the hurricane; or

(d) Is identified by the office as necessitating a market

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conduct exam for any other reason.

All relevant criteria under this section and s. 624.316 shall be applied to the market conduct examination under this subsection. Such an examination must be initiated within 18 months after the landfall of a hurricane that results in an executive order or a state of emergency issued by the Governor. An examination of an insurer under this subsection must also include an examination of its managing general agent as if it were the insurer.

Section 4. Paragraph (c) of subsection (2) of section 624.418, Florida Statutes, is amended to read:
624.418 Suspension, revocation of certificate of authority for violations and special grounds.—

(2) The office may, in its discretion, suspend or revoke the certificate of authority of an insurer if it finds that the insurer:

(c) Has for any line, class, or combination thereof, with such frequency as to indicate its general business practice in this state, without just cause:

1. Refused to pay proper claims arising under its policies, whether any such claim is in favor of an insured or is in favor of a third person with respect to the liability of an insured to such third person, or without just cause compels such insureds or claimants to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or such an insured to secure full payment or settlement of such claims; or
2. Compelled insureds to participate in appraisal under a property insurance policy in order to secure full payment or settlement of such claims.

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Section 5. Paragraph (a) of subsection (10) of section 624.424, Florida Statutes, is amended to read:

624.424 Annual statement and other information.—

(10) (a) Each insurer or insurer group doing business in this state shall file on a quarterly basis in conjunction with financial reports required by paragraph (1) (a) a supplemental report on an individual and group basis on a form prescribed by the commission with information on personal lines and commercial lines residential property insurance policies in this state. The supplemental report shall include separate information for personal lines property policies and for commercial lines property policies and totals for each item specified, including premiums written for each of the property lines of business as described in ss. 215.555(2)(c) and 627.351(6)(a). The report shall include the following information for each county on a monthly basis:

1. Total number of policies in force at the end of each month.
2. Total number of policies canceled.
3. Total number of policies nonrenewed.
4. Number of policies canceled due to hurricane risk.
5. Number of policies nonrenewed due to hurricane risk.
6. Number of new policies written.
7. Total dollar value of structure exposure under policies that include wind coverage.
8. Number of policies that exclude wind coverage.
9. Number of claims open each month.
10. Number of claims closed each month.
11. Number of claims pending each month.

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523 12. Number of claims in which either the insurer or insured
 524 invoked any form of alternative dispute resolution, and
 525 specifying which form of alternative dispute resolution was
 526 used.

527 Section 6. Subsections (1) and (3) of section 626.9373,
 528 Florida Statutes, are amended to read:

529 626.9373 Attorney fees.—

530 (1) Except as provided in subsection (3), upon the
 531 rendition of a judgment or decree by any court of this state
 532 against a surplus lines insurer in favor of any named or omnibus
 533 insured or the named beneficiary under a policy or contract
 534 executed by the insurer on or after the effective date of this
 535 act, the trial court or, if the insured or beneficiary prevails
 536 on appeal, the appellate court, shall adjudge or decree against
 537 the insurer in favor of the insured or beneficiary a reasonable
 538 sum as fees or compensation for the insured's or beneficiary's
 539 attorney prosecuting the lawsuit for which recovery is awarded.
 540 ~~In a suit arising under a residential or commercial property~~
 541 ~~insurance policy, the amount of reasonable attorney fees shall~~
 542 ~~be awarded only as provided in s. 57.105 or s. 627.70152, as~~
 543 ~~applicable.~~

544 (3) In a suit arising under a residential or commercial
 545 property insurance policy, there is no ~~the~~ right to attorney
 546 fees under this section ~~may not be transferred to, assigned to,~~
 547 ~~or acquired in any other manner by anyone other than a named or~~
 548 ~~omnibus insured or a named beneficiary.~~

549 Section 7. Paragraph (i) of subsection (1) of section
 550 626.9541, Florida Statutes, is amended to read:

551 626.9541 Unfair methods of competition and unfair or

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552 deceptive acts or practices defined.—

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

556 (i) *Unfair claim settlement practices.*—

557 1. Attempting to settle claims on the basis of an
 558 application, when serving as a binder or intended to become a
 559 part of the policy, or any other material document which was
 560 altered without notice to, or knowledge or consent of, the
 561 insured;

562 2. A material misrepresentation made to an insured or any
 563 other person having an interest in the proceeds payable under
 564 such contract or policy, for the purpose and with the intent of
 565 effecting settlement of such claims, loss, or damage under such
 566 contract or policy on less favorable terms than those provided
 567 in, and contemplated by, such contract or policy;

568 3. Committing or performing with such frequency as to
 569 indicate a general business practice any of the following:

570 a. Failing to adopt and implement standards for the proper
 571 investigation of claims;

572 b. Misrepresenting pertinent facts or insurance policy
 573 provisions relating to coverages at issue;

574 c. Failing to acknowledge and act promptly upon
 575 communications with respect to claims;

576 d. Denying claims without conducting reasonable
 577 investigations based upon available information;

578 e. Failing to affirm or deny full or partial coverage of
 579 claims, and, as to partial coverage, the dollar amount or extent
 580 of coverage, or failing to provide a written statement that the

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581 claim is being investigated, upon the written request of the
 582 insured within 30 days after proof-of-loss statements have been
 583 completed;

584 f. Failing to promptly provide a reasonable explanation in
 585 writing to the insured of the basis in the insurance policy, in
 586 relation to the facts or applicable law, for denial of a claim
 587 or for the offer of a compromise settlement;

588 g. Failing to promptly notify the insured of any additional
 589 information necessary for the processing of a claim;

590 h. Failing to clearly explain the nature of the requested
 591 information and the reasons why such information is necessary;
 592 or

593 i. Failing to pay personal injury protection insurance
 594 claims within the time periods required by s. 627.736(4)(b). The
 595 office may order the insurer to pay restitution to a
 596 policyholder, medical provider, or other claimant, including
 597 interest at a rate consistent with the amount set forth in s.
 598 55.03(1), for the time period within which an insurer fails to
 599 pay claims as required by law. Restitution is in addition to any
 600 other penalties allowed by law, including, but not limited to,
 601 the suspension of the insurer's certificate of authority; or

602 4. Failing to pay undisputed amounts of partial or full
 603 benefits owed under first-party property insurance policies
 604 within 60 ~~90~~ days after an insurer receives notice of a
 605 residential property insurance claim, determines the amounts of
 606 partial or full benefits, and agrees to coverage, unless payment
 607 of the undisputed benefits is prevented by factors beyond the
 608 control of the insurer as defined in s. 627.70131(5) an act of
 609 ~~God, prevented by the impossibility of performance, or due to~~

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610 ~~actions by the insured or claimant that constitute fraud, lack~~
 611 ~~of cooperation, or intentional misrepresentation regarding the~~
 612 ~~claim for which benefits are owed.~~

613 Section 8. Effective January 1, 2023, paragraphs (b), (c),
 614 (n), (o), (p), (q), (v), (w), (aa), and (ii) of subsection (6)
 615 of section 627.351, Florida Statutes, are amended, and paragraph
 616 (kk) is added to that subsection, to read:

617 627.351 Insurance risk apportionment plans.—

618 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

619 (b)1. All insurers authorized to write one or more subject
 620 lines of business in this state are subject to assessment by the
 621 corporation and, for the purposes of this subsection, are
 622 referred to collectively as "assessable insurers." Insurers
 623 writing one or more subject lines of business in this state
 624 pursuant to part VIII of chapter 626 are not assessable
 625 insurers; however, insureds who procure one or more subject
 626 lines of business in this state pursuant to part VIII of chapter
 627 626 are subject to assessment by the corporation and are
 628 referred to collectively as "assessable insureds." An insurer's
 629 assessment liability begins on the first day of the calendar
 630 year following the year in which the insurer was issued a
 631 certificate of authority to transact insurance for subject lines
 632 of business in this state and terminates 1 year after the end of
 633 the first calendar year during which the insurer no longer holds
 634 a certificate of authority to transact insurance for subject
 635 lines of business in this state.

636 2.a. All revenues, assets, liabilities, losses, and
 637 expenses of the corporation shall be divided into three separate
 638 accounts as follows:

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639 (I) A personal lines account for personal residential
 640 policies issued by the corporation which provides comprehensive,
 641 multiperil coverage on risks that are not located in areas
 642 eligible for coverage by the Florida Windstorm Underwriting
 643 Association as those areas were defined on January 1, 2002, and
 644 for policies that do not provide coverage for the peril of wind
 645 on risks that are located in such areas;

646 (II) A commercial lines account for commercial residential
 647 and commercial nonresidential policies issued by the corporation
 648 which provides coverage for basic property perils on risks that
 649 are not located in areas eligible for coverage by the Florida
 650 Windstorm Underwriting Association as those areas were defined
 651 on January 1, 2002, and for policies that do not provide
 652 coverage for the peril of wind on risks that are located in such
 653 areas; and

654 (III) A coastal account for personal residential policies
 655 and commercial residential and commercial nonresidential
 656 property policies issued by the corporation which provides
 657 coverage for the peril of wind on risks that are located in
 658 areas eligible for coverage by the Florida Windstorm
 659 Underwriting Association as those areas were defined on January
 660 1, 2002. The corporation may offer policies that provide
 661 multiperil coverage and shall offer policies that provide
 662 coverage only for the peril of wind for risks located in areas
 663 eligible for coverage in the coastal account. Effective July 1,
 664 2014, the corporation shall cease offering new commercial
 665 residential policies providing multiperil coverage and shall
 666 instead continue to offer commercial residential wind-only
 667 policies, and may offer commercial residential policies

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668 excluding wind. The corporation may, however, continue to renew
 669 a commercial residential multiperil policy on a building that is
 670 insured by the corporation on June 30, 2014, under a multiperil
 671 policy. In issuing multiperil coverage, the corporation may use
 672 its approved policy forms and rates for the personal lines
 673 account. An applicant or insured who is eligible to purchase a
 674 multiperil policy from the corporation may purchase a multiperil
 675 policy from an authorized insurer without prejudice to the
 676 applicant's or insured's eligibility to prospectively purchase a
 677 policy that provides coverage only for the peril of wind from
 678 the corporation. An applicant or insured who is eligible for a
 679 corporation policy that provides coverage only for the peril of
 680 wind may elect to purchase or retain such policy and also
 681 purchase or retain coverage excluding wind from an authorized
 682 insurer without prejudice to the applicant's or insured's
 683 eligibility to prospectively purchase a policy that provides
 684 multiperil coverage from the corporation. It is the goal of the
 685 Legislature that there be an overall average savings of 10
 686 percent or more for a policyholder who currently has a wind-only
 687 policy with the corporation, and an ex-wind policy with a
 688 voluntary insurer or the corporation, and who obtains a
 689 multiperil policy from the corporation. It is the intent of the
 690 Legislature that the offer of multiperil coverage in the coastal
 691 account be made and implemented in a manner that does not
 692 adversely affect the tax-exempt status of the corporation or
 693 creditworthiness of or security for currently outstanding
 694 financing obligations or credit facilities of the coastal
 695 account, the personal lines account, or the commercial lines
 696 account. The coastal account must also include quota share

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primary insurance under subparagraph (c)2. The area eligible for coverage under the coastal account also includes the area within Port Canaveral, which is bordered on the south by the City of Cape Canaveral, bordered on the west by the Banana River, and bordered on the north by Federal Government property.

b. The three separate accounts must be maintained as long as financing obligations entered into by the Florida Windstorm Underwriting Association or Residential Property and Casualty Joint Underwriting Association are outstanding, in accordance with the terms of the corresponding financing documents. If no such financing obligations remain outstanding or if the financing documents allow for combining of accounts, the corporation may consolidate the three separate accounts into a new account, to be known as the Citizens account, for all revenues, assets, liabilities, losses, and expenses of the corporation. The Citizens account, if established by the corporation, is authorized to provide coverage to the same extent as provided under each of the three separate accounts. The authority to provide coverage under the Citizens account is set forth in subparagraph 4. ~~If the financing obligations are no longer outstanding, the corporation may use a single account for all revenues, assets, liabilities, losses, and expenses of the corporation.~~ Consistent with this subparagraph and prudent investment policies that minimize the cost of carrying debt, the board shall exercise its best efforts to retire existing debt or obtain the approval of necessary parties to amend the terms of existing debt, so as to structure the most efficient plan for consolidating the three separate accounts into a single account. Once the accounts are combined into one account, this

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subparagraph and subparagraph 3. shall be replaced in their entirety by subparagraphs 4. and 5.

c. Creditors of the Residential Property and Casualty Joint Underwriting Association and the accounts specified in sub-sub-subparagraphs a.(I) and (II) may have a claim against, and recourse to, those accounts and no claim against, or recourse to, the account referred to in sub-sub-subparagraph a.(III). Creditors of the Florida Windstorm Underwriting Association have a claim against, and recourse to, the account referred to in sub-sub-subparagraph a.(III) and no claim against, or recourse to, the accounts referred to in sub-sub-subparagraphs a.(I) and (II).

d. Revenues, assets, liabilities, losses, and expenses not attributable to particular accounts shall be prorated among the accounts.

e. The Legislature finds that the revenues of the corporation are revenues that are necessary to meet the requirements set forth in documents authorizing the issuance of bonds under this subsection.

f. The income of the corporation may not inure to the benefit of any private person.

3. With respect to a deficit in an account:

a. After accounting for the Citizens policyholder surcharge imposed under sub-subparagraph i., if the remaining projected deficit incurred in the coastal account in a particular calendar year:

(I) Is not greater than 2 percent of the aggregate statewide direct written premium for the subject lines of business for the prior calendar year, the entire deficit shall

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be recovered through regular assessments of assessable insurers under paragraph (q) and assessable insureds.

(II) Exceeds 2 percent of the aggregate statewide direct written premium for the subject lines of business for the prior calendar year, the corporation shall levy regular assessments on assessable insurers under paragraph (q) and on assessable insureds in an amount equal to the greater of 2 percent of the projected deficit or 2 percent of the aggregate statewide direct written premium for the subject lines of business for the prior calendar year. Any remaining projected deficit shall be recovered through emergency assessments under sub-subparagraph e. ~~et~~.

b. Each assessable insurer's share of the amount being assessed under sub-subparagraph a. must be in the proportion that the assessable insurer's direct written premium for the subject lines of business for the year preceding the assessment bears to the aggregate statewide direct written premium for the subject lines of business for that year. The assessment percentage applicable to each assessable insured is the ratio of the amount being assessed under sub-subparagraph a. to the aggregate statewide direct written premium for the subject lines of business for the prior year. Assessments levied by the corporation on assessable insurers under sub-subparagraph a. must be paid as required by the corporation's plan of operation and paragraph (q). Assessments levied by the corporation on assessable insureds under sub-subparagraph a. shall be collected by the surplus lines agent at the time the surplus lines agent collects the surplus lines tax required by s. 626.932, and paid to the Florida Surplus Lines Service Office at the time the

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surplus lines agent pays the surplus lines tax to that office. Upon receipt of regular assessments from surplus lines agents, the Florida Surplus Lines Service Office shall transfer the assessments directly to the corporation as determined by the corporation.

c. The corporation may not levy regular assessments under paragraph (q) pursuant to sub-subparagraph a. or sub-subparagraph b. if the three separate accounts in sub-subparagraphs 2.a.(I)-(III) have been consolidated into the Citizens account pursuant to sub-subparagraph 2.b. However, the outstanding balance of any regular assessment levied by the corporation before establishment of the Citizens account remains payable to the corporation.

d. After accounting for the Citizens policyholder surcharge imposed under sub-subparagraph j. ~~et~~, the remaining projected deficits in the personal lines account and in the commercial lines account in a particular calendar year shall be recovered through emergency assessments under sub-subparagraph e. ~~et~~.

e. ~~et~~ Upon a determination by the board of governors that a projected deficit in an account exceeds the amount that is expected to be recovered through regular assessments under sub-subparagraph a., plus the amount that is expected to be recovered through surcharges under sub-subparagraph j. ~~et~~, the board, after verification by the office, shall levy emergency assessments for as many years as necessary to cover the deficits, to be collected by assessable insurers and the corporation and collected from assessable insureds upon issuance or renewal of policies for subject lines of business, excluding National Flood Insurance policies. The amount collected in a

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813 particular year must be a uniform percentage of that year's
 814 direct written premium for subject lines of business and all
 815 accounts of the corporation, excluding National Flood Insurance
 816 Program policy premiums, as annually determined by the board and
 817 verified by the office. The office shall verify the arithmetic
 818 calculations involved in the board's determination within 30
 819 days after receipt of the information on which the determination
 820 was based. The office shall notify assessable insurers and the
 821 Florida Surplus Lines Service Office of the date on which
 822 assessable insurers shall begin to collect and assessable
 823 insureds shall begin to pay such assessment. The date must be at
 824 least 90 days after the date the corporation levies emergency
 825 assessments pursuant to this sub-subparagraph. Notwithstanding
 826 any other provision of law, the corporation and each assessable
 827 insurer that writes subject lines of business shall collect
 828 emergency assessments from its policyholders without such
 829 obligation being affected by any credit, limitation, exemption,
 830 or deferment. Emergency assessments levied by the corporation on
 831 assessable insureds shall be collected by the surplus lines
 832 agent at the time the surplus lines agent collects the surplus
 833 lines tax required by s. 626.932 and paid to the Florida Surplus
 834 Lines Service Office at the time the surplus lines agent pays
 835 the surplus lines tax to that office. The emergency assessments
 836 collected shall be transferred directly to the corporation on a
 837 periodic basis as determined by the corporation and held by the
 838 corporation solely in the applicable account. The aggregate
 839 amount of emergency assessments levied for an account in any
 840 calendar year may be less than but may not exceed the greater of
 841 10 percent of the amount needed to cover the deficit, plus

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842 interest, fees, commissions, required reserves, and other costs
 843 associated with financing the original deficit, or 10 percent of
 844 the aggregate statewide direct written premium for subject lines
 845 of business and all accounts of the corporation for the prior
 846 year, plus interest, fees, commissions, required reserves, and
 847 other costs associated with financing the deficit.
 848 f.e. The corporation may pledge the proceeds of
 849 assessments, projected recoveries from the Florida Hurricane
 850 Catastrophe Fund, other insurance and reinsurance recoverables,
 851 policyholder surcharges and other surcharges, and other funds
 852 available to the corporation as the source of revenue for and to
 853 secure bonds issued under paragraph (q), bonds or other
 854 indebtedness issued under subparagraph (c)3., or lines of credit
 855 or other financing mechanisms issued or created under this
 856 subsection, or to retire any other debt incurred as a result of
 857 deficits or events giving rise to deficits, or in any other way
 858 that the board determines will efficiently recover such
 859 deficits. The purpose of the lines of credit or other financing
 860 mechanisms is to provide additional resources to assist the
 861 corporation in covering claims and expenses attributable to a
 862 catastrophe. As used in this subsection, the term "assessments"
 863 includes regular assessments under sub-subparagraph a. or
 864 subparagraph (q)1. and emergency assessments under sub-
 865 subparagraph e. ~~d.~~ Emergency assessments collected under sub-
 866 subparagraph e. ~~d.~~ are not part of an insurer's rates, are not
 867 premium, and are not subject to premium tax, fees, or
 868 commissions; however, failure to pay the emergency assessment
 869 shall be treated as failure to pay premium. The emergency
 870 assessments shall continue as long as any bonds issued or other

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871 indebtedness incurred with respect to a deficit for which the
 872 assessment was imposed remain outstanding, unless adequate
 873 provision has been made for the payment of such bonds or other
 874 indebtedness pursuant to the documents governing such bonds or
 875 indebtedness.

876 g.f. As used in this subsection for purposes of any deficit
 877 incurred on or after January 25, 2007, the term "subject lines
 878 of business" means insurance written by assessable insurers or
 879 procured by assessable insureds for all property and casualty
 880 lines of business in this state, but not including workers'
 881 compensation or medical malpractice. As used in this sub-
 882 subparagraph, the term "property and casualty lines of business"
 883 includes all lines of business identified on Form 2, Exhibit of
 884 Premiums and Losses, in the annual statement required of
 885 authorized insurers under s. 624.424 and any rule adopted under
 886 this section, except for those lines identified as accident and
 887 health insurance and except for policies written under the
 888 National Flood Insurance Program or the Federal Crop Insurance
 889 Program. For purposes of this sub-subparagraph, the term
 890 "workers' compensation" includes both workers' compensation
 891 insurance and excess workers' compensation insurance.

892 h.g. The Florida Surplus Lines Service Office shall
 893 determine annually the aggregate statewide written premium in
 894 subject lines of business procured by assessable insureds and
 895 report that information to the corporation in a form and at a
 896 time the corporation specifies to ensure that the corporation
 897 can meet the requirements of this subsection and the
 898 corporation's financing obligations.

899 i.h. The Florida Surplus Lines Service Office shall verify

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900 the proper application by surplus lines agents of assessment
 901 percentages for regular assessments and emergency assessments
 902 levied under this subparagraph on assessable insureds and assist
 903 the corporation in ensuring the accurate, timely collection and
 904 payment of assessments by surplus lines agents as required by
 905 the corporation.

906 j.i. Upon determination by the board of governors that an
 907 account has a projected deficit, the board shall levy a Citizens
 908 policyholder surcharge against all policyholders of the
 909 corporation.

910 (I) The surcharge shall be levied as a uniform percentage
 911 of the premium for the policy of up to 15 percent of such
 912 premium, which funds shall be used to offset the deficit.

913 (II) The surcharge is payable upon cancellation or
 914 termination of the policy, upon renewal of the policy, or upon
 915 issuance of a new policy by the corporation within the first 12
 916 months after the date of the levy or the period of time
 917 necessary to fully collect the surcharge amount.

918 (III) The corporation may not levy any regular assessments
 919 under paragraph (q) pursuant to sub-subparagraph a. or sub-
 920 subparagraph b. with respect to a particular year's deficit
 921 until the corporation has first levied the full amount of the
 922 surcharge authorized by this sub-subparagraph.

923 (IV) The surcharge is not considered premium and is not
 924 subject to commissions, fees, or premium taxes. However, failure
 925 to pay the surcharge shall be treated as failure to pay premium.

926 k.j. If the amount of any assessments or surcharges
 927 collected from corporation policyholders, assessable insurers or
 928 their policyholders, or assessable insureds exceeds the amount

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of the deficits, such excess amounts shall be remitted to and retained by the corporation in a reserve to be used by the corporation, as determined by the board of governors and approved by the office, to pay claims or reduce any past, present, or future plan-year deficits or to reduce outstanding debt.

4. The Citizens account, if established by the corporation pursuant to sub-subparagraph 2.b., is authorized to provide:

a. Personal residential policies that provide comprehensive, multiperil coverage on risks that are not located in areas eligible for coverage by the Florida Windstorm Underwriting Association, as those areas were defined on January 1, 2002, and for policies that do not provide coverage for the peril of wind on risks that are located in such areas;

b. Commercial residential and commercial nonresidential policies that provide coverage for basic property perils on risks that are not located in areas eligible for coverage by the Florida Windstorm Underwriting Association, as those areas were defined on January 1, 2002, and for policies that do not provide coverage for the peril of wind on risks that are located in such areas; and

c. Personal residential policies and commercial residential and commercial nonresidential property policies that provide coverage for the peril of wind on risks that are located in areas eligible for coverage by the Florida Windstorm Underwriting Association, as those areas were defined on January 1, 2002. The corporation may offer policies that provide multiperil coverage and shall offer policies that provide coverage only for the peril of wind for risks located in areas

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eligible for coverage by the Florida Windstorm Underwriting Association, as those areas were defined on January 1, 2002. The corporation may not offer new commercial residential policies providing multiperil coverage, but shall continue to offer commercial residential wind-only policies, and may offer commercial residential policies excluding wind. However, the corporation may continue to renew a commercial residential multiperil policy on a building that was insured by the corporation on June 30, 2014, under a multiperil policy. In issuing multiperil coverage under this sub-subparagraph, the corporation may use its approved policy forms and rates for risks located in areas not eligible for coverage by the Florida Windstorm Underwriting Association as those areas were defined on January 1, 2002, and for policies that do not provide coverage for the peril of wind on risks that are located in such areas. An applicant or insured who is eligible to purchase a multiperil policy from the corporation may purchase a multiperil policy from an authorized insurer without prejudice to the applicant's or insured's eligibility to prospectively purchase a policy that provides coverage only for the peril of wind from the corporation. An applicant or insured who is eligible for a corporation policy that provides coverage only for the peril of wind may elect to purchase or retain such policy and also purchase or retain coverage excluding wind from an authorized insurer without prejudice to the applicant's or insured's eligibility to prospectively purchase a policy that provides multiperil coverage from the corporation. The following policies, which provide coverage only for the peril of wind, must also include quota share primary insurance under

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subparagraph (c)2.: Personal residential policies and commercial residential and commercial nonresidential property policies that provide coverage for the peril of wind on risks that are located in areas eligible for coverage by the Florida Windstorm Underwriting Association, as those areas were defined on January 1, 2002; policies that provide multiperil coverage, if offered by the corporation, and policies that provide coverage only for the peril of wind for risks located in areas eligible for coverage by the Florida Windstorm Underwriting Association, as those areas were defined on January 1, 2002; commercial residential wind-only policies; commercial residential policies excluding wind, if offered by the corporation; and commercial residential multiperil policies on a building that was insured by the corporation on June 30, 2014. The area eligible for coverage with the corporation under this sub-subparagraph includes the area within Port Canaveral, which is bordered on the south by the City of Cape Canaveral, bordered on the west by the Banana River, and bordered on the north by Federal Government property.

5. With respect to a deficit in the Citizens account:

a. Upon a determination by the board of governors that the Citizens account has a projected deficit, the board shall levy a Citizens policyholder surcharge against all policyholders of the corporation.

(I) The surcharge shall be levied as a uniform percentage of the premium for the policy of up to 15 percent of such premium, which funds shall be used to offset the deficit.

(II) The surcharge is payable upon cancellation or termination of the policy, upon renewal of the policy, or upon

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issuance of a new policy by the corporation within the first 12 months after the date of the levy or the period of time necessary to fully collect the surcharge amount.

(III) The surcharge is not considered premium and is not subject to commissions, fees, or premium taxes. However, failure to pay the surcharge shall be treated as failure to pay premium.

b. After accounting for the Citizens policyholder surcharge imposed under sub-subparagraph a., the remaining projected deficit incurred in the Citizens account in a particular calendar year shall be recovered through emergency assessments under sub-subparagraph c.

c. Upon a determination by the board of governors that a projected deficit in the Citizens account exceeds the amount that is expected to be recovered through surcharges under sub-subparagraph a., the board, after verification by the office, shall levy emergency assessments for as many years as necessary to cover the deficits, to be collected by assessable insurers and the corporation and collected from assessable insureds upon issuance or renewal of policies for subject lines of business, excluding National Flood Insurance Program policies. The amount collected in a particular year must be a uniform percentage of that year's direct written premium for subject lines of business and the Citizens account, National Flood Insurance Program policy premiums, as annually determined by the board and verified by the office. The office shall verify the arithmetic calculations involved in the board's determination within 30 days after receipt of the information on which the determination was based. The office shall notify assessable insurers and the Florida Surplus Lines Service Office of the date on which

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1045 assessable insurers shall begin to collect and assessable
 1046 insureds shall begin to pay such assessment. The date must be at
 1047 least 90 days after the date the corporation levies emergency
 1048 assessments pursuant to this sub-subparagraph. Notwithstanding
 1049 any other law, the corporation and each assessable insurer that
 1050 writes subject lines of business shall collect emergency
 1051 assessments from its policyholders without such obligation being
 1052 affected by any credit, limitation, exemption, or deferment.
 1053 Emergency assessments levied by the corporation on assessable
 1054 insureds shall be collected by the surplus lines agent at the
 1055 time the surplus lines agent collects the surplus lines tax
 1056 required by s. 626.932 and paid to the Florida Surplus Lines
 1057 Service Office at the time the surplus lines agent pays the
 1058 surplus lines tax to that office. The emergency assessments
 1059 collected shall be transferred directly to the corporation on a
 1060 periodic basis as determined by the corporation and held by the
 1061 corporation solely in the Citizens account. The aggregate amount
 1062 of emergency assessments levied for the Citizens account in any
 1063 calendar year may be less than, but may not exceed the greater
 1064 of, 10 percent of the amount needed to cover the deficit, plus
 1065 interest, fees, commissions, required reserves, and other costs
 1066 associated with financing the original deficit or 10 percent of
 1067 the aggregate statewide direct written premium for subject lines
 1068 of business and the Citizens accounts for the prior year, plus
 1069 interest, fees, commissions, required reserves, and other costs
 1070 associated with financing the deficit.
 1071 d. The corporation may pledge the proceeds of assessments,
 1072 projected recoveries from the Florida Hurricane Catastrophe
 1073 Fund, other insurance and reinsurance recoverables, policyholder

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1074 surcharges and other surcharges, and other funds available to
 1075 the corporation as the source of revenue for and to secure bonds
 1076 issued under paragraph (q), bonds or other indebtedness issued
 1077 under subparagraph (c)3., or lines of credit or other financing
 1078 mechanisms issued or created under this subsection; or to retire
 1079 any other debt incurred as a result of deficits or events giving
 1080 rise to deficits, or in any other way that the board determines
 1081 will efficiently recover such deficits. The purpose of the lines
 1082 of credit or other financing mechanisms is to provide additional
 1083 resources to assist the corporation in covering claims and
 1084 expenses attributable to a catastrophe. As used in this
 1085 subsection, the term "assessments" includes emergency
 1086 assessments under sub-subparagraph c. Emergency assessments
 1087 collected under sub-subparagraph c. are not part of an insurer's
 1088 rates, are not premium, and are not subject to premium tax,
 1089 fees, or commissions; however, failure to pay the emergency
 1090 assessment shall be treated as failure to pay premium. The
 1091 emergency assessments shall continue as long as any bonds issued
 1092 or other indebtedness incurred with respect to a deficit for
 1093 which the assessment was imposed remain outstanding, unless
 1094 adequate provision has been made for the payment of such bonds
 1095 or other indebtedness pursuant to the documents governing such
 1096 bonds or indebtedness.
 1097 e. As used in this subsection and for purposes of any
 1098 deficit incurred on or after January 25, 2007, the term "subject
 1099 lines of business" means insurance written by assessable
 1100 insurers or procured by assessable insureds for all property and
 1101 casualty lines of business in this state, but not including
 1102 workers' compensation or medical malpractice. As used in this

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1103 sub-subparagraph, the term "property and casualty lines of
 1104 business" includes all lines of business identified on Form 2,
 1105 Exhibit of Premiums and Losses, in the annual statement required
 1106 of authorized insurers under s. 624.424 and any rule adopted
 1107 under this section, except for those lines identified as
 1108 accident and health insurance and except for policies written
 1109 under the National Flood Insurance Program or the Federal Crop
 1110 Insurance Program. For purposes of this sub-subparagraph, the
 1111 term "workers' compensation" includes both workers' compensation
 1112 insurance and excess workers' compensation insurance.

1113 f. The Florida Surplus Lines Service Office shall annually
 1114 determine the aggregate statewide written premium in subject
 1115 lines of business procured by assessable insureds and report
 1116 that information to the corporation in a form and at a time the
 1117 corporation specifies to ensure that the corporation can meet
 1118 the requirements of this subsection and the corporation's
 1119 financing obligations.

1120 g. The Florida Surplus Lines Service Office shall verify
 1121 the proper application by surplus lines agents of assessment
 1122 percentages for emergency assessments levied under this
 1123 subparagraph on assessable insureds and assist the corporation
 1124 in ensuring the accurate, timely collection and payment of
 1125 assessments by surplus lines agents as required by the
 1126 corporation.

1127 h. If the amount of any assessments or surcharges collected
 1128 from corporation policyholders, assessable insurers or their
 1129 policyholders, or assessable insureds exceeds the amount of the
 1130 deficits, such excess amounts shall be remitted to and retained
 1131 by the corporation in a reserve to be used by the corporation,

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1132 as determined by the board of governors and approved by the
 1133 office, to pay claims or reduce any past, present, or future
 1134 plan-year deficits or to reduce outstanding debt.

1135 (c) The corporation's plan of operation:

1136 1. Must provide for adoption of residential property and
 1137 casualty insurance policy forms and commercial residential and
 1138 nonresidential property insurance forms, which must be approved
 1139 by the office before use. The corporation shall adopt the
 1140 following policy forms:

1141 a. Standard personal lines policy forms that are
 1142 comprehensive multiperil policies providing full coverage of a
 1143 residential property equivalent to the coverage provided in the
 1144 private insurance market under an HO-3, HO-4, or HO-6 policy.

1145 b. Basic personal lines policy forms that are policies
 1146 similar to an HO-8 policy or a dwelling fire policy that provide
 1147 coverage meeting the requirements of the secondary mortgage
 1148 market, but which is more limited than the coverage under a
 1149 standard policy.

1150 c. Commercial lines residential and nonresidential policy
 1151 forms that are generally similar to the basic perils of full
 1152 coverage obtainable for commercial residential structures and
 1153 commercial nonresidential structures in the admitted voluntary
 1154 market.

1155 d. Personal lines and commercial lines residential property
 1156 insurance forms that cover the peril of wind only. The forms are
 1157 applicable only to residential properties located in areas
 1158 eligible for coverage by the Florida Windstorm Underwriting
 1159 Association, as those areas were defined on January 1, 2002
 1160 ~~under the coastal account referred to in sub-subparagraph~~

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~~(b)2.a.~~

e. Commercial lines nonresidential property insurance forms that cover the peril of wind only. The forms are applicable only to nonresidential properties located in areas eligible for coverage by the Florida Windstorm Underwriting Association, as those areas were defined on January 1, 2002 ~~under the coastal account referred to in sub-subparagraph (b)2.a.~~

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

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

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

a. As used in this subsection, the term:

(I) "Quota share primary insurance" means an arrangement in which the primary hurricane coverage of an eligible risk is provided in specified percentages by the corporation and an authorized insurer. The corporation and authorized insurer are each solely responsible for a specified percentage of hurricane coverage of an eligible risk as set forth in a quota share primary insurance agreement between the corporation and an authorized insurer and the insurance contract. The

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responsibility of the corporation or authorized insurer to pay its specified percentage of hurricane losses of an eligible risk, as set forth in the agreement, may not be altered by the inability of the other party to pay its specified percentage of losses. Eligible risks that are provided hurricane coverage through a quota share primary insurance arrangement must be provided policy forms that set forth the obligations of the corporation and authorized insurer under the arrangement, clearly specify the percentages of quota share primary insurance provided by the corporation and authorized insurer, and conspicuously and clearly state that the authorized insurer and the corporation may not be held responsible beyond their specified percentage of coverage of hurricane losses.

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

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

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

d. Any quota share primary insurance agreement entered into between an authorized insurer and the corporation must provide

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for a uniform specified percentage of coverage of hurricane losses, by county or territory as set forth by the corporation board, for all eligible risks of the authorized insurer covered under the agreement.

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

f. For all eligible risks covered under quota share primary insurance agreements, the exposure and coverage levels for both the corporation and authorized insurers shall be reported by the corporation to the Florida Hurricane Catastrophe Fund. For all policies of eligible risks covered under such agreements, the corporation and the authorized insurer must maintain complete and accurate records for the purpose of exposure and loss reimbursement audits as required by fund rules. The corporation and the authorized insurer shall each maintain duplicate copies of policy declaration pages and supporting claims documents.

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

h. The quota share primary insurance agreement between the corporation and an authorized insurer must set forth the specific terms under which coverage is provided, including, but

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not limited to, the sale and servicing of policies issued under the agreement by the insurance agent of the authorized insurer producing the business, the reporting of information concerning eligible risks, the payment of premium to the corporation, and arrangements for the adjustment and payment of hurricane claims incurred on eligible risks by the claims adjuster and personnel of the authorized insurer. Entering into a quota sharing insurance agreement between the corporation and an authorized insurer is voluntary and at the discretion of the authorized insurer.

3. May provide that the corporation may employ or otherwise contract with individuals or other entities to provide administrative or professional services that may be appropriate to effectuate the plan. The corporation may borrow funds by issuing bonds or by incurring other indebtedness, and shall have other powers reasonably necessary to effectuate the requirements of this subsection, including, without limitation, the power to issue bonds and incur other indebtedness in order to refinance outstanding bonds or other indebtedness. The corporation may seek judicial validation of its bonds or other indebtedness under chapter 75. The corporation may issue bonds or incur other indebtedness, or have bonds issued on its behalf by a unit of local government pursuant to subparagraph (q)2. in the absence of a hurricane or other weather-related event, upon a determination by the corporation, subject to approval by the office, that such action would enable it to efficiently meet the financial obligations of the corporation and that such financings are reasonably necessary to effectuate the requirements of this subsection. The corporation may take all

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actions needed to facilitate tax-free status for such bonds or indebtedness, including formation of trusts or other affiliated entities. The corporation may pledge assessments, projected recoveries from the Florida Hurricane Catastrophe Fund, other reinsurance recoverables, policyholder surcharges and other surcharges, and other funds available to the corporation as security for bonds or other indebtedness. In recognition of s. 10, Art. I of the State Constitution, prohibiting the impairment of obligations of contracts, it is the intent of the Legislature that no action be taken whose purpose is to impair any bond indenture or financing agreement or any revenue source committed by contract to such bond or other indebtedness.

4. Must require that the corporation operate subject to the supervision and approval of a board of governors consisting of nine individuals who are residents of this state and who are from different geographical areas of the state, one of whom is appointed by the Governor and serves solely to advocate on behalf of the consumer. The appointment of a consumer representative by the Governor is deemed to be within the scope of the exemption provided in s. 112.313(7)(b) and is in addition to the appointments authorized under sub-subparagraph a.

a. The Governor, the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives shall each appoint two members of the board. At least one of the two members appointed by each appointing officer must have demonstrated expertise in insurance and be deemed to be within the scope of the exemption provided in s. 112.313(7)(b). The Chief Financial Officer shall designate one of the appointees as chair. All board members serve at the pleasure of the appointing

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officer. All members of the board are subject to removal at will by the officers who appointed them. All board members, including the chair, must be appointed to serve for 3-year terms beginning annually on a date designated by the plan. However, for the first term beginning on or after July 1, 2009, each appointing officer shall appoint one member of the board for a 2-year term and one member for a 3-year term. A board vacancy shall be filled for the unexpired term by the appointing officer. The Chief Financial Officer shall appoint a technical advisory group to provide information and advice to the board in connection with the board's duties under this subsection. The executive director and senior managers of the corporation shall be engaged by the board and serve at the pleasure of the board. Any executive director appointed on or after July 1, 2006, is subject to confirmation by the Senate. The executive director is responsible for employing other staff as the corporation may require, subject to review and concurrence by the board.

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

(I) The members of the advisory committee consist of the following 11 persons, one of whom must be elected chair by the members of the committee: four representatives, one appointed by the Florida Association of Insurance Agents, one by the Florida Association of Insurance and Financial Advisors, one by the Professional Insurance Agents of Florida, and one by the Latin American Association of Insurance Agencies; three

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representatives appointed by the insurers with the three highest voluntary market share of residential property insurance business in the state; one representative from the Office of Insurance Regulation; one consumer appointed by the board who is insured by the corporation at the time of appointment to the committee; one representative appointed by the Florida Association of Realtors; and one representative appointed by the Florida Bankers Association. All members shall be appointed to 3-year terms and may serve for consecutive terms.

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

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

a. Subject to s. 627.3517, with respect to personal lines residential risks, if the risk is offered coverage from an authorized insurer at the insurer's approved rate under a standard policy including wind coverage or, if consistent with the insurer's underwriting rules as filed with the office, a basic policy including wind coverage, 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 authorized insurer is more than 20 percent greater than the premium for comparable coverage from the corporation. Whenever an offer of coverage for a personal lines residential risk is received for a policyholder of the corporation at

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renewal from an authorized insurer, if the offer is equal to or less than the corporation's renewal premium for comparable coverage, the risk is not eligible for coverage with the corporation for policies that renew before April 1, 2023; for policies that renew on or after that date, the risk is not eligible for coverage with the corporation unless the premium for coverage from the authorized insurer is more than 20 percent greater than the corporation's renewal premium for comparable coverage. If the risk is not able to obtain such offer, the risk is eligible for a standard policy including wind coverage or a basic policy including wind coverage issued by the corporation; however, if the risk could not be insured under a standard policy including wind coverage regardless of market conditions, the risk is eligible for a basic policy including wind coverage unless rejected under subparagraph 8. ~~However, a policyholder removed from the corporation through an assumption agreement remains eligible for coverage from the corporation until the end of the assumption period.~~ The corporation shall determine the type of policy to be provided on the basis of objective standards specified in the underwriting manual and based on generally accepted underwriting practices. A policyholder removed from the corporation through an assumption agreement does not remain eligible for coverage from the corporation after the end of the policy term. However, any policy removed from the corporation through an assumption agreement remains on the corporation's policy forms through the end of the policy term.

(I) If the risk accepts an offer of coverage through the market assistance plan or through a mechanism established by the corporation other than a plan established by s. 627.3518, before

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a policy is issued to the risk by the corporation or during the first 30 days of coverage by the corporation, and the producing agent who submitted the application to the plan or to the corporation is not currently appointed by the insurer, the insurer shall:

(A) Pay to the producing agent of record of the policy 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 of the policy 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).

(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

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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. With respect to commercial lines residential risks, for a new application to the corporation for coverage, if the risk is offered coverage under a policy including wind coverage from an authorized insurer at its approved rate, the risk is not eligible for a policy issued by the corporation unless the premium for coverage from the authorized insurer is more than 20 ~~15~~ percent greater than the premium for comparable coverage from the corporation. Whenever an offer of coverage for a commercial lines residential risk is received for a policyholder of the corporation at renewal from an authorized insurer, ~~if the offer is equal to or less than the corporation's renewal premium for comparable coverage,~~ the risk is not eligible for coverage with the corporation unless the premium for coverage from the authorized insurer is more than 20 percent greater than the corporation's renewal premium for comparable coverage. If the risk is not able to obtain any such offer, the risk is eligible for a policy including wind coverage issued by the corporation. ~~However,~~ A policyholder removed from the corporation through an assumption agreement remains eligible for coverage from the corporation until the end of the policy term. However, any policy removed from the corporation through an assumption agreement remains on the corporation's policy forms through the

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1451 end of the policy term ~~assumption period~~.

1452 (I) If the risk accepts an offer of coverage through the
1453 market assistance plan or through a mechanism established by the
1454 corporation other than a plan established by s. 627.3518, before
1455 a policy is issued to the risk by the corporation or during the
1456 first 30 days of coverage by the corporation, and the producing
1457 agent who submitted the application to the plan or the
1458 corporation is not currently appointed by the insurer, the
1459 insurer shall:

1460 (A) Pay to the producing agent of record of the policy, for
1461 the first year, an amount that is the greater of the insurer's
1462 usual and customary commission for the type of policy written or
1463 a fee equal to the usual and customary commission of the
1464 corporation; or

1465 (B) Offer to allow the producing agent of record of the
1466 policy to continue servicing the policy for at least 1 year and
1467 offer to pay the agent the greater of the insurer's or the
1468 corporation's usual and customary commission for the type of
1469 policy written.

1470
1471 If the producing agent is unwilling or unable to accept
1472 appointment, the new insurer shall pay the agent in accordance
1473 with sub-sub-sub-subparagraph (A).

1474 (II) If the corporation enters into a contractual agreement
1475 for a take-out plan, the producing agent of record of the
1476 corporation policy is entitled to retain any unearned commission
1477 on the policy, and the insurer shall:

1478 (A) Pay to the producing agent of record, for the first
1479 year, an amount that is the greater of the insurer's usual and

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1480 customary commission for the type of policy written or a fee
1481 equal to the usual and customary commission of the corporation;
1482 or

1483 (B) Offer to allow the producing agent of record to
1484 continue servicing the policy for at least 1 year and offer to
1485 pay the agent the greater of the insurer's or the corporation's
1486 usual and customary commission for the type of policy written.

1487
1488 If the producing agent is unwilling or unable to accept
1489 appointment, the new insurer shall pay the agent in accordance
1490 with sub-sub-sub-subparagraph (A).

1491 c. For purposes of determining comparable coverage under
1492 sub-subparagraphs a. and b., the comparison must be based on
1493 those forms and coverages that are reasonably comparable. The
1494 corporation may rely on a determination of comparable coverage
1495 and premium made by the producing agent who submits the
1496 application to the corporation, made in the agent's capacity as
1497 the corporation's agent. For purposes of comparing the premium
1498 for comparable coverage under sub-subparagraphs a. and b.,
1499 premium includes any surcharge or assessment that is actually
1500 applied to such policy. A comparison may be made solely of the
1501 premium with respect to the main building or structure only on
1502 the following basis: the same coverage A or other building
1503 limits; the same percentage hurricane deductible that applies on
1504 an annual basis or that applies to each hurricane for commercial
1505 residential property; the same percentage of ordinance and law
1506 coverage, if the same limit is offered by both the corporation
1507 and the authorized insurer; the same mitigation credits, to the
1508 extent the same types of credits are offered both by the

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corporation and the authorized insurer; the same method for loss payment, such as replacement cost or actual cash value, if the same method is offered both by the corporation and the authorized insurer in accordance with underwriting rules; and any other form or coverage that is reasonably comparable as determined by the board. If an application is submitted to the corporation for wind-only coverage on a risk that is located in an area eligible for coverage by the Florida Windstorm Underwriting Association, as that area was defined on January 1, 2002 ~~in the coastal account~~, the premium for the corporation's wind-only policy plus the premium for the ex-wind policy that is offered by an authorized insurer to the applicant must be compared to the premium for multiperil coverage offered by an authorized insurer, subject to the standards for comparison specified in this subparagraph. If the corporation or the applicant requests from the authorized insurer a breakdown of the premium of the offer by types of coverage so that a comparison may be made by the corporation or its agent and the authorized insurer refuses or is unable to provide such information, the corporation may treat the offer as not being an offer of coverage from an authorized insurer at the insurer's approved rate.

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

7. Must provide that if premium and investment income:

a. For an account attributable to a particular calendar year are in excess of projected losses and expenses for the account attributable to that year, such excess shall be held in surplus in the account. Such surplus must be available to defray

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deficits in that account as to future years and used for that purpose before assessing assessable insurers and assessable insureds as to any calendar year; or

b. For the Citizens account, if established by the corporation, which are attributable to a particular calendar year are in excess of projected losses and expenses for the Citizens account attributable to that year, such excess shall be held in surplus in the Citizens account. Such surplus must be available to defray deficits in the Citizens account as to future years and used for that purpose before assessing assessable insurers and assessable insureds as to any calendar year.

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

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

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

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

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

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the board of governors. If catastrophe reinsurance is not available at reasonable rates, the corporation need not purchase it, but the corporation shall include the costs of reinsurance to cover its projected 100-year probable maximum loss in its rate calculations even if it does not purchase catastrophe reinsurance.

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

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

12. May establish, subject to approval by the office, different eligibility requirements and operational procedures for any line or type of coverage for any specified county or area if the board determines that such changes are justified due to the voluntary market being sufficiently stable and competitive in such area or for such line or type of coverage and that consumers who, in good faith, are unable to obtain insurance through the voluntary market through ordinary methods continue to have access to coverage from the corporation. If coverage is sought in connection with a real property transfer,

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the requirements and procedures may not provide an effective date of coverage later than the date of the closing of the transfer as established by the transferor, the transferee, and, if applicable, the lender.

13. Must provide that:

a. With respect to the coastal account, any assessable insurer with a surplus as to policyholders of \$25 million or less writing 25 percent or more of its total countrywide property insurance premiums in this state may petition the office, within the first 90 days of each calendar year, to qualify as a limited apportionment company. A regular assessment levied by the corporation on a limited apportionment company for a deficit incurred by the corporation for the coastal account may be paid to the corporation on a monthly basis as the assessments are collected by the limited apportionment company from its insureds, but a limited apportionment company must begin collecting the regular assessments not later than 90 days after the regular assessments are levied by the corporation, and the regular assessments must be paid in full within 15 months after being levied by the corporation. A limited apportionment company shall collect from its policyholders any emergency assessment imposed under sub-subparagraph (b)3.e. ~~(b)3.d.~~ The plan must provide that, if the office determines that any regular assessment will result in an impairment of the surplus of a limited apportionment company, the office may direct that all or part of such assessment be deferred as provided in subparagraph (q)4. However, an emergency assessment to be collected from policyholders under sub-subparagraph (b)3.e. ~~(b)3.d.~~ may not be limited or deferred; or

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b. With respect to the Citizens account, if established by the corporation pursuant to sub-subparagraph (b)2.b., any assessable insurer with a surplus as to policyholders of \$25 million or less and writing 25 percent or more of its total countrywide property insurance premiums in this state may petition the office, within the first 90 days of each calendar year, to qualify as a limited apportionment company. A limited apportionment company shall collect from its policyholders any emergency assessment imposed under sub-subparagraph (b)5.c. An emergency assessment to be collected from policyholders under sub-subparagraph (b)5.c. may not be limited or deferred.

14. Must provide that the corporation appoint as its licensed agents only those agents who throughout such appointments also hold an appointment as defined in s. 626.015 by an insurer who is authorized to write and is actually writing or renewing personal lines residential property coverage, commercial residential property coverage, or commercial nonresidential property coverage within the state.

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

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

17. Must provide coverage for manufactured or mobile home dwellings. Such coverage must also include the following attached structures:

a. Screened enclosures that are aluminum framed or screened

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enclosures that are not covered by the same or substantially the same materials as those of the primary dwelling;

b. Carports that are aluminum or carports that are not covered by the same or substantially the same materials as those of the primary dwelling; and

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

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

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

19. May require commercial property to meet specified hurricane mitigation construction features as a condition of eligibility for coverage.

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

21.a. As of January 1, 2012, unless the Citizens account has been established pursuant to sub-subparagraph (b)2.b., must require that the agent obtain from an applicant for coverage

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from the corporation an acknowledgment signed by the applicant,
which includes, at a minimum, the following statement:

ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
AND ASSESSMENT LIABILITY:

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

2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
ARE REGULATED AND APPROVED BY THE STATE.

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

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

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b. The corporation must require, if it has established the
Citizens account pursuant to sub-subparagraph (b)2.b., that the
agent obtain from an applicant for coverage from the corporation
the following acknowledgment signed by the applicant, which
includes, at a minimum, the following statement:

ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
AND ASSESSMENT LIABILITY:

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

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

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

4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE

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CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
STATE OF FLORIDA.

~~c.e.~~ The corporation shall maintain, in electronic format
or otherwise, a copy of the applicant's signed acknowledgment
and provide a copy of the statement to the policyholder as part
of the first renewal after the effective date of sub-
subparagraph a. or sub-subparagraph b., as applicable ~~this~~
~~subparagraph.~~

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

(n)1. Rates for coverage provided by the corporation must
be actuarially sound pursuant and subject to s. 627.062 and not
competitive with approved rates charged in the admitted
voluntary market so that the corporation functions as a residual
market mechanism to provide insurance only when insurance cannot
be procured in the voluntary market, except as otherwise
provided in this paragraph. The office shall provide the
corporation such information as would be necessary to determine
whether rates are competitive. The corporation shall file its
recommended rates with the office at least annually. The
corporation shall provide any additional information regarding
the rates which the office requires. The office shall consider
the recommendations of the board and issue a final order
establishing the rates for the corporation within 45 days after
the recommended rates are filed. The corporation may not pursue
an administrative challenge or judicial review of the final

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order of the office.

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

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

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

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

a. ~~Eleven percent for 2022.~~

~~b.~~ Twelve percent for 2023.

~~b.e.~~ Thirteen percent for 2024.

~~c.e.~~ Fourteen percent for 2025.

~~d.e.~~ Fifteen percent for 2026 and all subsequent years.

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

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

8. For any new or renewal personal lines policy written on or after November 1, 2023, which does not cover a primary residence, the rate to be applied in calculating premium is not subject to the rate increase limitations in subparagraph 5. However, the policyholder may not be charged more than 50 percent above, and may not be charged less than, the established rate for the corporation which was in effect 1 year before the date of the application.

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

(o) If coverage in an account, or the Citizens account if established by the corporation, is deactivated pursuant to paragraph (p), coverage through the corporation shall be reactivated by order of the office only under one of the following circumstances:

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1. If the market assistance plan receives a minimum of 100 applications for coverage within a 3-month period, or 200 applications for coverage within a 1-year period or less for residential coverage, unless the market assistance plan provides a quotation from admitted carriers at their filed rates for at least 90 percent of such applicants. Any market assistance plan application that is rejected because an individual risk is so hazardous as to be uninsurable using the criteria specified in subparagraph (c)8. shall not be included in the minimum percentage calculation provided herein. In the event that there is a legal or administrative challenge to a determination by the office that the conditions of this subparagraph have been met for eligibility for coverage in the corporation, any eligible risk may obtain coverage during the pendency of such challenge.

2. In response to a state of emergency declared by the Governor under s. 252.36, the office may activate coverage by order for the period of the emergency upon a finding by the office that the emergency significantly affects the availability of residential property insurance.

(p)1. The corporation shall file with the office quarterly statements of financial condition, an annual statement of financial condition, and audited financial statements in the manner prescribed by law. In addition, the corporation shall report to the office monthly on the types, premium, exposure, and distribution by county of its policies in force, and shall submit other reports as the office requires to carry out its oversight of the corporation.

2. The activities of the corporation shall be reviewed at least annually by the office to determine whether coverage shall

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be deactivated in an account, or in the Citizens account if established by the corporation, on the basis that the conditions giving rise to its activation no longer exist.

(q)1. The corporation shall certify to the office its needs for annual assessments as to a particular calendar year, and for any interim assessments that it deems to be necessary to sustain operations as to a particular year pending the receipt of annual assessments. Upon verification, the office shall approve such certification, and the corporation shall levy such annual or interim assessments. Such assessments shall be prorated, if authority to levy exists, as provided in paragraph (b). The corporation shall take all reasonable and prudent steps necessary to collect the amount of assessments due from each assessable insurer, including, if prudent, filing suit to collect the assessments, and the office may provide such assistance to the corporation it deems appropriate. If the corporation is unable to collect an assessment from any assessable insurer, the uncollected assessments shall be levied as an additional assessment against the assessable insurers and any assessable insurer required to pay an additional assessment as a result of such failure to pay shall have a cause of action against such nonpaying assessable insurer. Assessments shall be included as an appropriate factor in the making of rates. The failure of a surplus lines agent to collect and remit any regular or emergency assessment levied by the corporation is considered to be a violation of s. 626.936 and subjects the surplus lines agent to the penalties provided in that section.

2. The governing body of any unit of local government, any residents of which are insured by the corporation, may issue

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bonds as defined in s. 125.013 or s. 166.101 from time to time to fund an assistance program, in conjunction with the corporation, for the purpose of defraying deficits of the corporation. In order to avoid needless and indiscriminate proliferation, duplication, and fragmentation of such assistance programs, any unit of local government, any residents of which are insured by the corporation, may provide for the payment of losses, regardless of whether or not the losses occurred within or outside of the territorial jurisdiction of the local government. Revenue bonds under this subparagraph may not be issued until validated pursuant to chapter 75, unless a state of emergency is declared by executive order or proclamation of the Governor pursuant to s. 252.36 making such findings as are necessary to determine that it is in the best interests of, and necessary for, the protection of the public health, safety, and general welfare of residents of this state and declaring it an essential public purpose to permit certain municipalities or counties to issue such bonds as will permit relief to claimants and policyholders of the corporation. Any such unit of local government may enter into such contracts with the corporation and with any other entity created pursuant to this subsection as are necessary to carry out this paragraph. Any bonds issued under this subparagraph shall be payable from and secured by moneys received by the corporation from emergency assessments under sub-subparagraph (b)3.e. ~~(b)3.d.~~, and assigned and pledged to or on behalf of the unit of local government for the benefit of the holders of such bonds. The funds, credit, property, and taxing power of the state or of the unit of local government shall not be pledged for the payment of such bonds.

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1915 3.a. The corporation shall adopt one or more programs
 1916 subject to approval by the office for the reduction of both new
 1917 and renewal writings in the corporation. Beginning January 1,
 1918 2008, any program the corporation adopts for the payment of
 1919 bonuses to an insurer for each risk the insurer removes from the
 1920 corporation shall comply with s. 627.3511(2) and may not exceed
 1921 the amount referenced in s. 627.3511(2) for each risk removed.
 1922 The corporation may consider any prudent and not unfairly
 1923 discriminatory approach to reducing corporation writings, and
 1924 may adopt a credit against assessment liability or other
 1925 liability that provides an incentive for insurers to take risks
 1926 out of the corporation and to keep risks out of the corporation
 1927 by maintaining or increasing voluntary writings in counties or
 1928 areas in which corporation risks are highly concentrated and a
 1929 program to provide a formula under which an insurer voluntarily
 1930 taking risks out of the corporation by maintaining or increasing
 1931 voluntary writings will be relieved wholly or partially from
 1932 assessments under sub-subparagraph (b)3.a. However, any "take-
 1933 out bonus" or payment to an insurer must be conditioned on the
 1934 property being insured for at least 5 years by the insurer,
 1935 unless canceled or nonrenewed by the policyholder. If the policy
 1936 is canceled or nonrenewed by the policyholder before the end of
 1937 the 5-year period, the amount of the take-out bonus must be
 1938 prorated for the time period the policy was insured. When the
 1939 corporation enters into a contractual agreement for a take-out
 1940 plan, the producing agent of record of the corporation policy is
 1941 entitled to retain any unearned commission on such policy, and
 1942 the insurer shall either:
 1943 (I) Pay to the producing agent of record of the policy, for

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1944 the first year, an amount which is the greater of the insurer's
 1945 usual and customary commission for the type of policy written or
 1946 a policy fee equal to the usual and customary commission of the
 1947 corporation; or
 1948 (II) Offer to allow the producing agent of record of the
 1949 policy to continue servicing the policy for a period of not less
 1950 than 1 year and offer to pay the agent the insurer's usual and
 1951 customary commission for the type of policy written. If the
 1952 producing agent is unwilling or unable to accept appointment by
 1953 the new insurer, the new insurer shall pay the agent in
 1954 accordance with sub-sub-subparagraph (I).
 1955 b. Any credit or exemption from regular assessments adopted
 1956 under this subparagraph shall last no longer than the 3 years
 1957 following the cancellation or expiration of the policy by the
 1958 corporation. With the approval of the office, the board may
 1959 extend such credits for an additional year if the insurer
 1960 guarantees an additional year of renewability for all policies
 1961 removed from the corporation, or for 2 additional years if the
 1962 insurer guarantees 2 additional years of renewability for all
 1963 policies so removed.
 1964 c. There shall be no credit, limitation, exemption, or
 1965 deferment from emergency assessments to be collected from
 1966 policyholders pursuant to sub-subparagraph (b)3.e. or sub-
 1967 subparagraph (b)5.c. ~~(b)3.d.~~
 1968 4. The plan shall provide for the deferment, in whole or in
 1969 part, of the assessment of an assessable insurer, other than an
 1970 emergency assessment collected from policyholders pursuant to
 1971 sub-subparagraph (b)3.e. or sub-subparagraph (b)5.c. ~~(b)3.d.~~, if
 1972 the office finds that payment of the assessment would endanger

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or impair the solvency of the insurer. In the event an assessment against an assessable insurer is deferred in whole or in part, the amount by which such assessment is deferred may be assessed against the other assessable insurers in a manner consistent with the basis for assessments set forth in paragraph (b).

5. Effective July 1, 2007, in order to evaluate the costs and benefits of approved take-out plans, if the corporation pays a bonus or other payment to an insurer for an approved take-out plan, it shall maintain a record of the address or such other identifying information on the property or risk removed in order to track if and when the property or risk is later insured by the corporation.

6. Any policy taken out, assumed, or removed from the corporation is, as of the effective date of the take-out, assumption, or removal, direct insurance issued by the insurer and not by the corporation, even if the corporation continues to service the policies. This subparagraph applies to policies of the corporation and not policies taken out, assumed, or removed from any other entity.

7. For a policy taken out, assumed, or removed from the corporation, the insurer may, for a period of no more than 3 years, continue to use any of the corporation's policy forms or endorsements that apply to the policy taken out, removed, or assumed without obtaining approval from the office for use of such policy form or endorsement.

(v)1. Effective July 1, 2002, policies of the Residential Property and Casualty Joint Underwriting Association become policies of the corporation. All obligations, rights, assets and

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liabilities of the association, including bonds, note and debt obligations, and the financing documents pertaining to them become those of the corporation as of July 1, 2002. The corporation is not required to issue endorsements or certificates of assumption to insureds during the remaining term of in-force transferred policies.

2. Effective July 1, 2002, policies of the Florida Windstorm Underwriting Association are transferred to the corporation and become policies of the corporation. All obligations, rights, assets, and liabilities of the association, including bonds, note and debt obligations, and the financing documents pertaining to them are transferred to and assumed by the corporation on July 1, 2002. The corporation is not required to issue endorsements or certificates of assumption to insureds during the remaining term of in-force transferred policies.

3. The Florida Windstorm Underwriting Association and the Residential Property and Casualty Joint Underwriting Association shall take all actions necessary to further evidence the transfers and provide the documents and instruments of further assurance as may reasonably be requested by the corporation for that purpose. The corporation shall execute assumptions and instruments as the trustees or other parties to the financing documents of the Florida Windstorm Underwriting Association or the Residential Property and Casualty Joint Underwriting Association may reasonably request to further evidence the transfers and assumptions, which transfers and assumptions, however, are effective on the date provided under this paragraph whether or not, and regardless of the date on which, the assumptions or instruments are executed by the corporation.

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Subject to the relevant financing documents pertaining to their outstanding bonds, notes, indebtedness, or other financing obligations, the moneys, investments, receivables, choses in action, and other intangibles of the Florida Windstorm Underwriting Association shall be credited to the coastal account of the corporation, and those of the personal lines residential coverage account and the commercial lines residential coverage account of the Residential Property and Casualty Joint Underwriting Association shall be credited to the personal lines account and the commercial lines account, respectively, of the corporation.

4. Effective July 1, 2002, a new applicant for property insurance coverage who would otherwise have been eligible for coverage in the Florida Windstorm Underwriting Association is eligible for coverage from the corporation as provided in this subsection.

5. The transfer of all policies, obligations, rights, assets, and liabilities from the Florida Windstorm Underwriting Association to the corporation and the renaming of the Residential Property and Casualty Joint Underwriting Association as the corporation does not affect the coverage with respect to covered policies as defined in s. 215.555(2)(c) provided to these entities by the Florida Hurricane Catastrophe Fund. The coverage provided by the fund to the Florida Windstorm Underwriting Association based on its exposures as of June 30, 2002, and each June 30 thereafter, unless the corporation has established the Citizens account, shall be redesignated as coverage for the coastal account of the corporation. Notwithstanding any other provision of law, the coverage

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provided by the fund to the Residential Property and Casualty Joint Underwriting Association based on its exposures as of June 30, 2002, and each June 30 thereafter, unless the corporation has established the Citizens account, shall be transferred to the personal lines account and the commercial lines account of the corporation. Notwithstanding any other provision of law, the coastal account, unless the corporation has established the Citizens account, shall be treated, for all Florida Hurricane Catastrophe Fund purposes, as if it were a separate participating insurer with its own exposures, reimbursement premium, and loss reimbursement. Likewise, the personal lines and commercial lines accounts, unless the corporation has established the Citizens account, shall be viewed together, for all fund purposes, as if the two accounts were one and represent a single, separate participating insurer with its own exposures, reimbursement premium, and loss reimbursement. The coverage provided by the fund to the corporation shall constitute and operate as a full transfer of coverage from the Florida Windstorm Underwriting Association and Residential Property and Casualty Joint Underwriting Association to the corporation.

(w) Notwithstanding any other provision of law:

1. The pledge or sale of, the lien upon, and the security interest in any rights, revenues, or other assets of the corporation created or purported to be created pursuant to any financing documents to secure any bonds or other indebtedness of the corporation shall be and remain valid and enforceable, notwithstanding the commencement of and during the continuation of, and after, any rehabilitation, insolvency, liquidation, bankruptcy, receivership, conservatorship, reorganization, or

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similar proceeding against the corporation under the laws of this state.

2. The proceeding does not relieve the corporation of its obligation, or otherwise affect its ability to perform its obligation, to continue to collect, or levy and collect, assessments, policyholder surcharges or other surcharges under sub-subparagraph (b)3.j. ~~(b)3.i.~~, or any other rights, revenues, or other assets of the corporation pledged pursuant to any financing documents.

3. Each such pledge or sale of, lien upon, and security interest in, including the priority of such pledge, lien, or security interest, any such assessments, policyholder surcharges or other surcharges, or other rights, revenues, or other assets which are collected, or levied and collected, after the commencement of and during the pendency of, or after, any such proceeding shall continue unaffected by such proceeding. As used in this subsection, the term "financing documents" means any agreement or agreements, instrument or instruments, or other document or documents now existing or hereafter created evidencing any bonds or other indebtedness of the corporation or pursuant to which any such bonds or other indebtedness has been or may be issued and pursuant to which any rights, revenues, or other assets of the corporation are pledged or sold to secure the repayment of such bonds or indebtedness, together with the payment of interest on such bonds or such indebtedness, or the payment of any other obligation or financial product, as defined in the plan of operation of the corporation related to such bonds or indebtedness.

4. Any such pledge or sale of assessments, revenues,

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contract rights, or other rights or assets of the corporation shall constitute a lien and security interest, or sale, as the case may be, that is immediately effective and attaches to such assessments, revenues, or contract rights or other rights or assets, whether or not imposed or collected at the time the pledge or sale is made. Any such pledge or sale is effective, valid, binding, and enforceable against the corporation or other entity making such pledge or sale, and valid and binding against and superior to any competing claims or obligations owed to any other person or entity, including policyholders in this state, asserting rights in any such assessments, revenues, or contract rights or other rights or assets to the extent set forth in and in accordance with the terms of the pledge or sale contained in the applicable financing documents, whether or not any such person or entity has notice of such pledge or sale and without the need for any physical delivery, recordation, filing, or other action.

5. As long as the corporation has any bonds outstanding, the corporation may not file a voluntary petition under chapter 9 of the federal Bankruptcy Code or such corresponding chapter or sections as may be in effect, from time to time, and a public officer or any organization, entity, or other person may not authorize the corporation to be or become a debtor under chapter 9 of the federal Bankruptcy Code or such corresponding chapter or sections as may be in effect, from time to time, during any such period.

6. If ordered by a court of competent jurisdiction, the corporation may assume policies or otherwise provide coverage for policyholders of an insurer placed in liquidation under

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chapter 631, under such forms, rates, terms, and conditions as the corporation deems appropriate, subject to approval by the office.

(aa) Except as otherwise provided in this paragraph, the corporation shall ~~not~~ require the securing and maintaining of flood insurance as a condition of coverage of a personal lines residential risk. ~~if~~ The insured or applicant must execute ~~executes~~ a form approved by the office affirming that flood insurance is not provided by the corporation and that if flood insurance is not secured by the applicant or insured from an insurer other than the corporation and in addition to coverage by the corporation, the risk will not be eligible for coverage ~~by the corporation covered for flood damage. A corporation policyholder electing not to secure flood insurance and executing a form as provided herein making a claim for water damage against the corporation shall have the burden of proving the damage was not caused by flooding. Notwithstanding other provisions of this subsection,~~ The corporation may deny coverage of a personal lines residential risk to an applicant or insured who refuses to secure and maintain flood insurance ~~execute the form described herein~~. The requirement to purchase flood insurance shall be implemented as follows:

1. Except as provided in subparagraphs 2. and 3., all personal lines residential policyholders must have flood coverage in place for policies effective on or after:

a. January 1, 2024, for property valued at \$600,000 or more.

b. January 1, 2025, for property valued at \$500,000 or more.

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c. January 1, 2026, for property valued at \$400,000 or more.

d. January 1, 2027, for all other personal lines residential property insured by the corporation.

2. All personal lines residential policyholders whose property insured by the corporation is located within the special flood hazard area defined by the Federal Emergency Management Agency must have flood coverage in place:

a. At the time of initial policy issuance for all new personal lines residential policies issued by the corporation on or after April 1, 2023.

b. By the time of the policy renewal for all personal lines residential policies renewing on or after July 1, 2023.

3. Policyholders whose policies issued by the corporation do not provide coverage for the peril of wind are not required to purchase flood insurance as a condition for maintaining their policies with the corporation.

The flood insurance required under this paragraph must meet, at a minimum, the coverage available from the National Flood Insurance Program or the requirements of subparagraphs s. 627.715(1)(a)1., 2., and 3.

(ii) The corporation shall revise the programs adopted pursuant to sub-subparagraph (q)3.a. for personal lines residential policies to maximize policyholder options and encourage increased participation by insurers and agents. After January 1, 2017, a policy may not be taken out of the corporation unless the provisions of this paragraph are met.

1. The corporation must publish a periodic schedule of

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cycles during which an insurer may identify, and notify the corporation of, policies that the insurer is requesting to take out. A request must include a description of the coverage offered and an estimated premium and must be submitted to the corporation in a form and manner prescribed by the corporation.

2. The corporation must maintain and make available to the agent of record a consolidated list of all insurers requesting to take out a policy. The list must include a description of the coverage offered and the estimated premium for each take-out request.

3. If a policyholder receives a take-out offer from an authorized insurer, the risk is no longer eligible for coverage with the corporation unless the premium for coverage from the authorized insurer is more 20 percent greater than the renewal premium for comparable coverage from the corporation pursuant to sub-subparagraph (c)5.c. This subparagraph applies to take-out offers that are part of an application to participate in depopulation submitted to the office on or after January 1, 2023.

4. The corporation must provide written notice to the policyholder and the agent of record regarding all insurers requesting to take out the policy ~~and regarding the policyholder's option to accept a take-out offer or to reject all take-out offers and to remain with the corporation.~~ The notice must be in a format prescribed by the corporation and include, for each take-out offer:

- a. The amount of the estimated premium;
- b. A description of the coverage; and
- c. A comparison of the estimated premium and coverage

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offered by the insurer to the estimated premium and coverage provided by the corporation.

(kk) A corporation policyholder making a claim for water damage against the corporation has the burden of proving that the damage was not caused by flooding.

Section 9. Paragraph (s) of subsection (6) of section 627.351, Florida Statutes, is amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(s)1. There shall be no liability on the part of, and no cause of action of any nature shall arise against, any assessable insurer or its agents or employees, the corporation or its agents or employees, members of the board of governors or their respective designees at a board meeting, corporation committee members, or the office or its representatives, for any action taken by them in the performance of their duties or responsibilities under this subsection. Such immunity does not apply to:

- a. Any of the foregoing persons or entities for any willful tort;
- b. The corporation or its producing agents for breach of any contract or agreement pertaining to insurance coverage;
- c. The corporation with respect to issuance or payment of debt;
- d. Any assessable insurer with respect to any action to enforce an assessable insurer's obligations to the corporation under this subsection; or
- e. The corporation in any pending or future action for breach of contract or for benefits under a policy issued by the

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2263 corporation, in any such action, the corporation shall be liable
 2264 to the policyholders and beneficiaries for attorney's fees under
 2265 s. 627.428.

2266 2. The corporation shall manage its claim employees,
 2267 independent adjusters, and others who handle claims to ensure
 2268 they carry out the corporation's duty to its policyholders to
 2269 handle claims carefully, timely, diligently, and in good faith,
 2270 balanced against the corporation's duty to the state to manage
 2271 its assets responsibly to minimize its assessment potential.

2272 Section 10. Paragraphs (b) and (c) of subsection (3) and
 2273 paragraphs (d), (e), and (f) of subsection (6) of section
 2274 627.3511, Florida Statutes, are amended to read:

2275 627.3511 Depopulation of Citizens Property Insurance
 2276 Corporation.—

2277 (3) EXEMPTION FROM DEFICIT ASSESSMENTS.—

2278 (b) An insurer that first wrote personal lines residential
 2279 property coverage in this state on or after July 1, 1994, is
 2280 exempt from regular deficit assessments imposed pursuant to s.
 2281 627.351(6)(b)3.a., but not emergency assessments collected from
 2282 policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~
 2283 ~~627.351(6)(b)3.d.~~, of the Citizens Property Insurance

2284 Corporation until the earlier of the following:

2285 1. The end of the calendar year in which it first wrote 0.5
 2286 percent or more of the statewide aggregate direct written
 2287 premium for any line of residential property coverage; or

2288 2. December 31, 1997, or December 31 of the third year in
 2289 which it wrote such coverage in this state, whichever is later.

2290 (c) Other than an insurer that is exempt under paragraph
 2291 (b), an insurer that in any calendar year increases its total

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2292 structure exposure subject to wind coverage by 25 percent or
 2293 more over its exposure for the preceding calendar year is, with
 2294 respect to that year, exempt from deficit assessments imposed
 2295 pursuant to s. 627.351(6)(b)3.a., but not emergency assessments
 2296 collected from policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~
 2297 ~~627.351(6)(b)3.d.~~, of the Citizens Property Insurance
 2298 Corporation attributable to such increase in exposure.

2299 (6) COMMERCIAL RESIDENTIAL TAKE-OUT PLANS.—

2300 (d) The calculation of an insurer's regular assessment
 2301 liability under s. 627.351(6)(b)3.a., but not emergency
 2302 assessments collected from policyholders pursuant to s.
 2303 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, shall, with respect to
 2304 commercial residential policies removed from the corporation
 2305 under an approved take-out plan, exclude such removed policies
 2306 for the succeeding 3 years, as follows:

2307 1. In the first year following removal of the policies, the
 2308 policies are excluded from the calculation to the extent of 100
 2309 percent.

2310 2. In the second year following removal of the policies,
 2311 the policies are excluded from the calculation to the extent of
 2312 75 percent.

2313 3. In the third year following removal of the policies, the
 2314 policies are excluded from the calculation to the extent of 50
 2315 percent.

2316 (e) An insurer that first wrote commercial residential
 2317 property coverage in this state on or after June 1, 1996, is
 2318 exempt from regular assessments under s. 627.351(6)(b)3.a., but
 2319 not emergency assessments collected from policyholders pursuant
 2320 to s. 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, with respect to

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commercial residential policies until the earlier of:

1. The end of the calendar year in which such insurer first wrote 0.5 percent or more of the statewide aggregate direct written premium for commercial residential property coverage; or

2. December 31 of the third year in which such insurer wrote commercial residential property coverage in this state.

(f) An insurer that is not otherwise exempt from regular assessments under s. 627.351(6)(b)3.a. with respect to commercial residential policies is, for any calendar year in which such insurer increased its total commercial residential hurricane exposure by 25 percent or more over its exposure for the preceding calendar year, exempt from regular assessments under s. 627.351(6)(b)3.a., but not emergency assessments collected from policyholders pursuant to s. 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, attributable to such increased exposure.

Section 11. Effective January 1, 2023, subsection (5) of section 627.3518, Florida Statutes, is amended to read:

627.3518 Citizens Property Insurance Corporation policyholder eligibility clearinghouse program.—The purpose of this section is to provide a framework for the corporation to implement a clearinghouse program by January 1, 2014.

(5) Notwithstanding s. 627.3517, any applicant for new coverage from the corporation is not eligible for coverage from the corporation if provided an offer of coverage from an authorized insurer through the program at a premium that is at or below the eligibility threshold for applicants for new coverage established in s. 627.351(6)(c)5.a. Whenever an offer of coverage for a personal lines risk is received for a policyholder of the corporation at renewal from an authorized

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insurer through the program which is at or below the eligibility threshold for policyholders of the corporation established in s. 627.351(6)(c)5.a., if the offer is equal to or less than the corporation's renewal premium for comparable coverage, the risk is not eligible for coverage with the corporation. In the event an offer of coverage for a new applicant is received from an authorized insurer through the program, and the premium offered exceeds the eligibility threshold for applicants for new coverage established ~~contained~~ in s. 627.351(6)(c)5.a., the applicant or insured may elect to accept such coverage, or may elect to accept or continue coverage with the corporation. In the event an offer of coverage for a personal lines risk is received from an authorized insurer at renewal through the program, and the premium offered exceeds the eligibility threshold for policyholders of the corporation established in s. 627.351(6)(c)5.a. ~~is more than the corporation's renewal premium for comparable coverage,~~ the insured may elect to accept such coverage, or may elect to accept or continue coverage with the corporation. Section 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from an authorized insurer obtained through the program. ~~An applicant for coverage from the corporation who was declared ineligible for coverage at renewal by the corporation in the previous 36 months due to an offer of coverage pursuant to this subsection shall be considered a renewal under this section if the corporation determines that the authorized insurer making the offer of coverage pursuant to this subsection continues to insure the applicant and increased the rate on the policy in excess of the increase allowed for the corporation under s. 627.351(6)(n)5.~~

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2379 Section 12. Subsection (3) of section 627.410, Florida
 2380 Statutes, is amended to read:
 2381 627.410 Filing, approval of forms.—
 2382 (3) The office may, for cause, withdraw a previous
 2383 approval. No insurer shall issue or use any form disapproved by
 2384 the office, or as to which the office has withdrawn approval,
 2385 after the effective date of the order of the office. Based on a
 2386 finding from a market conduct examination of a property insurer
 2387 that the insurer has exhibited a pattern or practice of one or
 2388 more willful unfair insurance trade practice violations with
 2389 regard to its use of appraisal, the office shall reexamine the
 2390 insurer's property insurance policy forms that contain an
 2391 appraisal clause, and the office may:
 2392 (a) Withdraw approval of the forms, if warranted by the
 2393 Florida Insurance Code.
 2394 (b) In addition to any regulatory action under ss. 624.418
 2395 and 624.4211, issue an order prohibiting the insurer from
 2396 invoking appraisal for up to 2 years.
 2397 Section 13. Subsections (1) and (4) of section 627.428,
 2398 Florida Statutes, are amended to read:
 2399 627.428 Attorney fees.—
 2400 (1) Except as provided in subsection (4), upon the
 2401 rendition of a judgment or decree by any of the courts of this
 2402 state against an insurer and in favor of any named or omnibus
 2403 insured or the named beneficiary under a policy or contract
 2404 executed by the insurer, the trial court or, in the event of an
 2405 appeal in which the insured or beneficiary prevails, the
 2406 appellate court shall adjudge or decree against the insurer and
 2407 in favor of the insured or beneficiary a reasonable sum as fees

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2408 or compensation for the insured's or beneficiary's attorney
 2409 prosecuting the suit in which the recovery is had. ~~In a suit~~
 2410 ~~arising under a residential or commercial property insurance~~
 2411 ~~policy, the amount of reasonable attorney fees shall be awarded~~
 2412 ~~only as provided in s. 57.105 or s. 627.70152, as applicable.~~
 2413 (4) In a suit arising under a residential or commercial
 2414 property insurance policy, there is no ~~the~~ right to attorney
 2415 fees under this section ~~may not be transferred to, assigned to,~~
 2416 ~~or acquired in any other manner by anyone other than a named or~~
 2417 ~~omnibus insured or a named beneficiary.~~
 2418 Section 14. Paragraph (b) of subsection (4) of section
 2419 627.7011, Florida Statutes, is amended to read:
 2420 627.7011 Homeowners' policies; offer of replacement cost
 2421 coverage and law and ordinance coverage.—
 2422 (4)
 2423 (b) An insurer that issues a homeowner's insurance policy
 2424 that does not provide flood insurance coverage must include on
 2425 the policy declarations page ~~with the policy documents~~ at
 2426 initial issuance and every renewal, in bold type no smaller than
 2427 18 points, the following statement:
 2428
 2429 "FLOOD INSURANCE: YOU SHOULD ~~MAY ALSO NEED TO~~ CONSIDER
 2430 THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER'S
 2431 INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE
 2432 RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN
 2433 CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD
 2434 INSURANCE COVERAGE, YOUR ~~YOU MAY HAVE~~ UNCOVERED LOSSES
 2435 CAUSED BY FLOOD ARE NOT COVERED. PLEASE DISCUSS THE
 2436 NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE

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2437 WITH YOUR INSURANCE AGENT."

2438

2439 Section 15. Effective March 1, 2023, present subsection (8)
 2440 of section 627.70131, Florida Statutes, is redesignated as
 2441 subsection (9), a new subsection (8) is added to that section,
 2442 and paragraph (a) of subsection (1), subsections (3), (4), and
 2443 (5), and paragraph (a) of subsection (7) of that section are
 2444 amended, to read:

2445 627.70131 Insurer's duty to acknowledge communications
 2446 regarding claims; investigation.-

2447 (1) (a) Upon an insurer's receiving a communication with
 2448 respect to a claim, the insurer shall, within 7 ~~14~~ calendar
 2449 days, review and acknowledge receipt of such communication
 2450 unless payment is made within that period of time or unless the
 2451 failure to acknowledge is caused by factors beyond the control
 2452 of the insurer ~~which reasonably prevent such acknowledgment~~. If
 2453 the acknowledgment is not in writing, a notification indicating
 2454 acknowledgment shall be made in the insurer's claim file and
 2455 dated. A communication made to or by a representative of an
 2456 insurer with respect to a claim shall constitute communication
 2457 to or by the insurer.

2458 (3) (a) Unless otherwise provided by the policy of insurance
 2459 or by law, within 7 ~~14~~ days after an insurer receives proof-of-
 2460 loss statements, the insurer shall begin such investigation as
 2461 is reasonably necessary unless the failure to begin such
 2462 investigation is caused by factors beyond the control of the
 2463 insurer ~~which reasonably prevent the commencement of such~~
 2464 ~~investigation~~.

2465 (b) If such investigation involves a physical inspection of

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2466 the property, the licensed adjuster assigned by the insurer must
 2467 provide the policyholder with a printed or electronic document
 2468 containing his or her name and state adjuster license number.
 2469 ~~For claims other than those subject to a hurricane deductible,~~
 2470 An insurer must conduct any such physical inspection within 30
 2471 ~~45~~ days after its receipt of the proof-of-loss statements.

2472 (c) Any subsequent communication with the policyholder
 2473 regarding the claim must also include the name and license
 2474 number of the adjuster communicating about the claim.
 2475 Communication of the adjuster's name and license number may be
 2476 included with other information provided to the policyholder.

2477 (d) An insurer may use electronic methods to investigate
 2478 the loss. Such electronic methods may include any method that
 2479 provides the insurer with clear, color pictures or video
 2480 documenting the loss, including, but not limited to, electronic
 2481 photographs or video recordings of the loss, video conferencing
 2482 between the adjuster and the policyholder which includes video
 2483 recording of the loss, and video recordings or photographs of
 2484 the loss using a drone, driverless vehicle, or other machine
 2485 that can move independently or through remote control. The
 2486 insurer also may allow the policyholder to use such methods to
 2487 assist in the investigation of the loss. An insurer may void the
 2488 insurance policy if the policyholder or any other person at the
 2489 direction of the policyholder, with intent to injure, defraud,
 2490 or deceive any insurer, commits insurance fraud by providing
 2491 false, incomplete, or misleading information concerning any fact
 2492 or thing material to a claim using electronic methods. The use
 2493 of electronic methods to investigate the loss does not prohibit
 2494 an insurer from assigning a licensed adjuster to physically

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inspect the property.

~~(e) Within 7 days after the insurer's assignment of an adjuster to the claim, The insurer must send notify the policyholder that he or she may request a copy of any detailed estimate of the amount of the loss within 7 days after the estimate is generated by an insurer's adjuster. After receiving such a request from the policyholder, the insurer must send any such detailed estimate to the policyholder within the later of 7 days after the insurer received the request or 7 days after the detailed estimate of the amount of the loss is completed. This paragraph does not require that an insurer create a detailed estimate of the amount of the loss if such estimate is not reasonably necessary as part of the claim investigation.~~

(4) An insurer shall maintain:

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

(b) Claim records, including dates, of:

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

2. The insurer's receipt of the policyholder's proof of loss statement;

3. Any claim-related request for information made by the insurer to the policyholder or the policyholder's representative;

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

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

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

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

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

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

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

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

(b) "Insurer" means any residential property insurer.

(7) (a) Within ~~60~~ 90 days after an insurer receives notice of an initial, reopened, or supplemental property insurance claim from a policyholder, the insurer shall pay or deny such claim or a portion of the claim unless the failure to pay is caused by factors beyond the control of the insurer ~~which~~

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2553 ~~reasonably prevent such payment.~~ The insurer shall provide a
 2554 reasonable explanation in writing to the policyholder of the
 2555 basis in the insurance policy, in relation to the facts or
 2556 applicable law, for the payment, denial, or partial denial of a
 2557 claim. If the insurer's claim payment is less than specified in
 2558 any insurer's detailed estimate of the amount of the loss, the
 2559 insurer must provide a reasonable explanation in writing of the
 2560 difference to the policyholder. Any payment of an initial or
 2561 supplemental claim or portion of such claim made 60 ~~90~~ days
 2562 after the insurer receives notice of the claim, or made ~~more~~
 2563 ~~than 15 days~~ after the expiration of any additional timeframe
 2564 provided to pay or deny a claim or a portion of a claim made
 2565 pursuant to an order of the office finding there are no longer
 2566 factors beyond the control of the insurer which reasonably
 2567 ~~prevented such payment,~~ whichever is later, bears interest at
 2568 the rate set forth in s. 55.03. Interest begins to accrue from
 2569 the date the insurer receives notice of the claim. The
 2570 provisions of this subsection may not be waived, voided, or
 2571 nullified by the terms of the insurance policy. If there is a
 2572 right to prejudgment interest, the insured must select whether
 2573 to receive prejudgment interest or interest under this
 2574 subsection. Interest is payable when the claim or portion of the
 2575 claim is paid. Failure to comply with this subsection
 2576 constitutes a violation of this code. However, failure to comply
 2577 with this subsection does not form the sole basis for a private
 2578 cause of action.

2579 (8) The requirements of this section are tolled:

2580 (a) During the pendency of any mediation proceeding under
 2581 s. 627.7015 or any alternative dispute resolution proceeding

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2582 provided for in the insurance contract. The tolling period ends
 2583 upon the end of the mediation or alternative dispute resolution
 2584 proceeding.

2585 (b) Upon the failure of a policyholder or a representative
 2586 of the policyholder to provide material claims information
 2587 requested by the insurer within 10 days after the request was
 2588 received. The tolling period ends upon the insurer's receipt of
 2589 the requested information. Tolling under this paragraph applies
 2590 only to requests sent by the insurer to the policyholder or a
 2591 representative of the policyholder at least 15 days before the
 2592 insurer is required to pay or deny the claim or a portion of the
 2593 claim under subsection (7).

2594 Section 16. Subsection (2) of section 627.70132, Florida
 2595 Statutes, is amended to read:

2596 627.70132 Notice of property insurance claim.—

2597 (2) A claim or reopened claim, but not a supplemental
 2598 claim, under an insurance policy that provides property
 2599 insurance, as defined in s. 624.604, including a property
 2600 insurance policy issued by an eligible surplus lines insurer,
 2601 for loss or damage caused by any peril is barred unless notice
 2602 of the claim was given to the insurer in accordance with the
 2603 terms of the policy within 1 year ~~2 years~~ after the date of
 2604 loss. A supplemental claim is barred unless notice of the
 2605 supplemental claim was given to the insurer in accordance with
 2606 the terms of the policy within 18 months ~~3 years~~
 2607 after the date of loss.

2608 Section 17. Subsections (1), (2), (6), and (8) of section
 2609 627.70152, Florida Statutes, are amended to read:

2610 627.70152 Suits arising under a property insurance policy.—

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(1) APPLICATION.—This section applies exclusively to all suits ~~not brought by an assignee~~ arising under a residential or commercial property insurance policy, including a residential or commercial property insurance policy issued by an eligible surplus lines insurer.

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

(a) ~~"Amount obtained" means damages recovered, if any, but the term does not include any amount awarded for attorney fees, costs, or interest.~~

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

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

~~(c)~~ ~~(d)~~ "Presuit settlement demand" means the demand made by the claimant in the written notice of intent to initiate litigation as required by paragraph (3)(a). The demand must include the amount of reasonable and necessary attorney fees and costs incurred by the claimant, to be calculated by multiplying the number of hours actually worked on the claim by the claimant's attorney as of the date of the notice by a reasonable hourly rate.

~~(d)~~ ~~(e)~~ "Presuit settlement offer" means the offer made by the insurer in its written response to the notice as required by subsection (3).

(6) ADMISSIBILITY OF NOTICE AND RESPONSE.—The notice provided pursuant to subsection (3) and, if applicable, the

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documentation to support the information provided in the notice:

(a) Are not admissible as evidence ~~only~~ in any ~~a~~ proceeding ~~regarding attorney fees.~~

~~(b) Do not limit the evidence of attorney fees or costs, damages, or loss which may be offered at trial.~~

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

~~(8) ATTORNEY FEES.—~~

~~(a) In a suit arising under a residential or commercial property insurance policy not brought by an assignee, the amount of reasonable attorney fees and costs under s. 626.9373(1) or s. 627.428(1) shall be calculated and awarded as follows:~~

~~1. If the difference between the amount obtained by the claimant and the presuit settlement offer, excluding reasonable attorney fees and costs, is less than 20 percent of the disputed amount, each party pays its own attorney fees and costs and a claimant may not be awarded attorney fees under s. 626.9373(1) or s. 627.428(1).~~

~~2. If the difference between the amount obtained by the claimant and the presuit settlement offer, excluding reasonable attorney fees and costs, is at least 20 percent but less than 50 percent of the disputed amount, the insurer pays the claimant's attorney fees and costs under s. 626.9373(1) or s. 627.428(1) equal to the percentage of the disputed amount obtained times the total attorney fees and costs.~~

~~3. If the difference between the amount obtained by the claimant and the presuit settlement offer, excluding reasonable attorney fees and costs, is at least 50 percent of the disputed amount, the insurer pays the claimant's full attorney fees and~~

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~~costs under s. 626.9373(1) or s. 627.428(1).~~

~~(b) In a suit arising under a residential or commercial property insurance policy not brought by an assignee, if a court dismisses a claimant's suit pursuant to subsection (5), the court may not award to the claimant any incurred attorney fees for services rendered before the dismissal of the suit. When a claimant's suit is dismissed pursuant to subsection (5), the court may award to the insurer reasonable attorney fees and costs associated with securing the dismissal.~~

~~(c) In awarding attorney fees under this subsection, a strong presumption is created that a lodestar fee is sufficient and reasonable. Such presumption may be rebutted only in a rare and exceptional circumstance with evidence that competent counsel could not be retained in a reasonable manner.~~

Section 18. Section 627.70154, Florida Statutes, is created to read:

627.70154 Mandatory binding arbitration.—A property insurance policy issued in this state may not require that a policyholder participate in mandatory binding arbitration unless all of the following apply:

(1) The mandatory binding arbitration requirements are contained in a separate endorsement attached to the property insurance policy.

(2) The premium that a policyholder is charged for the policy includes an actuarially sound credit or premium discount for the mandatory binding arbitration endorsement.

(3) The policyholder signs a form electing to accept mandatory binding arbitration. The form must notify the policyholder of the rights given up in exchange for the credit

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or premium discount, including, but not limited to, the right to a trial by jury.

(4) The endorsement establishes that an insurer will comply with the mediation provisions set forth in s. 627.7015 before the initiation of arbitration.

(5) The insurer also offers the policyholder a policy that does not require that the policyholder participate in mandatory binding arbitration.

Section 19. Subsections (9), (14), and (15) of section 627.7074, Florida Statutes, are amended to read:

627.7074 Alternative procedure for resolution of disputed sinkhole insurance claims.—

(9) Evidence of an offer to settle a claim during the neutral evaluation process, as well as any relevant conduct or statements made in negotiations concerning the offer to settle a claim, is inadmissible to prove liability or absence of liability for the claim or its value, ~~except as provided in subsection (14).~~

~~(14) If the neutral evaluator verifies the existence of a sinkhole that caused structural damage and recommends the need for and estimates costs of stabilizing the land and any covered buildings and other appropriate remediation or building repairs which exceed the amount that the insurer has offered to pay the policyholder, the insurer is liable to the policyholder for up to \$2,500 in attorney's fees for the attorney's participation in the neutral evaluation process. For purposes of this subsection, the term "offer to pay" means a written offer signed by the insurer or its legal representative and delivered to the policyholder within 10 days after the insurer receives notice~~

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2727 ~~that a request for neutral evaluation has been made under this~~
 2728 ~~section.~~

2729 ~~(15)~~ If the insurer timely agrees in writing to comply and
 2730 timely complies with the recommendation of the neutral
 2731 evaluator, but the policyholder declines to resolve the matter
 2732 in accordance with the recommendation of the neutral evaluator
 2733 pursuant to this section:

2734 (a) The insurer is not liable for extracontractual damages
 2735 related to a claim for a sinkhole loss but only as related to
 2736 the issues determined by the neutral evaluation process. This
 2737 section does not affect or impair claims for extracontractual
 2738 damages unrelated to the issues determined by the neutral
 2739 evaluation process contained in this section; and

2740 (b) The actions of the insurer are not a confession of
 2741 judgment or admission of liability, ~~and the insurer is not~~
 2742 ~~liable for attorney's fees under s. 627.428 or other provisions~~
 2743 ~~of the insurance code unless the policyholder obtains a judgment~~
 2744 ~~that is more favorable than the recommendation of the neutral~~
 2745 ~~evaluator.~~

2746 Section 20. Effective March 1, 2023, section 627.7142,
 2747 Florida Statutes, is amended to read:

2748 627.7142 Homeowner Claims Bill of Rights.—An insurer
 2749 issuing a personal lines residential property insurance policy
 2750 in this state must provide a Homeowner Claims Bill of Rights to
 2751 a policyholder within 14 days after receiving an initial
 2752 communication with respect to a claim. The purpose of the bill
 2753 of rights is to summarize, in simple, nontechnical terms,
 2754 existing Florida law regarding the rights of a personal lines
 2755 residential property insurance policyholder who files a claim of

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2756 loss. The Homeowner Claims Bill of Rights is specific to the
 2757 claims process and does not represent all of a policyholder's
 2758 rights under Florida law regarding the insurance policy. The
 2759 Homeowner Claims Bill of Rights does not create a civil cause of
 2760 action by any individual policyholder or class of policyholders
 2761 against an insurer or insurers. The failure of an insurer to
 2762 properly deliver the Homeowner Claims Bill of Rights is subject
 2763 to administrative enforcement by the office but is not
 2764 admissible as evidence in a civil action against an insurer. The
 2765 Homeowner Claims Bill of Rights does not enlarge, modify, or
 2766 contravene statutory requirements, including, but not limited
 2767 to, ss. 626.854, 626.9541, 627.70131, 627.7015, and 627.7074,
 2768 and does not prohibit an insurer from exercising its right to
 2769 repair damaged property in compliance with the terms of an
 2770 applicable policy or ss. 627.7011(6)(e) and 627.702(7). The
 2771 Homeowner Claims Bill of Rights must state:

HOMEOWNER CLAIMS

BILL OF RIGHTS

2775 This Bill of Rights is specific to the claims process
 2776 and does not represent all of your rights under
 2777 Florida law regarding your policy. There are also
 2778 exceptions to the stated timelines when conditions are
 2779 beyond your insurance company's control. This document
 2780 does not create a civil cause of action by an
 2781 individual policyholder, or a class of policyholders,
 2782 against an insurer or insurers and does not prohibit
 2783 an insurer from exercising its right to repair damaged
 2784 property in compliance with the terms of an applicable

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2785 policy.

2786

2787 YOU HAVE THE RIGHT TO:

2788 1. Receive from your insurance company an
2789 acknowledgment of your reported claim within 7 ~~14~~ days
2790 after the time you communicated the claim.

2791 2. Upon written request, receive from your
2792 insurance company within 30 days after you have
2793 submitted a complete proof-of-loss statement to your
2794 insurance company, confirmation that your claim is
2795 covered in full, partially covered, or denied, or
2796 receive a written statement that your claim is being
2797 investigated.

2798 3. Receive from your insurance company a copy of
2799 any detailed estimate of the amount of the loss within
2800 7 days after the estimate is generated by the
2801 insurance company's adjuster.

2802 4. Within 60 ~~90~~ days, subject to any dual
2803 interest noted in the policy, receive full settlement
2804 payment for your claim or payment of the undisputed
2805 portion of your claim, or your insurance company's
2806 denial of your claim.

2807 ~~5.4.~~ Receive payment of interest, as provided in
2808 s. 627.70131, Florida Statutes, from your insurance
2809 company, which begins accruing from the date your
2810 claim is filed if your insurance company does not pay
2811 full settlement of your initial, reopened, or
2812 supplemental claim or the undisputed portion of your
2813 claim or does not deny your claim within 60 ~~90~~ days

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2814 after your claim is filed. The interest, if
2815 applicable, must be paid when your claim or the
2816 undisputed portion of your claim is paid.

2817 ~~6.5.~~ Free mediation of your disputed claim by the
2818 Florida Department of Financial Services, Division of
2819 Consumer Services, under most circumstances and
2820 subject to certain restrictions.

2821 ~~7.6.~~ Neutral evaluation of your disputed claim,
2822 if your claim is for damage caused by a sinkhole and
2823 is covered by your policy.

2824 ~~8.7.~~ Contact the Florida Department of Financial
2825 Services, Division of Consumer Services' toll-free
2826 helpline for assistance with any insurance claim or
2827 questions pertaining to the handling of your claim.
2828 You can reach the Helpline by phone at ...(toll-free
2829 phone number)..., or you can seek assistance online at
2830 the Florida Department of Financial Services, Division
2831 of Consumer Services' website at ...(website
2832 address)....

2833

2834 YOU ARE ADVISED TO:

2835 1. File all claims directly with your insurance
2836 company.

2837 2. Contact your insurance company before entering
2838 into any contract for repairs to confirm any managed
2839 repair policy provisions or optional preferred
2840 vendors.

2841 3. Make and document emergency repairs that are
2842 necessary to prevent further damage. Keep the damaged

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2843 property, if feasible, keep all receipts, and take
 2844 photographs or video of damage before and after any
 2845 repairs to provide to your insurer.

2846 4. Carefully read any contract that requires you
 2847 to pay out-of-pocket expenses or a fee that is based
 2848 on a percentage of the insurance proceeds that you
 2849 will receive for repairing or replacing your property.

2850 5. Confirm that the contractor you choose is
 2851 licensed to do business in Florida. You can verify a
 2852 contractor's license and check to see if there are any
 2853 complaints against him or her by calling the Florida
 2854 Department of Business and Professional Regulation.
 2855 You should also ask the contractor for references from
 2856 previous work.

2857 6. Require all contractors to provide proof of
 2858 insurance before beginning repairs.

2859 7. Take precautions if the damage requires you to
 2860 leave your home, including securing your property and
 2861 turning off your gas, water, and electricity, and
 2862 contacting your insurance company and provide a phone
 2863 number where you can be reached.

2864 Section 21. Paragraphs (a) and (b) of subsection (2) and
 2865 subsection (13) of section 627.7152, Florida Statutes, are
 2866 amended to read:

2867 627.7152 Assignment agreements.—

2868 (2) (a) An assignment agreement must:

2869 1. Be executed under a residential property insurance
 2870 policy or under a commercial property insurance policy as that
 2871 term is defined in s. 627.0625(1), issued on or after July 1,

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2872 2019, and before January 1, 2023.

2873 2. Be in writing and executed by and between the assignor
 2874 and the assignee.

2875 ~~3.2.~~ Contain a provision that allows the assignor to
 2876 rescind the assignment agreement without a penalty or fee by
 2877 submitting a written notice of rescission signed by the assignor
 2878 to the assignee within 14 days after the execution of the
 2879 agreement, at least 30 days after the date work on the property
 2880 is scheduled to commence if the assignee has not substantially
 2881 performed, or at least 30 days after the execution of the
 2882 agreement if the agreement does not contain a commencement date
 2883 and the assignee has not begun substantial work on the property.

2884 ~~4.3.~~ Contain a provision requiring the assignee to provide
 2885 a copy of the executed assignment agreement to the insurer
 2886 within 3 business days after the date on which the assignment
 2887 agreement is executed or the date on which work begins,
 2888 whichever is earlier. Delivery of the copy of the assignment
 2889 agreement to the insurer may be made:

2890 a. By personal service, overnight delivery, or electronic
 2891 transmission, with evidence of delivery in the form of a receipt
 2892 or other paper or electronic acknowledgment by the insurer; or

2893 b. To the location designated for receipt of such
 2894 agreements as specified in the policy.

2895 ~~5.4.~~ Contain a written, itemized, per-unit cost estimate of
 2896 the services to be performed by the assignee.

2897 ~~6.5.~~ Relate only to work to be performed by the assignee
 2898 for services to protect, repair, restore, or replace a dwelling
 2899 or structure or to mitigate against further damage to such
 2900 property.

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2901 7.6- Contain the following notice in 18-point uppercase and
 2902 boldfaced type:

2903
 2904 YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE
 2905 UNDER YOUR INSURANCE POLICY TO A THIRD PARTY, WHICH
 2906 MAY RESULT IN LITIGATION AGAINST YOUR INSURER. PLEASE
 2907 READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING IT.
 2908 YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT WITHOUT
 2909 PENALTY WITHIN 14 DAYS AFTER THE DATE THIS AGREEMENT
 2910 IS EXECUTED, AT LEAST 30 DAYS AFTER THE DATE WORK ON
 2911 THE PROPERTY IS SCHEDULED TO COMMENCE IF THE ASSIGNEE
 2912 HAS NOT SUBSTANTIALLY PERFORMED, OR AT LEAST 30 DAYS
 2913 AFTER THE EXECUTION OF THE AGREEMENT IF THE AGREEMENT
 2914 DOES NOT CONTAIN A COMMENCEMENT DATE AND THE ASSIGNEE
 2915 HAS NOT BEGUN SUBSTANTIAL WORK ON THE PROPERTY.
 2916 HOWEVER, YOU ARE OBLIGATED FOR PAYMENT OF ANY
 2917 CONTRACTED WORK PERFORMED BEFORE THE AGREEMENT IS
 2918 RESCINDED. THIS AGREEMENT DOES NOT CHANGE YOUR
 2919 OBLIGATION TO PERFORM THE DUTIES REQUIRED UNDER YOUR
 2920 PROPERTY INSURANCE POLICY.

2921
 2922 8.7- Contain a provision requiring the assignee to
 2923 indemnify and hold harmless the assignor from all liabilities,
 2924 damages, losses, and costs, including, but not limited to,
 2925 attorney fees.

2926 (b) An assignment agreement may not contain:

2927 1. A penalty or fee for rescission under subparagraph (a)3.

2928 ~~(a)2-;~~

2929 2. A check or mortgage processing fee;

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2930 3. A penalty or fee for cancellation of the agreement; or
 2931 4. An administrative fee.

2932 (13) Except as provided in subsection (11), a policyholder
 2933 may not assign, in whole or in part, any post-loss insurance
 2934 benefit under any residential property insurance policy or under
 2935 any commercial property insurance policy as that term is defined
 2936 in s. 627.0625(1), issued on or after January 1, 2023. An
 2937 attempt to assign post-loss property insurance benefits under
 2938 such a policy is void, invalid, and unenforceable ~~This section~~
 2939 ~~applies to an assignment agreement executed on or after July 1,~~
 2940 ~~2019.~~

2941 Section 22. Paragraph (f) of subsection (3) of section
 2942 627.7154, Florida Statutes, is amended, and paragraph (g) is
 2943 added to that subsection, to read:

2944 627.7154 Property Insurer Stability Unit; duties and
 2945 required reports.—

2946 (3) The insurer stability unit shall, at a minimum:

2947 (f) On January 1 and July 1 of each year, provide a report
 2948 on the status of the homeowners' and condominium unit owners'
 2949 insurance market to the Governor, the President of the Senate,
 2950 the Speaker of the House of Representatives, the Minority Leader
 2951 of the Senate, the Minority Leader of the House of
 2952 Representatives, and the chairs of the legislative committees
 2953 with jurisdiction over matters of insurance showing:

2954 1. Litigation practices and outcomes of insurance
 2955 companies.

2956 2. Percentage of homeowners and condominium unit owners who
 2957 obtain insurance in the voluntary market.

2958 3. Percentage of homeowners and condominium unit owners who

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obtain insurance from the Citizens Property Insurance Corporation.

4. Profitability of the homeowners' and condominium unit owners' lines of insurance in this state, including a comparison with similar lines of insurance in other hurricane-prone states and with the national average.

5. Average premiums charged for homeowners' and condominium unit owners' insurance in each of the 67 counties in this state.

6. Results of the latest annual catastrophe stress tests of all domestic insurers and insurers that are commercially domiciled in this state.

7. The availability of reinsurance in the personal lines insurance market.

8. The number of property and casualty insurance carriers referred to the insurer stability unit for enhanced monitoring, including the reason for the referral.

9. The number of referrals to the insurer stability unit which were deemed appropriate for enhanced monitoring, including the reason for the monitoring.

10. The name of any insurer against which delinquency proceedings were instituted, including the grounds for rehabilitation pursuant to s. 631.051 and the date that each insurer was deemed impaired of capital or surplus, as the terms impairment of capital and impairment of surplus are defined in s. 631.011, or insolvent, as the term insolvency is defined in s. 631.011; a concise statement of the circumstances that led to the insurer's delinquency; and a summary of the actions taken by the insurer and the office to avoid delinquency.

11. The name of any insurer that is the subject of a market

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conduct examination that found the insurer exhibited a pattern or practice of one or more willful unfair insurance trade practice violations with regard to its use of appraisal, including, but not limited to, compelling insureds to participate in appraisal under a property insurance policy in order to secure full payment or settlement of claims, and a summary of the findings of such market conduct examination.

12. Recommendations for improvements to the regulation of the homeowners' and condominium unit owners' insurance market and an indication of whether such improvements require any change to existing laws or rules.

13. ~~12~~. Identification of any trends that may warrant attention in the future.

(g) Publish on the office's website a list of all insurers referenced in subparagraph (f)11. and a link to the market conduct reports regarding such insurers.

Section 23. Subsection (3) of section 631.252, Florida Statutes, is amended to read:

631.252 Continuation of coverage.—

(3) The 30-day coverage continuation period provided in paragraph (1) (a) may not ~~in no event~~ be extended unless the office determines, based on a reasonable belief, that market conditions are such that policies of residential property insurance coverage cannot be placed with an authorized insurer within 30 days and that an additional 15 days is needed to place such coverage; and failure of actual notice to the policyholder of the insolvency of the insurer, of commencement of a delinquency proceeding, or of expiration of the extension period does not affect such expiration.

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Section 24. Present subsections (6) through (8) of section 768.79, Florida Statutes, are redesignated as subsections (7) through (9), respectively, and a new subsection (6) is added to that section, to read:

768.79 Offer of judgment and demand for judgment.—

(6) For a breach of contract action, a property insurer may make a joint offer of judgment or settlement that is conditioned on the mutual acceptance of all the joint offerees.

Section 25. For the 2022-2023 fiscal year, the sum of \$1,757,982 in recurring funds is appropriated from the Insurance Regulatory Trust Fund to the Office of Insurance Regulation with associated salary rate of 844,464. From these funds, \$1,356,615 is appropriated in the Salaries and Benefits appropriation category, \$400,000 is appropriated in the Other Personal Services appropriation category, and \$1,367 is appropriated in the Transfer to Department of Management Services - Human Resources Services Purchased Per Statewide Contract appropriation category. The funds shall be utilized for the recruitment and retention of personnel within the office to ensure the ongoing monitoring of insurance company products and services, as well as the financial condition of licensed insurance companies. The funds shall be used to implement this act.

Section 26. Except as otherwise expressly provided in this act, this act shall take effect upon becoming a law.

The Florida Senate COMMITTEE VOTE RECORD

COMMITTEE: Banking and Insurance
ITEM: SB 2-A
FINAL ACTION: Favorable
MEETING DATE: Monday, December 12, 2022
TIME: 12:00 noon—2:30 p.m.
PLACE: 412 Knott Building

[illegible]

CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

COMMITTEE: Banking and Insurance
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CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

12/12/22

Meeting Date

The Florida Senate

APPEARANCE RECORD

2A

Bill Number or Topic

Banking & Insurance
Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Amendment Barcode (if applicable)

Name

Christine Ashburn

Phone

Address

Street

2101 Maryland Circle
Tallahassee FL

City

State

Zip

Email

christine.ashburn@
citizensfla.com

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without
compensation or sponsorship.

☒

I am a registered lobbyist,
representing:

Citizens Property Insurance
Corporation

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12-12-22

Meeting Date

SB+I

Committee

SB 2-A

Bill Number or Topic

Amendment Barcode (if applicable)

Name Gina Wilson Phone 850-413-1340

Address 1801 Hermitage Blvd Email gina.wilson@sba-fla.com
Street

Tallahassee FL 32308
City State Zip

Speaking: ☐ For ☐ Against ☒ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing: SBA

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

Amendment Barcode (if applicable)

12/12/2022

Meeting Date

Senate B+I

Committee

Name David Altmaier

Phone (850) 413-3140

Address 200 East Gaines St.
Street

Email insurancecommissioner@

Tallahassee FL 32399
City State Zip

Speaking: ☐ For ☐ Against ☒ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing: OIR

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2A

Bill Number or Topic

Amendment Barcode (if applicable)

12/12/22
Meeting Date
Banking and Insurance
Committee

Name Eric De Campos

Phone 847-989-7104

Address 1111 E. Touhy Ave Ste
Street

Email edecampos@NICB.org

Des Plaines IL 60018
City State Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

National Insurance
Crime Bureau

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

2A

Bill Number or Topic

Amendment Barcode (if applicable)

12-12-22

Meeting Date

Banking & Insurance
Committee

Name

Valorie Chavin

Phone

305 788 1421

Address

16474 NE 31 Avenue

Street

Email

vchavin@MSLAWGROUP.COM

NMB

City

FL

State

33160

Zip

Speaking:

☐

For

☒

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12/8/22

Meeting Date

74

Bill Number or Topic

Barbara J. Finner

Committee

Amendment Barcode (if applicable)

Name

JAMES MITCHELL

Phone

310 968-2583

Address

1055 SURREY OAK ST Hollywood, FL

Email

j.mitchell@constlawgroup.com

Street

City

State

Zip

33019

Speaking:

☐

For



Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12/12/22

Meeting Date

2A

Bill Number or Topic

Banking & Insurance
Committee

Amendment Barcode (if applicable)

Name B.G. Murphy

Phone 850-702-5630

Address 3189 Shamrock St. S.
Street

Email bmurphy@faia.com

Tallahassee
City

FL
State

32309
Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

Florida Association of Insurance Agents

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

Dec 12, 2022

Meeting Date

BI

Committee

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2-A

Bill Number or Topic

Amendment Barcode (if applicable)

Name **Gary Rosen, Ph.D.**

Phone **954 614 7100**

Address **2881 W Lake Vista Circle**

Email **garyrosen72652@gmail.com**

Street

Davie

City

FL

State

33328

Zip

Speaking: ☒ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

Target bad contractors, Enforce current laws to immediately
eliminate property insurance litigation backlog. Here's how.

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12/12/2022

Meeting Date

B+I

Committee

24

Bill Number or Topic

Amendment Barcode (if applicable)

Name

William Arnold

Phone

904-472-3633

Address

5426 Bay Center Dr., Ste 600

Email

warnod@aiiflorida.com

Street

Tampa

City

FL

State

33609

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

American Integrity
Insurance Company

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

12.12.22

Meeting Date

Banking and Insurance

Committee

Name **Aram Megerian**

Address **4301 West Boy Scout Boulevard**

Street

Tampa

City

FL

State

33607

Zip

The Florida Senate APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

2-A

Bill Number or Topic

Amendment Barcode (if applicable)

Phone **(813) 289-9300**

Email **aram.megerian@csklegal.com**

Speaking:



For



Against



Information

OR

Waive Speaking:



In Support



Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:

Florida Justice Reform Institute



I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12/12/20

Meeting Date

Banking & Ins
Committee

SB 2-A

Bill Number or Topic

Amendment Barcode (if applicable)

Name Linda Howard

Phone 850-591-7327

Address 1931 Mallory Sq
Street

Email Lschaden@comcast.net

Tallahassee FL 32308
City State Zip

Speaking: ☐ For ☐ Against ☒ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12/12/22

Meeting Date

Banking & Insurance

Committee

SB-2A

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Caroline Melear

Phone

404 374 3248

Address

410 Pine Tree Ct

Street

Email

cmelear@rstreet.org

Lake Worth

City

FL

State

33462

Zip

Speaking:



For



Against



Information

OR

Waive Speaking:



In Support



Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:



I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12/12/22
Meeting Date

Committee

2-A
Bill Number or Topic

Amendment Barcode (if applicable)

Name Logan McFaddin Phone _____

Address 119 E Park Ave Email Logan.McFaddin@
Street

Tall FL 32312
City State Zip

Speaking: ☐ For ☐ Against ☐ Information **OR** Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:
APCIA

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

12/12/2022

Meeting Date

Banking & Insurance

Committee

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2-A

Bill Number or Topic

Amendment Barcode (if applicable)

Name **Scott Boggs**

Phone **727-954-1046**

Address **4554 Central Ave. Suite L**

Email **sboggs@boggsllawgroup.com**

Street

St. Petersburg

FL

33711

City

State

Zip

Speaking: ☐ For ☒ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:



I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

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Senate professional staff conducting the meeting

12/12/22

Meeting Date

2A

Bill Number or Topic

Banking and Insurance

Committee

Amendment Barcode (if applicable)

Name

Tim Nungesser

Phone

850-445-5367

Address

110 E. Jefferson St

Street

Email

tim.nungesser@nfib.org

City

Tallahassee

State

FL

Zip

32301

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking:



In Support



Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing: NFIB



I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

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S-001 (08/10/2021)

12/12/2022

The Florida Senate

APPEARANCE RECORD

SB 2-A

Meeting Date

Banking & Insurance

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name **John Albaugh - citizen**

Phone **850-832-4039**

Address **209 Virginia Drive**
Street

Email

Mexico Beach

FL

32456

City

State

Zip

Speaking: ☐ For ☒ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

12/12/2022

Meeting Date

Banking & Insurance

Committee

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2-A

Bill Number or Topic

Amendment Barcode (if applicable)

Name **Natalie Albaugh - citizen**

Phone **850-832-4039**

Address **209 Virginia Drive**
Street

Email

Mexico Beach

FL

32456

City

State

Zip

Speaking:

☐

For

☒

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

12/12/2022

APPEARANCE RECORD

SB 2-A

Meeting Date

Banking & Insurance

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name **David Murray**Phone **813-567-5600**Address **109 N. Brush St., Sute 350**Email **dmurray@murraylawgroup.com**

Street

Tampa**FL****33602**

City

State

Zip

Speaking: ☐ For ☒ Against ☐ Information**OR**Waive Speaking: ☐ In Support ☐ Against**PLEASE CHECK ONE OF THE FOLLOWING:**☒ I am appearing without
compensation or sponsorship.☐ I am a registered lobbyist,
representing:☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

12/12/22

Meeting Date

Banking and Insurance

Committee

Name Adam Basford

Address 516 N Adams St

Street

Tallahassee

City

FL

State

32301

Zip

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

DUPLICATE

2A

Bill Number or Topic

Amendment Barcode (if applicable)

Phone 352.538.4299

Email abasford@if.com

Speaking: ☒ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Associated Industries of Florida

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

12/12/2022

The Florida Senate
APPEARANCE RECORD

SB 2-A

Meeting Date

Bill Number or Topic

Banking & Insurance

Deliver both copies of this form to
Senate professional staff conducting the meeting

Committee

Amendment Barcode (if applicable)

Name Ron Haynes Phone 813-223-2929

Address 117 S. Willow Ave., Suite 100 Email rhaynes@ligorilaw.com

Street

Tampa

FL

33606

City

State

Zip

Speaking: ☐ For ☒ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:



I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12/12

Meeting Date

Banking & Insurance

Committee

2A

Bill Number or Topic

Amendment Barcode (if applicable)

Name AUSTIN STOWERS

Phone 850 413 5939

Address 200 E Gaines

Email austin.stowers@myfloridacfo.com

Street

Tallahassee

FL

32312

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Department of Financial Services

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2-A

Bill Number or Topic

Amendment Barcode (if applicable)

12/12/22

Meeting Date

Banking & Ins.

Committee

Name Dr. Rich Templin

Phone 850-224-6926

Address 135 S. Monroe

Street

Email

Tallahassee

City

FL

State

32307

Zip

Speaking:

☐ For

☒ Against

☐ Information

OR

Waive Speaking:

☐ In Support

☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Florida AFL-CIO

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

2A

Bill Number or Topic

Amendment Barcode (if applicable)

12/12/22

Meeting Date

Insurance

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Name Joshua Browlee

Phone 561-716-6566

Address 33 Plaza Real, Suite 275
Street

Email josh@jstlawfirm.net

Boon Raton
City

FL
State

33432
Zip

Speaking:

☐

For

☒

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

12/12/22

Meeting Date

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

2A

Bill Number or Topic

Insurance

Committee

Amendment Barcode (if applicable)

Name

John Tolley

Phone

855 585 2997

Address

33 Plaza Real Suite 275

Email

John@jtlawfirm.net

Street

Boca Raton FL

33432

City

State

Zip

Speaking:

☐

For

☒

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

12/12/2022

APPEARANCE RECORD

2A

Meeting Date

Bill Number or Topic

BI

Deliver both copies of this form to
Senate professional staff conducting the meeting

N/A

Committee

Amendment Barcode (if applicable)

Name **Michael Carlson**Phone **8505449576**Address **215 S. Monroe St. Ste. 835**Email **michael.carlson@piff.net**

Street

Tallahassee**FL****32301**

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information **OR** Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:
☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:
Personal Insurance Federation of Florida
☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

12/12/2022

APPEARANCE RECORD

SB 2A

Meeting Date

Banking & Insurance

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name **Chad Kunde**

Phone **(850) 766-7896**

Address **136 S Bronough St**

Email **ckunde@flchamber.com**

Street

Tallahassee

FL

32301

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information **OR** ~~Waive Speaking:~~ ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without compensation or sponsorship.

☒ I am a registered lobbyist, representing:

Florida Chamber of Commerce

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
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SB-2A - Property Income
Bill Number or Topic

12/12/22

Meeting Date

Banking and Insurance
Committee

Amendment Barcode (if applicable)

Name George Feijoo ("Fay-Jew") Phone 305-720-7099

Address ~~3022 E. 10th St.~~ 108 S. Monroe St. Email grfeijoo@flapartners.com
Street

Tallahassee FL 32301
City State Zip

Speaking: ☐ For ☐ Against ☐ Information OR Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Florida Insurance Council

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

12/12/22

Meeting Date

Banking & Insurance

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2A

Bill Number or Topic

Amendment Barcode (if applicable)

Name Christina pappas

Phone 850.224.1400

Address 200 S monroe

Street

Email publicpolicy@floridarealtors.org

Tallahassee FL 32301

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without compensation or sponsorship.

☐ I am a registered lobbyist, representing:

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](https://www.flsenate.gov/2020-2022-Joint-Rules.pdf)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

12/12/2022

APPEARANCE RECORD

SB 2A

Meeting Date

Bill Number or Topic

Banking and Insurance

Deliver both copies of this form to
Senate professional staff conducting the meeting

Committee

Amendment Barcode (if applicable)

Name **Richie Kidwell** Phone **(321) 219-9060**Address **941 W. Morse Blvd, Suite 100** Email **info@raflorida.org**

Street

Winter Park**FL****32789**

City

State

Zip

Speaking: ☐ For ☒ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:☒ I am appearing without
compensation or sponsorship.☐ I am a registered lobbyist,
representing:☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

12.12.22

Meeting Date

Banking and Insurance

Committee

Name **Ryan Jones**

Address **360 Central Avenue**

Street

St. Petersburg

City

FL

State

33701

Zip

Phone **727-898-8100**

Email **rjones@tlsslaw.com**

2-A

Bill Number or Topic

Amendment Barcode (if applicable)

The Florida Senate APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

Speaking: ☒ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without compensation or sponsorship.

☐ I am a registered lobbyist, representing:

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](https://www.flsenate.gov/2020-2022-Joint-Rules.pdf)

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12.12.22

Meeting Date

Banking and Insurance

Committee

Name Cristina P Cambo

The Florida Senate APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

2-A

Bill Number or Topic

Amendment Barcode (if applicable)

Address 1905 E 7th Ave

Street

Tampa

City

FL

State

33605-3809

Zip

Phone 813-848-0600

Email cpc@bolin-law.com

Speaking: ☒ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without compensation or sponsorship.

☐ I am a registered lobbyist, representing:

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](https://www.flsenate.gov/2020-2022-Joint-Rules.pdf)

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The Florida Senate

APPEARANCE RECORD

2-A

12.12.22

Meeting Date

Banking and Insurance

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

Amendment Barcode (if applicable)

Name **Katelyn Ferry**

Phone **813-848-0600**

Address **1905 E 7th Ave**

Email **kmf@bolin-law.com**

Street

Tampa

FL

33605-3809

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without compensation or sponsorship.

☐ I am a registered lobbyist, representing:

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
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12/12/22

Meeting Date

SB2A

Bill Number or Topic

Banking & Insurance

Committee

Amendment Barcode (if applicable)

Name

Caitlin Murray

Phone

(850) 491-8424

Address

850 S. Gadsden St. Unit 904

Email

cmurray@namic.org

Street

Tallahassee

City

FL

State

32301

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without
compensation or sponsorship.

☒

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

National Association of
Mutual Insurance Companies (NAMIC)

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

12/12/2022

APPEARANCE RECORD

SB 2-A

Meeting Date

Banking & Insurance

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

489604

Committee

Amendment Barcode (if applicable)

Name **Ron Haynes**

Phone **813-223-2929**

Address **117 S. Willow Ave., Suite 100**
Street

Email **rhaynes@ligorilaw.com**

Tampa

FL

33606

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without compensation or sponsorship.

☐ I am a registered lobbyist, representing:

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

SB 2A

12/12/2022

Meeting Date

Banking and Insurance

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

489604

Amendment Barcode (if applicable)

Name **Richie Kidwell**

Phone **(321) 219-9060**

Address **941 W. Morse Blvd, Suite 100**

Email **info@raflorida.org**

Street

Winter Park

FL

32789

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

12.12.22

Meeting Date

Banking and Insurance

Committee

Name **Aram Megerian**

Address **4301 West Boy Scout Boulevard**

Street

Tampa

City

FL

State

33607

Zip

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

2-A

Bill Number or Topic

489604

Amendment Barcode (if applicable)

Phone **(813) 289-9300**

Email **aram.megerian@csklegal.com**

Speaking: ☐ For ☒ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without compensation or sponsorship.

☒ I am a registered lobbyist, representing:

Florida Justice Reform Institute

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

12/12/2022

Meeting Date

Banking & Insurance

Committee

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2-A

Bill Number or Topic

368558

Amendment Barcode (if applicable)

Name **Scott Boggs**

Phone **727-954-1046**

Address **4554 Central Ave. Suite L**

Email **sboggs@boggslawgroup.com**

Street

St. Petersburg

FL

33711

City

State

Zip

Speaking:

☒

For

☐

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

12/12/2022

Meeting Date

Banking & Insurance

Committee

Name Ron Haynes

Address 117 S. Willow Ave., Suite 100

Street

Tampa

City

FL

State

33606

Zip

Phone 813-223-2929

Email rhaynes@ligorilaw.com

SB 2-A

Bill Number or Topic

368558

Amendment Barcode (if applicable)

Speaking: ☒ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without compensation or sponsorship.

☐ I am a registered lobbyist, representing:

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. § 11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](https://www.flsenate.gov/2020-2022-Joint-Rules.pdf)

This form is part of the public record for this meeting.

12.12.22

Meeting Date

Banking and Insurance

Committee

Name **Aram Megerian**

Address **4301 West Boy Scout Boulevard**

Street

Tampa

City

FL

State

33607

Zip

Phone **(813) 289-9300**

Email **aram.megerian@csklegal.com**

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

2-A

Bill Number or Topic

368558

Amendment Barcode (if applicable)

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Florida Justice Reform Institute

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2A

Bill Number or Topic

368558

Amendment Barcode (if applicable)

12/12/2022

Meeting Date

Banking and Insurance

Committee

Name **Richie Kidwell**

Phone **(321) 219-9060**

Address **941 W. Morse Blvd, Suite 100**

Email **info@raflorida.org**

Street

Winter Park

City

FL

State

32789

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without compensation or sponsorship.

☐ I am a registered lobbyist, representing:

☐ I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf \(flsenate.gov\)](https://www.flsenate.gov/2020-2022JointRules.pdf)

This form is part of the public record for this meeting.

12/12/2022

APPEARANCE RECORD

SB 2-A

Meeting Date

Banking & InsuranceDeliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

368558

Committee

Amendment Barcode (if applicable)

Name **David Murray**Phone **813-567-5600**Address **109 N. Brush St., Sute 350**Email **dmurray@murraylawgroup.com**

Street

Tampa**FL****33602**

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against**PLEASE CHECK ONE OF THE FOLLOWING:**I am appearing without
compensation or sponsorship.I am a registered lobbyist,
representing:I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

SB 2A

12/12/2022

Meeting Date

Banking and Insurance

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

574674

Amendment Barcode (if applicable)

Name **Richie Kidwell** Phone **(321) 219-9060**

Address **941 W. Morse Blvd, Suite 100** Email **info@raflorida.org**

Street

Winter Park

FL

32789

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

12/12/2022

The Florida Senate
APPEARANCE RECORD

SB 2-A

Meeting Date

Banking & Insurance

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

574674

Amendment Barcode (if applicable)

Name **David Murray**

Phone **813-567-5600**

Address **109 N. Brush St., Sute 350**

Email **dmurray@murraylawgroup.com**

Street

Tampa

FL

33602

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

SB 2A

12/12/2022

Meeting Date

Banking and Insurance

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

320720

Amendment Barcode (if applicable)

Name **Richie Kidwell**

Phone **(321) 219-9060**

Address **941 W. Morse Blvd, Suite 100**

Email **info@raflorida.org**

Street

Winter Park

FL

32789

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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12/12/2022

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SB 2-A

Meeting Date

Banking & Insurance

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Bill Number or Topic

320720

Committee

Amendment Barcode (if applicable)

Name **David Murray**

Phone **813-567-5600**

Address **109 N. Brush St., Sute 350**

Email **dmurray@murraylawgroup.com**

Street

Tampa

FL

33602

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without compensation or sponsorship.

☐ I am a registered lobbyist, representing:

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S-001 (08/10/2021)

12.12.22

Meeting Date

Banking and Insurance

Committee

The Florida Senate

APPEARANCE RECORD

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2-A

Bill Number or Topic

320720

Amendment Barcode (if applicable)

Name **Aram Megerian**

Phone **(813) 289-9300**

Address **4301 West Boy Scout Boulevard**

Email **aram.megerian@csklegal.com**

Street

Tampa

City

FL

State

33607

Zip

Speaking:

☐

For

☒

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without
compensation or sponsorship.

☒

I am a registered lobbyist,
representing:

Florida Justice Reform Institute

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

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S-001 (08/10/2021)

12/12/2022

Meeting Date

Banking and Insurance

Committee

APPEARANCE RECORDDeliver both copies of this form to
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SB 2A

Bill Number or Topic

676338

Amendment Barcode (if applicable)

Name **Richie Kidwell**Phone **(321) 219-9060**Address **941 W. Morse Blvd, Suite 100**Email **info@raflorida.org**

Street

Winter Park**FL****32789**

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☐ Against**PLEASE CHECK ONE OF THE FOLLOWING:**I am appearing without
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12/12/2022

Meeting Date
Banking & Insurance

Committee

Name **Scott Boggs**

Address **4554 Central Ave. Suite L**

Street

St. Petersburg

City

FL

State

33711

Zip

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 2-A

Bill Number or Topic

676338

Amendment Barcode (if applicable)

Phone **727-954-1046**

Email **sboggs@boggslawgroup.com**

Speaking: ☒ For ☐ Against ☐ Information **OR** ~~Waive Speaking:~~ ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:



I am not a lobbyist, but received
something of value for my appearance
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sponsored by:

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This form is part of the public record for this meeting.

S-001 (08/10/2021)

CourtSmart Tag Report

Room: KB 412
Caption: Senate Banking & Insurance Committee

Type:
Judge:

Started: 12/12/2022 12:00:26 PM
Ends: 12/12/2022 2:18:40 PM **Length:** 02:18:15

12:00:26 PM call to order
12:01:00 PM A quorum is present
12:02:15 PM question from Sen. Torres re: sufficient time to debate
12:02:47 PM chair turned over to vice-chair DeCeglie
12:03:07 PM SB 2-A by Sen. Boyd taken up
12:25:21 PM clarification asked of sponsor by Sen. Ingoglia
12:26:06 PM Sen. Boyd clarifies
12:27:09 PM follow up from Sen. Ingoglia
12:27:19 PM Sen. Boyd answers
12:27:25 PM questions from Sen. Powell
12:28:11 PM Response by Sen. Boyd
12:28:52 PM follow up question from Sen. Powell
12:29:41 PM response by Sen. Boyd
12:33:04 PM question from Sen. Powell
12:33:45 PM response by Sen. Boyd
12:35:15 PM further questioning from Powell
12:35:44 PM Sen. Boyd asks Ms. Gina Wilson with SBA to help respond to technical question
12:36:48 PM question from Sen. Powell to Ms. Wilson
12:37:00 PM response from Ms. Wilson
12:37:59 PM follow up question
12:39:04 PM response from Ms. Wilson
12:39:10 PM final follow up from Sen. Powell
12:39:49 PM response from Ms. Wilson
12:40:55 PM question from Sen. Thompson
12:41:37 PM response from Sen. Boyd
12:42:21 PM follow up question from Sen. Thompson
12:43:37 PM response from Sen. Boyd
12:43:41 PM another question from Sen. Thompson
12:44:13 PM response from Sen. Boyd
12:45:23 PM question from Sen. Thompson
12:45:42 PM Sen. Boyd recognized to respond
12:47:24 PM question from Sen. Thompson
12:48:11 PM response from Sen. Boyd
12:49:14 PM question from Thompson
12:49:42 PM response from Sen. Boyd
12:50:02 PM question by Sen. Thompson
12:50:29 PM answer by Sen. Boyd
12:52:10 PM question by Sen. Thompson
12:52:41 PM response by Sen. Boyd
12:54:48 PM final question from Sen. Thompson
12:55:15 PM response by Sen. Boyd
12:55:39 PM Sen. Torres recognized for questions
12:56:15 PM Christine Ashburn from Citizens was asked to come up to answer questions from Torres
12:57:34 PM it's been decided that certain questions will go through bill sponsor
12:57:58 PM Sen. Boyd answers Torres' question
12:58:15 PM follow up from Sen. Torres
12:58:45 PM Sen. Boyd answers
12:59:30 PM question from Sen. Torres
1:00:11 PM staff searching for answer
1:01:25 PM another question from Torres until answer to previous one is found
1:01:40 PM Sen. Boyd responds
1:01:49 PM answer to previous question will be given to Sen. Torres later

1:01:58 PM Sen. Powell has a question
1:03:04 PM response from Sen. Boyd
1:03:32 PM follow up from Powell, re: question that Ins. Cmsr. Altmaier speak
1:04:01 PM Insurance Cmsr. Altmaier at podium
1:04:20 PM Sen. Powell asks OIR Cmsr. Altmaier question
1:04:40 PM Commissioner Altmaier answers
1:05:04 PM Sen. Powell has follow up for Commissioner Altmaier
1:06:13 PM Sen. Powell has follow up for Cmsr. Altmaier
1:06:14 PM Altmaier recognized to respond
1:07:18 PM Sen. Powell has a point of privilege
1:08:42 PM Sen. Ingoglia has a question
1:08:56 PM response from Cmsr. Altmaier
1:09:40 PM Sen. Boyd goes back to Powell's earlier question with a response
1:10:10 PM Sen. Thompson recognized to explain amendment 489604
1:10:39 PM No questions
1:10:47 PM Aram Megerian w/ Fla. Justice Reform Institute recognized to speak against amend.
1:11:57 PM Richie Kidwell recognized to speak on amendment
1:12:14 PM Ron Haynes of Fla. Justice Assn. speaks for amend.
1:13:23 PM Sen. Boyd speaks to oppose amendment
1:14:43 PM Sen. Thompson closes; amendment fails
1:15:04 PM amendment 368558 by Thompson up
1:15:19 PM Sen. Thompson speaks on amendment 368558
1:16:05 PM no questions on amendment
1:16:09 PM Scott Boggs w/ Boggs Law group speaks in favor of amend.
1:23:32 PM Ron Haynes speaks for amendment
1:25:10 PM Aram Megerian speaks against amendment
1:26:10 PM next up is David Murray w/ Fla. Justice Assn.
1:26:51 PM He's speaking in support of amendment 368558
1:27:36 PM Sen. Boyd called to debate on amendment
1:27:53 PM Sen. Boyd opposes amendment
1:29:10 PM Se. Thompson closes on amendment
1:29:11 PM Amendment voted down
1:29:19 PM Sen. Powell called to explain amend. 574674
1:30:20 PM No questions on amendment
1:30:40 PM Richie Kidwell is called up, but speaks to amend. 368558 for record
1:31:52 PM David Murray called up for amend. 574674
1:32:55 PM Sen. Boyd opposes amendment
1:33:44 PM amendment fails
1:33:49 PM Amend. 320720 by Sen. Torres
1:34:17 PM Sen. Torres explains amend.
1:34:26 PM Richie Kidwell waives in opposition
1:34:35 PM David Murray speaks in favor of amendment
1:35:47 PM Aram Megerian speaks against amendment
1:36:34 PM Sen. Boyd debates amendment
1:37:09 PM Sen. Torres closes on amendment
1:37:27 PM amend. 676338 by Sen. Powell
1:37:40 PM Sen. Powell explains amendment
1:38:20 PM no questions
1:38:23 PM Richie Kidwell waives in support
1:38:31 PM Scott Boggs waives in support
1:38:43 PM Sen. Boyd debates against amendment
1:39:08 PM Sen. Powell waives close, amendment fails
1:39:38 PM Eric De Campos waives in support
1:39:48 PM Valorie Chavin speaks against bill
1:41:08 PM James Mitchell speaks against bill
1:42:24 PM BG Murphy w/ FAI waives in support
1:42:34 PM Gary Rosen speaks for the bill
1:43:26 PM William Arnold waives in support
1:43:42 PM Aram Megerian speaks in support
1:44:09 PM Linda Howard speaks for informational purposes
1:45:13 PM Caroline Melear speaks for bill
1:46:38 PM Christine Ashburn waives in support

1:46:49 PM Logan McFaddin w/ APCIA waives in support
1:46:53 PM Scott Boggs waives against bill
1:47:03 PM Tim Nungesser waives in support
1:47:07 PM John & Natalie Albaugh speak against
1:49:25 PM Sen. Trumbull addresses last speakers, who are from his district
1:49:52 PM David Murray opposes bill
1:51:11 PM Adam Basford of AIF waives in support
1:51:20 PM Ron Haynes speaks against
1:52:20 PM Austin Stowers w/ DFS waives in support
1:52:31 PM Dr. Rich Templin w/ AFL-CIO speaks against
1:53:47 PM Joshua Brownlee waives in opposition
1:53:58 PM John Tolley speaks after a brief mixup
1:54:13 PM John Tolley speaks against
1:55:01 PM George Feijoo w/ Fla. Ins. Council waives in support
1:55:12 PM Chad Kunde waives in support
1:55:48 PM Christina Pappas w/ Fla. Realtors speaks for bill
1:56:18 PM Richie Kidwell speaks
1:57:34 PM He's down on the bill
1:57:38 PM Ryan Jones speaks for the bill
1:58:27 PM Christina Cambo w/ Fla. Defense Lawyers Ass'n speaks for bill
1:59:45 PM Katelyn Ferry speaks in support of bill
2:00:42 PM Caitlynn Murray waives in support
2:01:15 PM Sen. Thompson speaks in debate against bill
2:03:27 PM Sen. Powell speaks in debate against bill
2:08:18 PM Sen. Torres in debate against bill
2:10:17 PM Sen. Burgess speaks in debate supporting bill
2:13:11 PM no further debate, Sen. Boyd closes on bill
2:17:34 PM roll call
2:18:02 PM SB 2-A reported favorably
2:18:17 PM Meeting adjourned

Moody, Jacqueline

From: Marante, Stephen <Stephen.Marante@floir.com>
Sent: Wednesday, December 7, 2022 8:31 AM
To: Moody, Jacqueline
Subject: RE: Claims by filing deadline
Attachments: Ian claims trend by filing deadline.png

Hi Jacqueline,

I have attached a similar chart to the one you saw for Hurricane Michael claims. It shows a summary of Hurricane Ian catastrophe claims data submitted to OIR broken down by reporting deadline for all insurers. The most recent reporting deadline was 11/30/2022. Please let me know if you have any questions about it, or if I can be of further assistance.

Thank you,



Stephen Marante
Deputy Director of Government
Affairs

Stephen.Marante@floir.com

Office: (850) 413-2401
Mobile: (954) 296-3366

**Florida Office of
Insurance Regulation**
200 East Gaines Street,
Tallahassee, FL 32399
www.FLOIR.com

From: Moody, Jacqueline <Moody.Jacqueline@flsenate.gov>
Sent: Tuesday, December 6, 2022 12:55 PM
To: Marante, Stephen <Stephen.Marante@floir.com>
Subject: RE: Claims by filing deadline

Stephen,

This is a link to the data referred to below: [Hurricane Michael Claims Data \(floir.com\)](https://www.floir.com/HurricaneMichaelClaimsData). The chart is the second one on the page with the title "Hurricane Michael Claims Status by Filing Deadline".

Thank you again for your help!

Jacqueline Moody
Senior Attorney
The Florida Senate
Committee on Banking and Insurance
(850) 487-5361

From: Moody, Jacqueline
Sent: Tuesday, December 6, 2022 10:55 AM

To: 'Stephen Marante (Stephen.Marante@floir.com)' <Stephen.Marante@floir.com>

Subject: Claims by filing deadline

Good morning Stephen,

In addition to the information requested below, we located a chart with information on Hurricane Michael claims status by filing deadline on OIR's website and are wondering whether OIR has similar data or a chart for claims in respect to Hurricane Ian. If so, we would be grateful if you would please send it to us.

Kind regards,

Jacqueline Moody
Senior Attorney
The Florida Senate
Committee on Banking and Insurance
(850) 487-5361

From: Moody, Jacqueline

Sent: Monday, December 5, 2022 11:36 AM

To: 'Stephen Marante (Stephen.Marante@floir.com)' <Stephen.Marante@floir.com>

Subject: Private flood insurance

Good morning Stephen,

Thank you for our call this morning. Please provide the most recent data OIR may have on the percentage of private flood insurance policies that have been sold in the market. We appreciate your assistance with this information.

Kind regards,

Jacqueline Moody
Senior Attorney
The Florida Senate
Committee on Banking and Insurance
(850) 487-5361

Moody, Jacqueline

From: Marante, Stephen <Stephen.Marante@floir.com>
Sent: Wednesday, December 7, 2022 8:32 AM
To: Moody, Jacqueline
Subject: RE: Private flood insurance

Jacqueline,

Insurance companies writing in the private flood insurance market are currently writing primary or excess flood insurance outside of the NFIP. Some of these companies write only a limited number of policies or only certain types of flood policies, such as for high value homes. The coverage can be written as a stand-alone flood policy or as an endorsement onto a homeowner's policy. Florida has served as a nationwide model for the private flood insurance market and leads the nation in the development of the private flood insurance market, which has grown more than 300% from 2017 to 2020. Several states, such as Louisiana and South Carolina, have expanded their private flood insurance programs, citing Florida as a model. Florida law facilitates and simplifies an insurer's ability to develop private flood insurance policies within the state. The Florida Office of Insurance Regulation (OIR) encourages insurers to consider writing private flood insurance in the marketplace to provide additional options for Florida consumers. More information is available [here](#).

OIR collects private market flood data on an ad hoc basis. As of June 1, 2020, there were 89,505 primary personal residential private flood policies in-force. Data from the National Flood Insurance Program is available [here](#) under the "policy data" section.

I would note, OIR has received notice from two insurers that they may no longer offer private flood insurance policies as a result of limited reinsurance capacity.

If you have any additional questions or if I can be of further assistance, please do not hesitate to reach out again.

Thank you,



Stephen Marante
Deputy Director of Government Affairs

Stephen.Marante@floir.com

Office: (850) 413-2401
Mobile: (954) 296-3366

**Florida Office of
Insurance Regulation**
200 East Gaines Street,
Tallahassee, FL 32399
www.FLOIR.com

From: Moody, Jacqueline <Moody.Jacqueline@flsenate.gov>
Sent: Monday, December 5, 2022 11:36 AM
To: Marante, Stephen <Stephen.Marante@floir.com>
Subject: Private flood insurance

Good morning Stephen,

Thank you for our call this morning. Please provide the most recent data OIR may have on the percentage of private flood insurance policies that have been sold in the market. We appreciate your assistance with this information.

Kind regards,

Jacqueline Moody
Senior Attorney
The Florida Senate
Committee on Banking and Insurance
(850) 487-5361

Claims Breakdown

