



1                                   A bill to be entitled  
2           An act relating to operations of the Citizens Property  
3           Insurance Corporation; amending s. 627.351, F.S.;  
4           specifying that a consumer representative appointed by  
5           the Governor to the Citizens Property Insurance  
6           Corporation's board of governors is not prohibited  
7           from practicing in a certain profession if required or  
8           permitted by law or ordinance; revising the  
9           requirements for licensed agents of the corporation;  
10          revising provisions related to the corporation's use  
11          of certain public and private hurricane loss-  
12          projection models in establishing certain rates;  
13          revising a provision to permit specified information  
14          from certain underwriting and claims files to be made  
15          available to certain entities; providing limitations  
16          for the use of such information by the entities;  
17          requiring the take-out program to be revised for  
18          specified purposes by a specified date; requiring the  
19          corporation to publish a periodic schedule of cycles  
20          during which an insurer may identify and submit policy  
21          take-out requests; specifying information required to  
22          be included in such requests; requiring the  
23          corporation to maintain and make available to the  
24          agent of record a specified list; requiring the  
25          corporation to provide policyholders and the agents of  
26          record with a specified notice regarding take-out



27 | offers; providing an effective date.

28 |

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

30 |

31 | Section 1. Paragraphs (c), (n), and (x) of subsection  
32 | (6) of section 627.351, Florida Statutes, are amended, and  
33 | paragraph (ii) is added to that subsection, to read:

34 | 627.351 Insurance risk apportionment plans.—

35 | (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

36 | (c) The corporation's plan of operation:

37 | 1. Must provide for adoption of residential property and  
38 | casualty insurance policy forms and commercial residential and  
39 | nonresidential property insurance forms, which must be approved  
40 | by the office before use. The corporation shall adopt the  
41 | following policy forms:

42 | a. Standard personal lines policy forms that are  
43 | comprehensive multiperil policies providing full coverage of a  
44 | residential property equivalent to the coverage provided in the  
45 | private insurance market under an HO-3, HO-4, or HO-6 policy.

46 | b. Basic personal lines policy forms that are policies  
47 | similar to an HO-8 policy or a dwelling fire policy that provide  
48 | coverage meeting the requirements of the secondary mortgage  
49 | market, but which is more limited than the coverage under a  
50 | standard policy.

51 | c. Commercial lines residential and nonresidential policy  
52 | forms that are generally similar to the basic perils of full



53 coverage obtainable for commercial residential structures and  
54 commercial nonresidential structures in the admitted voluntary  
55 market.

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

61 e. Commercial lines nonresidential property insurance  
62 forms that cover the peril of wind only. The forms are  
63 applicable only to nonresidential properties located in areas  
64 eligible for coverage under the coastal account referred to in  
65 sub-subparagraph (b)2.a.

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

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

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



79 | a. As used in this subsection, the term:

80 | (I) "Quota share primary insurance" means an arrangement  
81 | in which the primary hurricane coverage of an eligible risk is  
82 | provided in specified percentages by the corporation and an  
83 | authorized insurer. The corporation and authorized insurer are  
84 | each solely responsible for a specified percentage of hurricane  
85 | coverage of an eligible risk as set forth in a quota share  
86 | primary insurance agreement between the corporation and an  
87 | authorized insurer and the insurance contract. The  
88 | responsibility of the corporation or authorized insurer to pay  
89 | its specified percentage of hurricane losses of an eligible  
90 | risk, as set forth in the agreement, may not be altered by the  
91 | inability of the other party to pay its specified percentage of  
92 | losses. Eligible risks that are provided hurricane coverage  
93 | through a quota share primary insurance arrangement must be  
94 | provided policy forms that set forth the obligations of the  
95 | corporation and authorized insurer under the arrangement,  
96 | clearly specify the percentages of quota share primary insurance  
97 | provided by the corporation and authorized insurer, and  
98 | conspicuously and clearly state that the authorized insurer and  
99 | the corporation may not be held responsible beyond their  
100 | specified percentage of coverage of hurricane losses.

101 | (II) "Eligible risks" means personal lines residential and  
102 | commercial lines residential risks that meet the underwriting  
103 | criteria of the corporation and are located in areas that were  
104 | eligible for coverage by the Florida Windstorm Underwriting



105 Association on January 1, 2002.

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

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

115       d. Any quota share primary insurance agreement entered  
116 into between an authorized insurer and the corporation must  
117 provide for a uniform specified percentage of coverage of  
118 hurricane losses, by county or territory as set forth by the  
119 corporation board, for all eligible risks of the authorized  
120 insurer covered under the agreement.

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

127       f. For all eligible risks covered under quota share  
128 primary insurance agreements, the exposure and coverage levels  
129 for both the corporation and authorized insurers shall be  
130 reported by the corporation to the Florida Hurricane Catastrophe



131 Fund. For all policies of eligible risks covered under such  
132 agreements, the corporation and the authorized insurer must  
133 maintain complete and accurate records for the purpose of  
134 exposure and loss reimbursement audits as required by fund  
135 rules. The corporation and the authorized insurer shall each  
136 maintain duplicate copies of policy declaration pages and  
137 supporting claims documents.

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

144 h. The quota share primary insurance agreement between the  
145 corporation and an authorized insurer must set forth the  
146 specific terms under which coverage is provided, including, but  
147 not limited to, the sale and servicing of policies issued under  
148 the agreement by the insurance agent of the authorized insurer  
149 producing the business, the reporting of information concerning  
150 eligible risks, the payment of premium to the corporation, and  
151 arrangements for the adjustment and payment of hurricane claims  
152 incurred on eligible risks by the claims adjuster and personnel  
153 of the authorized insurer. Entering into a quota sharing  
154 insurance agreement between the corporation and an authorized  
155 insurer is voluntary and at the discretion of the authorized  
156 insurer.



157 | 3. May provide that the corporation may employ or  
158 | otherwise contract with individuals or other entities to provide  
159 | administrative or professional services that may be appropriate  
160 | to effectuate the plan. The corporation may borrow funds by  
161 | issuing bonds or by incurring other indebtedness, and shall have  
162 | other powers reasonably necessary to effectuate the requirements  
163 | of this subsection, including, without limitation, the power to  
164 | issue bonds and incur other indebtedness in order to refinance  
165 | outstanding bonds or other indebtedness. The corporation may  
166 | seek judicial validation of its bonds or other indebtedness  
167 | under chapter 75. The corporation may issue bonds or incur other  
168 | indebtedness, or have bonds issued on its behalf by a unit of  
169 | local government pursuant to subparagraph (q)2. in the absence  
170 | of a hurricane or other weather-related event, upon a  
171 | determination by the corporation, subject to approval by the  
172 | office, that such action would enable it to efficiently meet the  
173 | financial obligations of the corporation and that such  
174 | financings are reasonably necessary to effectuate the  
175 | requirements of this subsection. The corporation may take all  
176 | actions needed to facilitate tax-free status for such bonds or  
177 | indebtedness, including formation of trusts or other affiliated  
178 | entities. The corporation may pledge assessments, projected  
179 | recoveries from the Florida Hurricane Catastrophe Fund, other  
180 | reinsurance recoverables, policyholder surcharges and other  
181 | surcharges, and other funds available to the corporation as  
182 | security for bonds or other indebtedness. In recognition of s.



183 10, Art. I of the State Constitution, prohibiting the impairment  
184 of obligations of contracts, it is the intent of the Legislature  
185 that no action be taken whose purpose is to impair any bond  
186 indenture or financing agreement or any revenue source committed  
187 by contract to such bond or other indebtedness.

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

197 a. The Governor, the Chief Financial Officer, the  
198 President of the Senate, and the Speaker of the House of  
199 Representatives shall each appoint two members of the board. At  
200 least one of the two members appointed by each appointing  
201 officer must have demonstrated expertise in insurance and be  
202 deemed to be within the scope of the exemption provided in s.  
203 112.313(7)(b). The Chief Financial Officer shall designate one  
204 of the appointees as chair. All board members serve at the  
205 pleasure of the appointing officer. All members of the board are  
206 subject to removal at will by the officers who appointed them.  
207 All board members, including the chair, must be appointed to  
208 serve for 3-year terms beginning annually on a date designated



209 by the plan. However, for the first term beginning on or after  
210 July 1, 2009, each appointing officer shall appoint one member  
211 of the board for a 2-year term and one member for a 3-year term.  
212 A board vacancy shall be filled for the unexpired term by the  
213 appointing officer. The Chief Financial Officer shall appoint a  
214 technical advisory group to provide information and advice to  
215 the board in connection with the board's duties under this  
216 subsection. The executive director and senior managers of the  
217 corporation shall be engaged by the board and serve at the  
218 pleasure of the board. Any executive director appointed on or  
219 after July 1, 2006, is subject to confirmation by the Senate.  
220 The executive director is responsible for employing other staff  
221 as the corporation may require, subject to review and  
222 concurrence by the board.

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

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



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

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

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

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



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

280 (I) If the risk accepts an offer of coverage through the  
281 market assistance plan or through a mechanism established by the  
282 corporation other than a plan established by s. 627.3518, before  
283 a policy is issued to the risk by the corporation or during the  
284 first 30 days of coverage by the corporation, and the producing  
285 agent who submitted the application to the plan or to the  
286 corporation is not currently appointed by the insurer, the



287 insurer shall:

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

293 (B) Offer to allow the producing agent of record of the  
 294 policy to continue servicing the policy for at least 1 year and  
 295 offer to pay the agent the greater of the insurer's or the  
 296 corporation's usual and customary commission for the type of  
 297 policy written.

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

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

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

311 (B) Offer to allow the producing agent of record to  
 312 continue servicing the policy for at least 1 year and offer to



313 pay the agent the greater of the insurer's or the corporation's  
314 usual and customary commission for the type of policy written.

315

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

319       b. With respect to commercial lines residential risks, for  
320 a new application to the corporation for coverage, if the risk  
321 is offered coverage under a policy including wind coverage from  
322 an authorized insurer at its approved rate, the risk is not  
323 eligible for a policy issued by the corporation unless the  
324 premium for coverage from the authorized insurer is more than 15  
325 percent greater than the premium for comparable coverage from  
326 the corporation. Whenever an offer of coverage for a commercial  
327 lines residential risk is received for a policyholder of the  
328 corporation at renewal from an authorized insurer, if the offer  
329 is equal to or less than the corporation's renewal premium for  
330 comparable coverage, the risk is not eligible for coverage with  
331 the corporation. If the risk is not able to obtain any such  
332 offer, the risk is eligible for a policy including wind coverage  
333 issued by the corporation. However, a policyholder removed from  
334 the corporation through an assumption agreement remains eligible  
335 for coverage from the corporation until the end of the  
336 assumption period.

337       (I) If the risk accepts an offer of coverage through the  
338 market assistance plan or through a mechanism established by the



339 corporation other than a plan established by s. 627.3518, before  
340 a policy is issued to the risk by the corporation or during the  
341 first 30 days of coverage by the corporation, and the producing  
342 agent who submitted the application to the plan or the  
343 corporation is not currently appointed by the insurer, the  
344 insurer shall:

345 (A) Pay to the producing agent of record of the policy,  
346 for the first year, an amount that is the greater of the  
347 insurer's usual and customary commission for the type of policy  
348 written or a fee equal to the usual and customary commission of  
349 the corporation; or

350 (B) Offer to allow the producing agent of record of the  
351 policy to continue servicing the policy for at least 1 year and  
352 offer to pay the agent the greater of the insurer's or the  
353 corporation's usual and customary commission for the type of  
354 policy written.

355

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

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

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



365 | customary commission for the type of policy written or a fee  
366 | equal to the usual and customary commission of the corporation;  
367 | or

368 |       (B) Offer to allow the producing agent of record to  
369 | continue servicing the policy for at least 1 year and offer to  
370 | pay the agent the greater of the insurer's or the corporation's  
371 | usual and customary commission for the type of policy written.

372 |

373 | If the producing agent is unwilling or unable to accept  
374 | appointment, the new insurer shall pay the agent in accordance  
375 | with sub-sub-sub-subparagraph (A).

376 |       c. For purposes of determining comparable coverage under  
377 | sub-subparagraphs a. and b., the comparison must be based on  
378 | those forms and coverages that are reasonably comparable. The  
379 | corporation may rely on a determination of comparable coverage  
380 | and premium made by the producing agent who submits the  
381 | application to the corporation, made in the agent's capacity as  
382 | the corporation's agent. A comparison may be made solely of the  
383 | premium with respect to the main building or structure only on  
384 | the following basis: the same coverage A or other building  
385 | limits; the same percentage hurricane deductible that applies on  
386 | an annual basis or that applies to each hurricane for commercial  
387 | residential property; the same percentage of ordinance and law  
388 | coverage, if the same limit is offered by both the corporation  
389 | and the authorized insurer; the same mitigation credits, to the  
390 | extent the same types of credits are offered both by the



391 corporation and the authorized insurer; the same method for loss  
392 payment, such as replacement cost or actual cash value, if the  
393 same method is offered both by the corporation and the  
394 authorized insurer in accordance with underwriting rules; and  
395 any other form or coverage that is reasonably comparable as  
396 determined by the board. If an application is submitted to the  
397 corporation for wind-only coverage in the coastal account, the  
398 premium for the corporation's wind-only policy plus the premium  
399 for the ex-wind policy that is offered by an authorized insurer  
400 to the applicant must be compared to the premium for multiperil  
401 coverage offered by an authorized insurer, subject to the  
402 standards for comparison specified in this subparagraph. If the  
403 corporation or the applicant requests from the authorized  
404 insurer a breakdown of the premium of the offer by types of  
405 coverage so that a comparison may be made by the corporation or  
406 its agent and the authorized insurer refuses or is unable to  
407 provide such information, the corporation may treat the offer as  
408 not being an offer of coverage from an authorized insurer at the  
409 insurer's approved rate.

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

412 7. Must provide that if premium and investment income for  
413 an account attributable to a particular calendar year are in  
414 excess of projected losses and expenses for the account  
415 attributable to that year, such excess shall be held in surplus  
416 in the account. Such surplus must be available to defray



417 | deficits in that account as to future years and used for that  
418 | purpose before assessing assessable insurers and assessable  
419 | insureds as to any calendar year.

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

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

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

430 |

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

434 |       9. Must provide that the corporation make its best efforts  
435 | to procure catastrophe reinsurance at reasonable rates, to cover  
436 | its projected 100-year probable maximum loss as determined by  
437 | the board of governors.

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



443 subsection.

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

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

465 13. Must provide that, with respect to the coastal  
466 account, any assessable insurer with a surplus as to  
467 policyholders of \$25 million or less writing 25 percent or more  
468 of its total countrywide property insurance premiums in this



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

489 14. Must provide that the corporation appoint as its  
490 licensed agents only those agents who throughout such  
491 appointments also hold an appointment as defined in s.  
492 626.015(3) by ~~with~~ an insurer who ~~at the time of the agent's~~  
493 ~~initial appointment by the corporation~~ is authorized to write  
494 and is actually writing or renewing personal lines residential



495 property coverage, commercial residential property coverage, or  
496 commercial nonresidential property coverage within the state.

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

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

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

507 a. Screened enclosures that are aluminum framed or  
508 screened enclosures that are not covered by the same or  
509 substantially the same materials as those of the primary  
510 dwelling;

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

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

517  
518 The corporation shall make available a policy for mobile homes  
519 or manufactured homes for a minimum insured value of at least  
520 \$3,000.



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

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

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

535 21. As of January 1, 2012, must require that the agent  
536 obtain from an applicant for coverage from the corporation an  
537 acknowledgment signed by the applicant, which includes, at a  
538 minimum, the following statement:

539 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE

540 AND ASSESSMENT LIABILITY:

541 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
542 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
543 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
544 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
545 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE  
546 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT



547 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
548 LEGISLATURE.

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

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

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

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

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

571 (n)1. Rates for coverage provided by the corporation must  
572 be actuarially sound and subject to s. 627.062, except as



573 otherwise provided in this paragraph. The corporation shall file  
574 its recommended rates with the office at least annually. The  
575 corporation shall provide any additional information regarding  
576 the rates which the office requires. The office shall consider  
577 the recommendations of the board and issue a final order  
578 establishing the rates for the corporation within 45 days after  
579 the recommended rates are filed. The corporation may not pursue  
580 an administrative challenge or judicial review of the final  
581 order of the office.

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

586 3. After the public hurricane loss-projection model under  
587 s. 627.06281 has been found to be accurate and reliable by the  
588 Florida Commission on Hurricane Loss Projection Methodology, the  
589 model shall be considered when establishing ~~serve as the minimum~~  
590 ~~benchmark for determining~~ the windstorm portion of the  
591 corporation's rates. The corporation may use the public model  
592 results in combination with the results of private models to  
593 calculate rates for the windstorm portion of the corporation's  
594 rates. This subparagraph does not require or allow the  
595 corporation to adopt rates lower than the rates otherwise  
596 required or allowed by this paragraph.

597 4. The rate filings for the corporation which were  
598 approved by the office and took effect January 1, 2007, are



599 rescinded, except for those rates that were lowered. As soon as  
600 possible, the corporation shall begin using the lower rates that  
601 were in effect on December 31, 2006, and provide refunds to  
602 policyholders who paid higher rates as a result of that rate  
603 filing. The rates in effect on December 31, 2006, remain in  
604 effect for the 2007 and 2008 calendar years except for any rate  
605 change that results in a lower rate. The next rate change that  
606 may increase rates shall take effect pursuant to a new rate  
607 filing recommended by the corporation and established by the  
608 office, subject to this paragraph.

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

613         6. Beginning on or after January 1, 2010, and  
614 notwithstanding the board's recommended rates and the office's  
615 final order regarding the corporation's filed rates under  
616 subparagraph 1., the corporation shall annually implement a rate  
617 increase which, except for sinkhole coverage, does not exceed 10  
618 percent for any single policy issued by the corporation,  
619 excluding coverage changes and surcharges.

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

623         8. The corporation's implementation of rates as prescribed  
624 in subparagraph 6. shall cease for any line of business written



625 | by the corporation upon the corporation's implementation of  
626 | actuarially sound rates. Thereafter, the corporation shall  
627 | annually make a recommended actuarially sound rate filing for  
628 | each commercial and personal line of business the corporation  
629 | writes.

630 |       (x)1. The following records of the corporation are  
631 | confidential and exempt from the provisions of s. 119.07(1) and  
632 | s. 24(a), Art. I of the State Constitution:

633 |       a. Underwriting files, except that a policyholder or an  
634 | applicant shall have access to his or her own underwriting  
635 | files. Confidential and exempt underwriting file records may  
636 | also be released to other governmental agencies upon written  
637 | request and demonstration of need; such records held by the  
638 | receiving agency remain confidential and exempt as provided  
639 | herein.

640 |       b. Claims files, until termination of all litigation and  
641 | settlement of all claims arising out of the same incident,  
642 | although portions of the claims files may remain exempt, as  
643 | otherwise provided by law. Confidential and exempt claims file  
644 | records may be released to other governmental agencies upon  
645 | written request and demonstration of need; such records held by  
646 | the receiving agency remain confidential and exempt as provided  
647 | herein.

648 |       c. Records obtained or generated by an internal auditor  
649 | pursuant to a routine audit, until the audit is completed, or if  
650 | the audit is conducted as part of an investigation, until the



651 investigation is closed or ceases to be active. An investigation  
652 is considered "active" while the investigation is being  
653 conducted with a reasonable, good faith belief that it could  
654 lead to the filing of administrative, civil, or criminal  
655 proceedings.

656 d. Matters reasonably encompassed in privileged attorney-  
657 client communications.

658 e. Proprietary information licensed to the corporation  
659 under contract and the contract provides for the confidentiality  
660 of such proprietary information.

661 f. All information relating to the medical condition or  
662 medical status of a corporation employee which is not relevant  
663 to the employee's capacity to perform his or her duties, except  
664 as otherwise provided in this paragraph. Information that is  
665 exempt shall include, but is not limited to, information  
666 relating to workers' compensation, insurance benefits, and  
667 retirement or disability benefits.

668 g. Upon an employee's entrance into the employee  
669 assistance program, a program to assist any employee who has a  
670 behavioral or medical disorder, substance abuse problem, or  
671 emotional difficulty that ~~which~~ affects the employee's job  
672 performance, all records relative to that participation shall be  
673 confidential and exempt from the provisions of s. 119.07(1) and  
674 s. 24(a), Art. I of the State Constitution, except as otherwise  
675 provided in s. 112.0455(11).

676 h. Information relating to negotiations for financing,



677 reinsurance, depopulation, or contractual services, until the  
678 conclusion of the negotiations.

679 i. Minutes of closed meetings regarding underwriting  
680 files, and minutes of closed meetings regarding an open claims  
681 file until termination of all litigation and settlement of all  
682 claims with regard to that claim, except that information  
683 otherwise confidential or exempt by law shall be redacted.

684 2. If an authorized insurer is considering underwriting a  
685 risk insured by the corporation, relevant underwriting files and  
686 confidential claims files may be released to the insurer  
687 provided the insurer agrees in writing, notarized and under  
688 oath, to maintain the confidentiality of such files. If a file  
689 is transferred to an insurer, that file is no longer a public  
690 record because it is not held by an agency subject to the  
691 provisions of the public records law. Underwriting files and  
692 confidential claims files may also be released to staff and the  
693 board of governors of the market assistance plan established  
694 pursuant to s. 627.3515, who must retain the confidentiality of  
695 such files, except such files may be released to authorized  
696 insurers that are considering assuming the risks to which the  
697 files apply, provided the insurer agrees in writing, notarized  
698 and under oath, to maintain the confidentiality of such files.  
699 Finally, the corporation or the board or staff of the market  
700 assistance plan may make the following information obtained from  
701 underwriting files and confidential claims files available to an  
702 entity that has obtained a permit to become an authorized



703 insurer, a reinsurer that may provide reinsurance under s.  
704 624.610, a licensed reinsurance broker, a licensed rating  
705 organization, a modeling company, or a licensed general lines  
706 insurance agent ~~agents~~: name, address, and telephone number of  
707 the residential property owner or insured; location of the risk;  
708 rating information; loss history; and policy type. The receiving  
709 person ~~licensed general lines insurance agent~~ must retain the  
710 confidentiality of the information received and may use the  
711 information only for the purposes of developing a take-out plan  
712 or a rating plan to be submitted to the office for approval or  
713 otherwise analyzing the underwriting of a risk or risks insured  
714 by the corporation on behalf of the private insurance market. A  
715 licensed general lines insurance agent may not use such  
716 information for the direct solicitation of policyholders.

717 3. A policyholder who has filed suit against the  
718 corporation has the right to discover the contents of his or her  
719 own claims file to the same extent that discovery of such  
720 contents would be available from a private insurer in litigation  
721 as provided by the Florida Rules of Civil Procedure, the Florida  
722 Evidence Code, and other applicable law. Pursuant to subpoena, a  
723 third party has the right to discover the contents of an  
724 insured's or applicant's underwriting or claims file to the same  
725 extent that discovery of such contents would be available from a  
726 private insurer by subpoena as provided by the Florida Rules of  
727 Civil Procedure, the Florida Evidence Code, and other applicable  
728 law, and subject to any confidentiality protections requested by



729 the corporation and agreed to by the seeking party or ordered by  
730 the court. The corporation may release confidential underwriting  
731 and claims file contents and information as it deems necessary  
732 and appropriate to underwrite or service insurance policies and  
733 claims, subject to any confidentiality protections deemed  
734 necessary and appropriate by the corporation.

735 4. Portions of meetings of the corporation are exempt from  
736 the provisions of s. 286.011 and s. 24(b), Art. I of the State  
737 Constitution wherein confidential underwriting files or  
738 confidential open claims files are discussed. All portions of  
739 corporation meetings which are closed to the public shall be  
740 recorded by a court reporter. The court reporter shall record  
741 the times of commencement and termination of the meeting, all  
742 discussion and proceedings, the names of all persons present at  
743 any time, and the names of all persons speaking. No portion of  
744 any closed meeting shall be off the record. Subject to the  
745 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's  
746 notes of any closed meeting shall be retained by the corporation  
747 for a minimum of 5 years. A copy of the transcript, less any  
748 exempt matters, of any closed meeting wherein claims are  
749 discussed shall become public as to individual claims after  
750 settlement of the claim.

751 (ii) The corporation shall revise the programs adopted  
752 pursuant to sub-subparagraph (q)3.a. for personal lines  
753 residential policies to maximize policyholder options and  
754 encourage increased participation by insurers and agents. After



755 January 1, 2017, a policy may not be taken out of the  
756 corporation unless the provisions of this paragraph are met.

757 1. The corporation must publish a periodic schedule of  
758 cycles during which an insurer may identify, and notify the  
759 corporation of, policies that the insurer is requesting to take  
760 out. A request must include a description of the coverage  
761 offered and an estimated premium and must be submitted to the  
762 corporation in a form and manner prescribed by the corporation.

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

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

775 a. The amount of the estimated premium;

776 b. A description of the coverage; and

777 c. A comparison of the estimated premium and coverage  
778 offered by the insurer to the estimated premium and coverage  
779 provided by the corporation.

780 Section 2. This act shall take effect July 1, 2016.