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Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on General Government)

A bill to be entitled

An act relating to the Department of Financial Services; amending s. 17.575, F.S.; replacing, within the Division of Treasury, the Treasury Investment Committee with the Treasury Investment Council; specifying the composition and term length of members; specifying duties of the council; providing that members shall serve without additional compensation or honorarium but may receive per diem and travel expense reimbursement; amending s. 215.422, F.S.; providing applicability of certain requirements relating to payments, warrants, and invoices to payments made in relation to certain agreements funded with federal or state assistance; reordering and amending s. 554.1021, F.S.; defining and redefining terms; requiring the Department of Financial Services to adopt rules; authorizing the inspection of certain boilers by authorized inspection agencies; amending s. 554.103, F.S.; requiring, rather than authorizing, the department to adopt amendments and interpretations of a specified code into the State Boiler Code; revising requirements that installers, rather than owners, must comply with before installing a boiler that is placed in use after a specified date; authorizing the department to adopt rules; conforming provisions to changes made by the act; amending s. 554.104, F.S.; deleting a provision relating to boilers of special



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28 design which is recreated in s. 554.103, F.S.;

29 requiring certification of boiler inspectors;

30 requiring an application for a certification

31 examination; specifying qualifications and

32 requirements for the certification examination;

33 requiring the department to adopt a specified training

34 course; providing authorized methods and requirements

35 for the training course; requiring the chief boiler

36 inspector to issue a certificate of competency to a

37 person meeting certain requirements; providing

38 procedures for renewing a certificate; authorizing the

39 department to adopt rules; amending s. 554.105, F.S.;

40 renaming the chief inspector as the chief boiler

41 inspector; revising requirements for the department

42 through the state boiler inspection program; amending

43 s. 554.106, F.S.; renaming deputy inspectors as deputy

44 boiler inspectors; specifying required and authorized

45 duties of deputy boiler inspectors; amending s.

46 554.107, F.S.; renaming special inspectors as special

47 boiler inspectors; revising entities that may employ

48 special boiler inspectors; specifying required

49 inspection intervals for special boiler inspectors;

50 amending s. 554.108, F.S.; providing an exemption,

51 under certain conditions, from inspection

52 requirements; specifying duties of an owner or an

53 owner's designee to allow an inspector to conduct

54 inspections; specifying requirements for boiler

55 inspections and inspection reports; revising

56 conditions that require a boiler to be shut down;



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57 revising requirements and procedures for a boiler that
58 must be shut down; providing construction; authorizing
59 the department to adopt rules; creating s. 554.1081,
60 F.S.; revising requirements for boiler inspections by
61 insurance companies and local governmental agencies;
62 amending s. 554.109, F.S.; conforming provisions to
63 changes made by the act; revising boilers that are
64 exempt from regulation under the chapter; revising
65 requirements for certain exempt boilers and water
66 heaters; amending s. 554.1101, F.S.; conforming
67 provisions to changes made by the act; requiring a
68 boiler insurance company to notify, within a specified
69 timeframe, the chief boiler inspector under certain
70 circumstances; requiring a certificateholder to submit
71 a certain certificate of insurance to the chief boiler
72 inspector under certain circumstances; amending s.
73 554.111, F.S.; requiring an application for a boiler
74 permit to include a specified fee; requiring the chief
75 boiler inspector to deposit fines into a specified
76 trust fund; conforming provisions to changes made by
77 the act; repealing ss. 554.112 and 554.113, F.S.,
78 relating to examinations, and certification of
79 inspectors and renewals, respectively; amending s.
80 554.114, F.S.; revising prohibited acts; providing
81 penalties for a boiler insurance company or authorized
82 inspection agency that fails to conduct certain
83 inspections; providing an exception; conforming
84 provisions to changes made by the act; amending s.
85 554.115, F.S.; adding authorized disciplinary actions



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86 for the department; adding specified grounds for
87 disciplinary action against an owner of a boiler;
88 revising grounds for disciplinary action against a
89 boiler inspector; deleting a provision requiring a
90 chief inspector to report certain persons to the state
91 attorney; deleting a provision authorizing certain
92 administrative action by the chief inspector; deleting
93 a provision relating to the duration of a suspended
94 certificate of compliance; creating s. 554.1151, F.S.;
95 authorizing the department to impose specified
96 administrative fines in lieu of or in addition to
97 certain disciplinary actions; authorizing procedures
98 for payment of fines by a certificateholder; requiring
99 a certificate to be revoked under certain
100 circumstances; amending s. 624.307, F.S.; authorizing
101 the department to expend funds for professional
102 development of its employees; amending s. 626.015,
103 F.S.; defining terms; conforming a cross-reference;
104 amending s. 626.207, F.S.; defining the term
105 "applicant"; revising a list of felonies subject to a
106 permanent bar from licensure; revising a condition for
107 when certain disqualifying periods begin; conforming
108 cross-references; providing an exception from a
109 permanent bar on or disqualifying periods for cases of
110 executive clemency; providing construction; amending
111 s. 626.221, F.S.; providing an exception from an
112 examination requirement for an all-lines adjuster
113 license applicant with a specified designation;
114 amending s. 626.2815, F.S.; specifying the education



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115 hours that may be completed to meet continuing
116 education requirements for such a designation;
117 amending s. 626.8734, F.S.; providing an exception
118 from an examination requirement for nonresident all-
119 lines adjuster license applicants who hold certain
120 certifications; amending s. 626.9954, F.S.; revising a
121 list of felonies subject to a permanent bar from
122 licensure; revising conditions for when certain
123 disqualifying periods begin; conforming cross-
124 references; providing an exception from a permanent
125 bar on or disqualifying periods for cases of executive
126 clemency; providing construction; amending s.
127 626.2815, F.S.; authorizing the department to approve
128 a certain number of elective continuing education
129 credits for certain insurance licensees; providing an
130 exception from a certain continuing education
131 requirement for such licensees; amending s. 626.611,
132 F.S.; deleting a condition for the involvement of
133 moral turpitude in felonies or certain crimes in
134 relation to compulsory disciplinary actions by the
135 department against certain entities' licenses or
136 appointments; conforming a cross-reference; amending
137 s. 626.621, F.S.; revising grounds for the
138 department's discretionary refusal, suspension, or
139 revocation of the license or appointment of certain
140 persons; amending s. 626.7845, F.S.; revising an
141 exception to the prohibition against the unlicensed
142 transaction of life insurance; conforming a cross-
143 reference; amending s. 626.8305, F.S.; revising an



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144 exception to the prohibition against the unlicensed
145 transaction of health insurance; conforming a cross-
146 reference; amending s. 626.861, F.S.; authorizing
147 certain insurer employees to adjust specified claim
148 losses or damage; amending s. 626.9543, F.S.; removing
149 the scheduled expiration of a requirement for insurers
150 to permit claims from a Holocaust victim or certain
151 related persons irrespective of certain conditions;
152 removing the scheduled expiration of an exception from
153 statutes of limitations or laches for certain actions
154 brought by Holocaust victims or certain related
155 persons; amending s. 633.516, F.S.; authorizing the
156 Division of State Fire Marshal within the division to
157 contract for studies of, rather than to make a
158 continuous study of, occupational diseases of
159 firefighters; adding persons in other fire-related
160 fields to such studies; authorizing the division to
161 release confidential information of an individual
162 firefighter or a person in another fire-related field
163 to certain parties under certain circumstances;
164 amending s. 768.28, F.S.; providing exceptions in tort
165 claims against a county from requirements that a
166 claimant present the written claim to the department
167 within a specified timeframe and serve process upon
168 the department; amending ss. 288.706, 626.7315, and
169 627.351, F.S.; conforming cross-references; providing
170 an effective date.

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



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Section 1. Section 17.575, Florida Statutes, is amended to read:

17.575 Administration of funds; Treasury Investment Council ~~Committee~~.—

(1) There is created a Treasury Investment Council ~~Committee~~ within the Division of Treasury consisting of at least five members, at least three of whom are professionals from the private sector, who must possess special knowledge, experience, and familiarity in finance, investments, or accounting. The members of the council must ~~committee shall~~ be appointed by and serve at the pleasure of the Chief Financial Officer. Each member shall serve a term of 4 years from the date of appointment. The council ~~committee~~ shall annually elect a chair and vice chair from among its members ~~membership~~.

(2) The council shall review the investments required by s. 17.57; meet with staff of the Division of Treasury at least biannually; and provide recommendations to the Division of Treasury and the Chief Financial Officer regarding investment policy, strategy, and procedures ~~The committee shall administer the Treasury Investment Program consistent with policies approved by the Chief Financial Officer for deposits and investments of public funds. The committee shall also make recommendations regarding investment policy to the Chief Financial Officer.~~

(3) Members of the council shall serve without additional compensation or honorarium, but may receive per diem and reimbursement for travel expenses as provided in s. 112.061 ~~The committee shall submit an annual report outlining its activities~~



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202 ~~and recommendations to the Chief Financial Officer and the Joint~~
203 ~~Legislative Auditing Committee. The report shall be submitted on~~
204 ~~August 15, 2009, and annually thereafter.~~

205 Section 2. Present subsections (14) through (16) of section
206 215.422, Florida Statutes, are redesignated as subsections (15)
207 through (17), respectively, and a new subsection (14) is added
208 to that section, to read:

209 215.422 Payments, warrants, and invoices; processing time
210 limits; dispute resolution; agency or judicial branch
211 compliance.—

212 (14) All requirements set forth in this section apply to
213 payments made in accordance with s. 215.971.

214 Section 3. Section 554.1021, Florida Statutes, is reordered
215 and amended to read:

216 554.1021 Definitions.—As used in this chapter, the term ~~ss.~~
217 ~~554.1011-554.115:~~

218 (3) ~~(1)~~ "Boiler" means a closed vessel in which water or
219 other liquid is heated, steam or vapor is generated, steam is
220 superheated, or any combination of these functions is
221 accomplished, under pressure or vacuum, for use external to
222 itself, by the direct application of energy from the combustion
223 of fuels or from electricity or solar energy. The term "boiler"
224 includes fired units for heating or vaporizing liquids other
225 than water where these units are separate from processing
226 systems and are complete within themselves. The varieties of
227 boilers are as follows:

228 (f) ~~(a)~~ "Power boiler" means a boiler in which steam or
229 other vapor is generated at a pressure of more than 15 psig.

230 (b) "High pressure, high temperature water boiler" means a



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231 water boiler operating at pressures exceeding 160 psig or
232 temperatures exceeding 250 °F.

233 (a)~~(e)~~ "Heating boiler" means a steam or vapor boiler
234 operating at pressures not exceeding 15 psig, or a hot water
235 boiler operating at pressures not exceeding 160 psig or
236 temperatures not exceeding 250 °F.

237 (c)~~(d)~~ "Hot water supply boiler" means a boiler or a lined
238 storage water heater supplying heated water for use external to
239 itself operating at a pressure not exceeding 160 psig or
240 temperature not exceeding 250 °F.

241 (g)~~(e)~~ "Secondhand boiler" means a boiler that has changed
242 ownership and location subsequent to its original installation
243 and use.

244 (d) "Inservice boiler" means a boiler placed in use after
245 test firing and required inspections have been satisfactorily
246 completed.

247 (e) "Operating boiler" means a boiler connected and ready
248 for use.

249 (h) "Secured boiler" means a boiler that has been:

250 1. Physically disconnected from the system, including
251 disconnection from fuel, water, steam, electricity, and stack;
252 or

253 2. Locked out and tagged out in accordance with the
254 Occupational Safety and Health Administration's standard
255 relating to the control of hazardous energy and lockout or
256 tagout in 29 C.F.R. s. 1910.147, as adopted by rule of the
257 department.

258 (9)~~(2)~~ "Public assembly locations" includes ~~include~~
259 schools, day care centers, community centers, churches,



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260 theaters, hospitals, nursing and convalescent homes, stadiums,
261 amusement parks, and other locations open to the general public.

262 (5)~~(3)~~ "Certificate inspection" means an inspection whose
263 ~~the report of which~~ is used by the chief boiler inspector to
264 determine whether or not a certificate of operation may be
265 issued.

266 (7)~~(4)~~ "Certificate of operation compliance" means a
267 document issued to the owner of a boiler which authorizes the
268 owner to operate the boiler, subject to any restrictions
269 endorsed thereon.

270 (6)~~(5)~~ "Certificate of competency" means a document issued
271 to a person who has satisfied the minimum competency
272 requirements for boiler inspectors under this chapter ~~ss.~~
273 554.1011-554.115.

274 (8)~~(6)~~ "Department" means the Department of Financial
275 Services.

276 (1)~~(7)~~ "A.S.M.E." means the American Society of Mechanical
277 Engineers.

278 (2) "Authorized inspection agency" means:

279 (a) Any county, municipality, town, or other governmental
280 subdivision that has adopted into law the Boiler and Pressure
281 Vessel Code of the A.S.M.E. and the National Board Inspection
282 Code for the construction, installation, inspection,
283 maintenance, and repair of boilers to regulate boilers in public
284 assembly locations, and whose boiler inspectors hold valid
285 certificates of competency in accordance with s. 554.104;

286 (b) An insurer authorized by a subsisting certificate of
287 authority, issued by the Office of Insurance Regulation, to
288 transact boiler and machinery insurance in this state, and whose



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289 boiler inspectors hold valid certificates of competency in
290 accordance with s. 554.104; or

291 (c) An inspecting agency accredited in accordance with The
292 National Board of Boiler and Pressure Vessel Inspector's program
293 entitled "Accreditation of Authorized Inspection Agencies (AIA)
294 Performing Inservice or Repair/Alteration Inspection
295 Activities," document number NB-369, and whose boiler inspectors
296 hold valid certificates of competency in accordance with s.
297 554.104. The department shall by rule require an inspection
298 agency authorized pursuant to this paragraph to maintain
299 financial security adequate to indemnify the owner of the boiler
300 if such agency's negligence or failure to inspect an uninsured
301 boiler results in a loss. Such inspection agency may inspect
302 uninsured boilers or, at the direction of an insurance company,
303 may inspect a boiler insured by that insurance company.

304 (4) "Boiler insurance company" means a company authorized
305 by a subsisting certificate of authority, issued by the Office
306 of Insurance Regulation, to transact boiler and machinery
307 insurance in this state.

308 Section 4. Section 554.103, Florida Statutes, is amended to
309 read:

310 554.103 Boiler code.—The department shall adopt by rule a
311 State Boiler Code for the safe construction, installation,
312 inspection, maintenance, and repair of boilers in this state.
313 The rules adopted shall be based upon and shall at all times
314 follow generally accepted nationwide engineering standards,
315 formulas, and practices pertaining to boiler construction and
316 safety.

317 (1) The department shall adopt an existing code for new



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318 construction and installation known as the Boiler and Pressure
319 Vessel Code of the American Society of Mechanical Engineers,
320 including all amendments and interpretations ~~approved thereto by~~
321 ~~the Council on Codes and Standards of A.S.M.E. The department~~
322 ~~may adopt amendments and interpretations~~ to the A.S.M.E. Boiler
323 and Pressure Vessel Code approved by the A.S.M.E. Council on
324 Codes and Standards subsequent to the adoption of the State
325 Boiler Code, and when so adopted by the department, such
326 amendments and interpretations ~~shall~~ become a part of the State
327 Boiler Code.

328 (2) The installer ~~owner~~ of any boiler placed in use in this
329 state after January 1, 2018, must, before installing the boiler,
330 apply on a form adopted by rule of the department for a permit
331 to install the boiler from the chief boiler inspector. The
332 application must include the boiler's A.S.M.E. manufacturer's
333 data report and other documents required by the State Boiler
334 Code before the boiler is placed in service. The installer must
335 contact the chief boiler inspector to schedule an inspection for
336 each boiler no later than 7 days before the boiler is placed in
337 service after October 1, 1987, shall submit the A.S.M.E.
338 ~~manufacturer's data report on such boiler to the chief inspector~~
339 ~~not more than 90 days following the inservice date of the~~
340 ~~boiler.~~

341 (3) The maximum allowable working pressure of a boiler
342 carrying the A.S.M.E. code symbol must ~~shall~~ be determined by
343 the applicable sections of the code under which it was
344 constructed and stamped. Subject to the concurrence of the chief
345 boiler inspector, such boiler may be rerated in accordance with
346 the standards of the State Boiler Code.



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347 (4) The maximum allowable working pressure of a boiler that
348 ~~which~~ does not carry the A.S.M.E. code symbol must ~~shall~~ be
349 computed in accordance with the standards of the State Boiler
350 Code.

351 (5) This chapter may not ~~Nothing in ss. 554.1011-554.115~~
352 ~~shall~~ be construed to in any way prevent the use, sale, or
353 reinstallation of a boiler if such boiler has been made to
354 conform to the applicable provisions of the State Boiler Code
355 governing existing installations and if, upon inspection, the
356 boiler has been found to be in a safe condition.

357 (6) The department, at its discretion, may authorize the
358 construction, installation, and operation of boilers of special
359 design or construction which do not meet the specific
360 requirements of the State Boiler Code, but which are consistent
361 with the intent of the safety objectives of the code.

362 (7) The department may adopt rules pursuant to ss.
363 120.536(1) and 120.54 to administer this chapter. Such rules may
364 include specifying the procedures and forms to be used to obtain
365 an installation permit, an initial certificate, or a renewal
366 certificate, and the submission of reports and notices required
367 under this chapter.

368 Section 5. Section 554.104, Florida Statutes, is amended to
369 read:

370 554.104 Certification of boiler inspectors required;
371 application; qualifications; renewal ~~Boilers of special design.-~~
372 ~~The department, at its discretion, may authorize the~~
373 ~~construction, installation, and operation of boilers of special~~
374 ~~design or construction that do not meet the specific~~
375 ~~requirements of the State Boiler Code but are not inconsistent~~



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376 ~~with the intent of the safety objectives of such code.~~

377 (1) CERTIFICATE REQUIRED.—A person may not be, act as, or
378 advertise or hold himself or herself out to be an inspector of a
379 boiler that is subject to regulation by this chapter, unless he
380 or she currently holds a certificate of competency issued by the
381 department.

382 (2) APPLICATION.—A person who desires to be certified to
383 inspect boilers that are subject to regulation by this chapter
384 must apply in writing to the department to take the
385 certification examination.

386 (3) QUALIFICATIONS.—A person is qualified to take the
387 certification examination if the person:

388 (a) Has submitted the application for examination together
389 with the fee required under s. 554.111(1) (a);

390 (b) Is at least 18 years of age;

391 (c) Has completed the 2-hour training course under
392 subsection (4) on the requirements of this chapter and any
393 related rules adopted by the department. The course must be
394 completed no later than 12 months before issuance of an initial
395 or renewal certificate; and

396 (d) Has:

397 1. At least 3 years of experience in the construction,
398 installation, inspection, operation, maintenance, or repair of
399 high pressure, high temperature water boilers; or

400 2. Met the requirements to qualify as a commissioned
401 inspector by the National Board of Boiler and Pressure Vessel
402 Inspectors as set forth in NB-263, RCI-1, Rules for Commissioned
403 Inspectors, as adopted by rule of the department.

404 (4) TRAINING COURSE.—The department shall adopt by rule a



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405 2-hour training course on the requirements of this chapter and
406 any related rules adopted by the department. The department
407 shall make the training course available online and may make the
408 course available in a classroom setting. A boiler insurance
409 company may include the department's course as part of its in-
410 house training of a boiler inspector student, in lieu of the
411 student taking the online training course. A boiler insurance
412 company that includes the department's course in its in-house
413 training of a boiler inspector student must indicate that the
414 student completed the training on an application filed with the
415 department for certification of competency.

416 (5) EXAMINATION.—A person applying for a certificate of
417 competency must have successfully passed the examination
418 administered by the National Board of Boiler and Pressure Vessel
419 Inspectors and be eligible to obtain a National Board
420 commission.

421 (6) ISSUANCE OF CERTIFICATE.—The chief boiler inspector
422 must issue a certificate of competency to each person who is
423 qualified under this section and who holds a commission from the
424 National Board of Boiler and Pressure Vessel Inspectors.

425 (7) RENEWAL OF CERTIFICATE.—A certificate of competency
426 expires on December 31 of each year and may be renewed upon the
427 filing of a renewal application with the department. A secured
428 electronic application must be used, if available on the
429 department's website.

430 (8) RULES.—The department may adopt rules necessary to
431 administer this section.

432 Section 6. Section 554.105, Florida Statutes, is amended to
433 read:



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434 554.105 Chief boiler inspector.-

435 (1) The Chief Financial Officer shall appoint a chief
436 boiler inspector, who must have at least ~~shall have not less~~
437 ~~than~~ 5 years' experience in the construction, installation,
438 inspection, operation, maintenance, or repair of high pressure,
439 high temperature water boilers and who must ~~shall~~ hold a
440 commission from the National Board of Boiler and Pressure Vessel
441 Inspectors or a certificate of competency from the department.

442 (2) The department, through the chief boiler inspector,
443 shall administer the state boiler inspection program, and shall:

444 (a) Take all action necessary to enforce the State Boiler
445 Code and the rules adopted pursuant to this chapter ss.
446 ~~554.1011-554.115.~~

447 (b) Keep a complete record on all boilers at public
448 assembly locations. Such record must ~~shall~~ include the name of
449 each boiler owner or user and the location, type, ~~dimensions,~~
450 maximum allowable working pressure, age, ~~and~~ last recorded
451 inspection of each boiler, and any other information necessary
452 to expedite the certification process.

453 (c) ~~Publish and make available to anyone, upon request,~~
454 ~~copies of the rules adopted pursuant to ss. 554.1011-554.115.~~

455 (d) ~~Expend~~ funds necessary to meet the expenses authorized
456 by this chapter ss. 554.1011-554.115, including the necessary
457 travel expenses of the chief boiler inspector and deputy boiler
458 inspectors, and the expenses incident to the maintenance of this
459 ~~his or her~~ office.

460 Section 7. Section 554.106, Florida Statutes, is amended to
461 read:

462 554.106 Deputy boiler inspectors.-



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463 (1) The department shall employ deputy boiler inspectors
464 who shall be responsible to the chief boiler inspector ~~and who~~
465 ~~shall each hold a certificate of competency from the department.~~

466 (2) A deputy boiler inspector shall perform inspections of
467 uninsured boilers that are subject to regulation under this
468 chapter, in accordance with the inspection frequency set forth
469 in s. 554.108. A deputy boiler inspector may also engage in
470 public outreach activities of the department and conduct other
471 duties as assigned by the chief boiler inspector.

472 Section 8. Section 554.107, Florida Statutes, is amended to
473 read:

474 554.107 Special boiler inspectors.—

475 (1) Upon application by any authorized inspection agency
476 ~~company licensed to insure boilers in this state~~, the chief
477 boiler inspector shall issue a certificate of competency as a
478 special boiler inspector to any inspector employed by the
479 authorized inspection agency company, if provided that such
480 boiler inspector satisfies the competency requirements for
481 inspectors as provided in s. 554.104 s. 554.113. Special boiler
482 inspectors shall perform inspections of insured boilers in
483 accordance with the inspection frequency set forth in s.
484 554.108.

485 (2) The certificate of competency of a special boiler
486 inspector remains shall remain in effect only so long as the
487 special boiler inspector is employed by an authorized inspection
488 agency a company licensed to insure boilers in this state. Upon
489 termination of employment with such company, such company a
490 special inspector shall, in writing, notify the chief boiler
491 inspector of such special boiler inspector's termination. Such



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492 notice must ~~shall~~ be given within 15 days following the date of
493 termination.

494 Section 9. Subsections (1), (2), (4), and (5) of section
495 554.108, Florida Statutes, are amended, and subsection (6) is
496 added to that section, to read:

497 554.108 Inspection.—

498 (1) The inspection requirements of this chapter apply only
499 to boilers located in public assembly locations. A potable hot
500 water supply boiler with a heat input of 200,000 British thermal
501 units (Btu) per hour and above, up to a heat input not exceeding
502 400,000 Btu per hour, is exempt from inspection, but must be
503 stamped with the A.S.M.E. code symbol "HLW" and the boiler's
504 A.S.M.E data report must be filed as required under s.

505 554.103(2) The only boilers required to be inspected under the
506 provisions of ss. 554.1011-554.115 are boilers located in public
507 assembly locations.

508 (2) Each inspection of a boiler conducted pursuant to this
509 chapter must ss. 554.1011-554.115 shall be made by the chief
510 boiler inspector, a deputy boiler inspector, or a special boiler
511 inspector. An owner, or the owner's designee, shall perform all
512 operation, testing, manipulation of boiler controls and safety
513 devices, removal of lagging, and disassembly of boiler
514 components to allow the chief boiler inspector, deputy boiler
515 inspector, or special boiler inspector to conduct inspections as
516 required by this section.

517 (4) Each boiler subject to inspection must be inspected
518 within 30 days after expiration of the boiler's certificate of
519 operation. However, an inspection report must be received by the
520 chief boiler inspector no later than 30 days after the projected



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521 expiration date of the certificate of operation. If, upon
522 inspection, the chief boiler inspector, deputy boiler inspector,
523 or special boiler inspector finds that a boiler is in violation
524 of any provision of the State Boiler Code, the inspector must
525 promptly notify the owner or user and state what repairs or
526 other corrective measures are needed. Deputy boiler inspectors
527 and special boiler inspectors shall file a written report, on a
528 form adopted by rule of the department, on each certificate
529 inspection with the chief boiler inspector within 15 days after
530 the following such inspection. A certificate inspection report
531 must list all violations of the State Boiler Code and any
532 conditions that may adversely affect the operation of the
533 boiler. The filing of reports of inspections, other than
534 statutorily required certificate inspections, is are not
535 required unless such inspections disclose that a boiler is in an
536 unsafe condition or unless the boiler has failed and requires
537 major repair or replacement. The inspection report must list the
538 extent of damage to the boiler, as well as the cause of the
539 failure, if known, and any other pertinent information. However,
540 an inspection report must be filed for any inspection performed
541 on a boiler with a previously identified code violation. The
542 report must indicate whether the violation has been corrected.
543 The agency responsible for conducting the inspection must
544 perform followup inspections, not more than every 6 months, of a
545 previously identified code violation until it is corrected.

546 (5) Upon a determination by the chief boiler inspector
547 determining that a boiler cannot be safely operated, is in an
548 unsafe condition and poses an imminent danger to the public
549 health, safety, and welfare, the chief inspector, a deputy



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550 ~~inspector, or a special inspector may immediately order the~~
551 ~~boiler must immediately to be shut down. The chief boiler~~
552 ~~inspector or a deputy boiler inspector shall attach a tag to the~~
553 ~~boiler indicating that the boiler has been shut down due to an~~
554 ~~unsafe condition. The boiler must shall remain shut down until a~~
555 ~~reinspection by the chief boiler inspector or a deputy boiler a~~
556 ~~certified inspector determines that all violations have been~~
557 ~~corrected, that the boiler may be operated safely, and that a~~
558 ~~certificate of compliance has been issued. A boiler that may not~~
559 ~~be safely operated, as determined by the chief boiler inspector,~~
560 ~~is deemed to constitute an imminent danger to the public health,~~
561 ~~safety, and welfare.~~

562 (6) The department may adopt rules necessary to administer
563 this section.

564 Section 10. Section 554.1081, Florida Statutes, is created
565 to read:

566 554.1081 Boiler inspections by insurance companies and
567 local governmental agencies.-

568 (1) An insurance company insuring a boiler located in a
569 public assembly location in this state shall inspect, or shall
570 contract with an authorized inspection agency to inspect, the
571 insured boiler. A boiler insurance company shall annually report
572 to the department the name of any authorized inspection agency
573 performing any required boiler inspections on its behalf and
574 shall actively monitor insured boilers to ensure that
575 inspections are conducted as required by this chapter.

576 (2) A county, municipality, town, or other governmental
577 subdivision that has adopted into law the Boiler and Pressure
578 Vessel Code of the A.S.M.E. and the National Board Inspection



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579 Code for the construction, installation, inspection,
580 maintenance, and repair of boilers to regulate boilers in public
581 assembly locations may inspect such boilers. All boiler
582 inspections must be conducted by special boiler inspectors in
583 accordance with this chapter.

584 Section 11. Section 554.109, Florida Statutes, is amended
585 to read:

586 554.109 Exemptions.—

587 ~~(1) Any insurance company insuring a boiler located in a~~
588 ~~public assembly location in this state shall inspect such boiler~~
589 ~~so insured, and any county, city, town, or other governmental~~
590 ~~subdivision which has adopted into law the Boiler and Pressure~~
591 ~~Vessel Code of the American Society of Mechanical Engineers and~~
592 ~~the National Board Inspection Code for the construction,~~
593 ~~installation, inspection, maintenance, and repair of boilers,~~
594 ~~regulating such boilers in public assembly locations, shall~~
595 ~~inspect such boilers so regulated; provided that such inspection~~
596 ~~shall be conducted by a special inspector licensed pursuant to~~
597 ~~ss. 554.1011-554.115. Upon filing of a report of satisfactory~~
598 ~~inspection with the department, such boiler is exempt from~~
599 ~~inspection by the department.~~

600 (2) ~~The provisions of This chapter~~ does shall not apply to
601 potable hot water supply boilers or lined storage water heaters
602 that ~~which~~ are directly fired with oil, gas, electricity, or
603 solar energy, provided that none of the following limitations is
604 are exceeded:

605 (1) ~~(a)~~ Heat input of 400,000 Btu per hour.

606 (2) ~~(b)~~ Water temperature of 210 degrees Fahrenheit.

607 (3) ~~(c)~~ Nominal water-containing capacity of 120 gallons.



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~~These exempt hot water supply boilers and lined storage water heaters shall be equipped with safety relief valves conforming to the requirements of the Boiler and Pressure Vessel Code of the American Society of Mechanical Engineers and of the National Board Inspection Code.~~

Section 12. Section 554.1101, Florida Statutes, is amended to read:

554.1101 Certificate of operation compliance.—

(1) If an inspection report filed pursuant to s. 554.108 shows a boiler to be in compliance with all applicable provisions of the State Boiler Code, the chief boiler inspector must shall, upon receipt of the inspection fee, issue a certificate of operation compliance to the owner. Such certificate must shall bear the date of the inspection and specify the maximum pressure at which the boiler may be operated.

(2) The certificate for a power boiler or a high pressure, high temperature water boiler is valid for a period of 12 months from the date of the certificate inspection. The certificate for a heating boiler or a hot water supply boiler is valid for a period of 24 months from the date of the certificate inspection. The certificate must shall be posted under glass, or be similarly protected, in the room containing the boiler.

(3) A boiler insurance company shall notify the chief boiler inspector within 30 days after the issuance of a new or renewal boiler and machinery insurance policy, or the cancellation or nonrenewal of a boiler and machinery insurance policy, covering places of public assembly in this state.



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637 (4) If the chief boiler inspector has knowledge that a
638 boiler regulated under this chapter was covered by a boiler and
639 machinery insurance policy after its most recent certification
640 inspection, the certificateholder must, upon the request of the
641 chief boiler inspector, submit its certificate of boiler and
642 machinery insurance for the boiler if the department has not
643 received the special boiler inspector's annual inspection report
644 within 30 days after its due date.

645 Section 13. Section 554.111, Florida Statutes, is amended
646 to read:

647 554.111 Fees.—

648 (1) The department shall charge the following fees:

649 (a) For an applicant for a certificate of competency, the
650 initial application fee shall be \$50, and the annual renewal fee
651 shall be \$30. The fee for examination shall be \$50.

652 (b) For certificate inspections conducted by the
653 department:

654 1. For power boilers and high pressure, high temperature
655 water boilers of:

656 4,000 square feet or less heating surface.....\$60
657 More than 4,000 square feet heating surface and less than 10,000
658 square feet of heating surface.....\$70
659 10,000 square feet or more heating surface.....\$90

660 2. For heating boilers:

661 Without a manhole.....\$40
662 With a manhole.....\$70

663 3. For hot water supply boilers.....\$40

664 (c) For issuance of a ~~compliance~~ certificate of operation
665 without a department inspection.....\$30



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666 (d) Duplicate certificates or address
667 changes.....\$5

668 (e) An application for a boiler permit must include the
669 applicable certificate inspection fee provided in paragraph (b).

670 (2) Not more than an amount equal to one certificate
671 inspection fee may ~~shall~~ be charged or collected for any and all
672 boiler inspections in any inspection period, except as otherwise
673 provided in this chapter ~~ss. 554.1011-554.115~~.

674 (a) When it is necessary to make a special trip to observe
675 the application of a hydrostatic test, an additional fee equal
676 to the fee for a certificate inspection of the boiler must ~~shall~~
677 be charged.

678 (b) All other inspections, including shop inspections,
679 surveys, and inspections of secondhand boilers made by the chief
680 boiler inspector or a deputy boiler inspector, must ~~shall~~ be
681 charged at the rate of not less than \$270 for one-half day of 4
682 hours, and \$500 for 1 full day of 8 hours, plus travel, hotel,
683 and incidental expenses in accordance with chapter 112.

684 (3) The chief boiler inspector shall deposit all fees or
685 finer received pursuant to this chapter ~~ss. 554.1011-554.115~~
686 into the Insurance Regulatory Trust Fund.

687 Section 14. Sections 554.112 and 554.113, Florida Statutes,
688 are repealed.

689 Section 15. Section 554.114, Florida Statutes, is amended
690 to read:

691 554.114 Prohibitions; penalties.—

692 (1) A person may not:

693 (a) Operate a boiler at a public assembly location without
694 a valid certificate of operation ~~compliance~~ for that boiler;



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695 ~~(b) Give false or forged information to the department or~~
696 ~~an inspector for the purpose of obtaining a certificate of~~
697 ~~compliance;~~

698 ~~(e) Use a certificate of operation compliance for any~~
699 ~~boiler other than for the boiler for which it was issued;~~

700 ~~(c) ~~(d)~~ Operate a boiler for which the certificate of~~
701 ~~operation compliance has been suspended, revoked, or not~~
702 ~~renewed;~~

703 ~~(e) Give false or forged information to the department for~~
704 ~~the purpose of obtaining a certificate of competence; or~~

705 ~~(d) ~~(f)~~ Inspect any boiler regulated under this chapter the~~
706 ~~provisions of ss. 554.1011-554.115 without having a valid~~
707 ~~certificate of competency.~~

708 ~~(2) A boiler insurance company that fails to inspect or to~~
709 ~~have inspected, in accordance with this chapter, any boiler~~
710 ~~insured by the company and regulated under this chapter is~~
711 ~~subject to the penalties provided in subsection (4), unless the~~
712 ~~failure to inspect was the result of an owner's or operator's~~
713 ~~failure to provide reasonable access to the boiler Any person~~
714 ~~who violates this section is guilty of a misdemeanor of the~~
715 ~~second degree, punishable by fine as provided in s. 775.083.~~

716 ~~(3) An authorized inspection agency that is under contract~~
717 ~~with a boiler insurance company and that fails to inspect, in~~
718 ~~accordance with this chapter, any boiler insured by the company~~
719 ~~and regulated under this chapter is subject to the penalties~~
720 ~~provided in subsection (4), unless the failure to inspect was~~
721 ~~the result of an owner's or operator's failure to provide~~
722 ~~reasonable access to the boiler.~~

723 ~~(4) A boiler insurance company, authorized inspection~~



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724 agency, or other person in violation of this section for more
725 than 30 days shall pay a fine of \$10 per day for the first 10
726 days of noncompliance, \$50 per day for the subsequent 20 days of
727 noncompliance, and \$100 per day for each subsequent day over 20
728 days of noncompliance.

729 Section 16. Section 554.115, Florida Statutes, is amended
730 to read:

731 554.115 Disciplinary proceedings.—

732 (1) The department may deny, refuse to renew, suspend, or
733 revoke a certificate of operation ~~compliance~~ upon proof that:

734 (a) The certificate has been obtained by fraud or
735 misrepresentation;

736 (b) The boiler for which the certificate was issued cannot
737 be operated safely; ~~or~~

738 (c) The person who received the certificate willfully or
739 deliberately violated the State Boiler Code, this chapter, ~~or~~
740 ~~ss. 554.1011-554.115~~ or any other rule adopted pursuant to this
741 chapter; or ss. 554.1011-554.115.

742 (d) The owner of a boiler:

743 1. Operated a boiler at a public assembly location without
744 a valid certificate of operation for that boiler;

745 2. Used a certificate of operation for a boiler other than
746 the boiler for which the certificate of operation was issued;

747 3. Gave false or forged information to the department, to
748 an authorized inspection agency, or to another boiler inspector
749 for the purpose of obtaining a certificate of operation;

750 4. Operated a boiler after the certificate of operation for
751 the boiler expired, was not renewed, or was suspended or
752 revoked;



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753 5. Operated a boiler that is in an unsafe condition; or
754 6. Operated a boiler in a manner that is contrary to the
755 requirements of this chapter or any rule adopted under this
756 chapter.

757 (2) The department may deny, refuse to renew, suspend, or
758 revoke a certificate of competency upon proof that:

759 (a) The certificate was obtained by fraud or
760 misrepresentation;

761 (b) The inspector to whom the certificate was issued is no
762 longer qualified under this chapter ~~ss. 554.1011-554.115~~ to
763 inspect boilers; or

764 (c) The boiler inspector:

765 1. ~~Operated a boiler at a public assembly location without~~
766 ~~a valid certificate of compliance for that boiler;~~

767 ~~2.~~ Gave false or forged information to the department, an
768 authorized inspection agency, or to another boiler inspector for
769 the purpose of obtaining a certificate of operation; or
770 compliance;

771 ~~3. Used a certificate of compliance for any boiler other~~
772 ~~than the boiler for which it was issued;~~

773 ~~4. Operated a boiler for which the certificate of~~
774 ~~compliance has been suspended or revoked or has expired;~~

775 ~~2.5.~~ Inspected any boiler regulated under this chapter ~~ss.~~
776 ~~554.1011-554.115~~ without having obtained a valid certificate of
777 competency. ~~†~~

778 ~~6. Operated a boiler that is in an unsafe condition; or~~

779 ~~7. Operated a boiler in a manner that is contrary to the~~
780 ~~requirements of this chapter or any rule adopted under this~~
781 ~~chapter.~~



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782 (3) Each suspension of a certificate of operation
783 ~~compliance~~ or certificate of competency shall continue in effect
784 until all violations have been corrected and, for boiler safety
785 violations, until the boiler has been inspected by an authorized
786 inspector and shown to be in a safe working condition.

787 ~~(4) A person in violation of this section who does not have~~
788 ~~a valid certificate of competency shall be reported by the chief~~
789 ~~inspector to the appropriate state attorney.~~

790 ~~(5) A person in violation of this section who has a valid~~
791 ~~certificate of competency is subject to administrative action by~~
792 ~~the chief inspector.~~

793 (4)(6) A revocation of a certificate of competency is
794 permanent, and a revoked certificate of competency may not be
795 reinstated or a new certificate of competency issued to the same
796 person. A suspension of a certificate of competency continues in
797 effect until all violations have been corrected. ~~A suspension of~~
798 ~~a certificate of compliance for any boiler safety violation~~
799 ~~continues in effect until the boiler has been inspected by an~~
800 ~~authorized inspector and shown to be in safe working condition.~~

801 Section 17. Section 554.1151, Florida Statutes, is created
802 to read:

803 554.1151 Administrative fine in lieu of or in addition to
804 suspension, revocation, or refusal to renew a certificate of
805 operation or competency.-

806 (1) If the department finds that one or more grounds exist
807 for the suspension, revocation, or refusal to renew any
808 certificate of operation or certificate of competency issued
809 under this chapter, the department may, in its discretion, in
810 lieu of or in addition to suspension or revocation or in lieu of



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811 refusal to renew, impose upon the certificateholder an
812 administrative penalty in an amount up to \$500, or, if the
813 department has found willful misconduct or willful violation on
814 the part of the certificateholder, in an amount up to \$3,500.

815 (2) The department may allow the certificateholder a
816 reasonable period, no more than 30 days, within which to pay to
817 the department the amount of the penalty so imposed. If the
818 certificateholder fails to pay the penalty in its entirety to
819 the department within the period so allowed, the certificate of
820 that person must be suspended until the penalty is paid. If the
821 certificateholder fails to pay the penalty in its entirety to
822 the department within 90 days after the period so allowed, the
823 certificate of that person must be revoked.

824 Section 18. Subsection (7) of section 624.307, Florida
825 Statutes, is amended to read:

826 624.307 General powers; duties.—

827 (7) The department and office, within existing resources,
828 may expend funds for the professional development of its
829 employees, including, but not limited to, professional dues for
830 employees who are required to be members of professional
831 organizations; examinations leading to professional designations
832 required for employment with the office; training courses and
833 examinations provided through, and to ensure compliance with,
834 the National Association of Insurance Commissioners; or other
835 training courses related to the regulation of insurance.

836 Section 19. Present subsections (1), (2), and (3) and (4)
837 through (19) of section 626.015, Florida Statutes, are
838 redesignated as subsections (2), (3), and (4) and (6) through
839 (21), respectively, present subsection (8) is amended, and new



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840 subsections (1) and (5) are added to that section, to read:

841 626.015 Definitions.—As used in this part:

842 (1) "Active participant" means a member in good standing of
843 an association who attends 4 or more hours of association
844 meetings every year, not including any department-approved
845 continuing education course.

846 (5) "Association" includes the Florida Association of
847 Insurance Agents (FAIA), the National Association of Insurance
848 and Financial Advisors (NAIFA), the Florida Association of
849 Health Underwriters (FAHU), the Latin American Association of
850 Insurance Agencies (LAAIA), the Florida Association of Public
851 Insurance Adjusters (FAPIA), the Florida Bail Agents Association
852 (FBAA), or the Professional Bail Agents of the United States
853 (PBUS).

854 (10) ~~(8)~~ "Insurance agency" means a business location at
855 which an individual, firm, partnership, corporation,
856 association, or other entity, other than an employee of the
857 individual, firm, partnership, corporation, association, or
858 other entity and other than an insurer as defined by s. 624.03
859 or an adjuster as defined by subsection (2) ~~(1)~~, engages in any
860 activity or employs individuals to engage in any activity which
861 by law may be performed only by a licensed insurance agent.

862 Section 20. Section 626.207, Florida Statutes, is amended
863 to read:

864 626.207 Disqualification of applicants and licensees;
865 penalties against licensees; rulemaking authority.—

866 (1) For purposes of this section, the term or terms:

867 (a) "Applicant" means an individual applying for licensure
868 or relicensure under this chapter, and an officer, director,



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869 majority owner, partner, manager, or other person who manages or
870 controls an entity applying for licensure or relicensure under
871 this chapter.

872 (c) "Financial services business" means any financial
873 activity regulated by the Department of Financial Services, the
874 Office of Insurance Regulation, or the Office of Financial
875 Regulation.

876 ~~(b)(2)~~ ~~For purposes of this section, the terms~~ "Felony of
877 the first degree" and "capital felony" include all felonies
878 designated as such by the Florida Statutes, as well as any
879 felony so designated in the jurisdiction in which the plea is
880 entered or judgment is rendered.

881 ~~(2)(3)~~ An applicant who has been found guilty of or has
882 pleaded guilty or nolo contendere to any of the following
883 crimes, regardless of adjudication, is permanently barred from
884 licensure under this chapter: commits

885 (a) A felony of the first degree;

886 (b) A capital felony;

887 (c) A felony involving money laundering; ~~fraud, or~~

888 (d) A felony embezzlement; or

889 (e) A felony directly related to the financial services
890 business ~~is permanently barred from applying for a license under~~
891 ~~this part. This bar applies to convictions, guilty pleas, or~~
892 ~~nolo contendere pleas, regardless of adjudication, by any~~
893 ~~applicant, officer, director, majority owner, partner, manager,~~
894 ~~or other person who manages or controls any applicant.~~

895 ~~(3)(4)~~ An applicant who has been found guilty of or has
896 pleaded guilty or nolo contendere to a crime ~~For all other~~
897 ~~crimes~~ not included in subsection (2), regardless of



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898 adjudication, is subject to ~~(3)~~, the department shall adopt
899 rules establishing the process and application of disqualifying
900 periods that include:

901 (a) A 15-year disqualifying period for all felonies
902 involving moral turpitude which ~~that~~ are not specifically
903 included in the permanent bar contained in subsection (2) ~~(3)~~.

904 (b) A 7-year disqualifying period for all felonies to which
905 neither the permanent bar in subsection (2) ~~(3)~~ nor the 15-year
906 disqualifying period in paragraph (a) applies.

907 (c) A 7-year disqualifying period for all misdemeanors
908 directly related to the financial services business.

909 (4) ~~(5)~~ The department shall adopt rules to administer this
910 section. The rules must provide ~~providing~~ for additional
911 disqualifying periods due to the commitment of multiple crimes
912 and may include other factors reasonably related to the
913 applicant's criminal history. The rules shall provide for
914 mitigating and aggravating factors. However, mitigation may not
915 result in a period of disqualification of less than 7 years and
916 may not mitigate the disqualifying periods in paragraphs (3) ~~(b)~~
917 and (c) ~~(4) (b) and (e)~~.

918 (5) ~~(6)~~ For purposes of this section, the disqualifying
919 periods begin upon the applicant's final release from
920 supervision or upon completion of the applicant's criminal
921 sentence, ~~including payment of fines, restitution, and court~~
922 ~~costs for the crime for which the disqualifying period applies.~~
923 The department may not issue a license to an applicant unless
924 all related fines, court costs and fees, and court-ordered
925 restitution have been paid.

926 (6) ~~(7)~~ After the disqualifying period has expired ~~been met~~,



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927 the burden is on the applicant to demonstrate that the applicant
928 has been rehabilitated, does not pose a risk to the insurance-
929 buying public, is fit and trustworthy to engage in the business
930 of insurance pursuant to s. 626.611(1)(g), and is otherwise
931 qualified for licensure.

932 (7) Notwithstanding subsections (2) and (3), upon a grant
933 of a pardon or the restoration of civil rights pursuant to
934 chapter 940 and s. 8, Art. IV of the State Constitution with
935 respect to a finding of guilt or a plea under subsection (2) or
936 subsection (3), such finding or plea no longer bars or
937 disqualifies the applicant from licensure under this chapter
938 unless the clemency specifically excludes licensure in the
939 financial services business; however, a pardon or restoration of
940 civil rights does not require the department to award such
941 license.

942 (8) The department shall adopt rules establishing specific
943 penalties against licensees in accordance with ss. 626.641 and
944 626.651 for violations of s. 626.611, s. 626.621, s. 626.8437,
945 s. 626.844, s. 626.935, s. 634.181, s. 634.191, s. 634.320, s.
946 634.321, s. 634.422, s. 634.423, s. 642.041, or s. 642.043. The
947 purpose of the revocation or suspension is to provide a
948 sufficient penalty to deter future violations of the Florida
949 Insurance Code. The imposition of a revocation or the length of
950 suspension shall be based on the type of conduct and the
951 probability that the propensity to commit further illegal
952 conduct has been overcome at the time of eligibility for
953 relicensure. The length of suspension may be adjusted based on
954 aggravating or mitigating factors, established by rule and
955 consistent with this purpose.



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956 (9) Section 112.011 does not apply to any applicants for
957 licensure under the Florida Insurance Code, including, but not
958 limited to, agents, agencies, adjusters, adjusting firms,
959 customer representatives, or managing general agents.

960 Section 21. Paragraph (j) of subsection (2) of section
961 626.221, Florida Statutes, is amended to read:

962 626.221 Examination requirement; exemptions.—

963 (2) However, an examination is not necessary for any of the
964 following:

965 (j) An applicant for license as an all-lines adjuster who
966 has the designation of Accredited Claims Adjuster (ACA) from a
967 regionally accredited postsecondary institution in this state,
968 Associate in Claims (AIC) from the Insurance Institute of
969 America, Professional Claims Adjuster (PCA) from the
970 Professional Career Institute, Professional Property Insurance
971 Adjuster (PPIA) from the HurriClaim Training Academy, Certified
972 Adjuster (CA) from ALL LINES Training, ~~or~~ Certified Claims
973 Adjuster (CCA) from AE21 Incorporated, or Universal Claims
974 Certification (UCC) from Claims and Litigation Management
975 Alliance (CLM) whose curriculum has been approved by the
976 department and which includes comprehensive analysis of basic
977 property and casualty lines of insurance and testing at least
978 equal to that of standard department testing for the all-lines
979 adjuster license. The department shall adopt rules establishing
980 standards for the approval of curriculum.

981 Section 22. Present paragraphs (i) and (j) of subsection
982 (7) of section 626.2815, Florida Statutes, are redesignated as
983 paragraphs (j) and (k), respectively, and a new paragraph (i) is
984 added to that subsection, to read:



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985 626.2815 Continuing education requirements.-

986 (7) The following courses may be completed in order to meet
987 the elective continuing education course requirements:

988 (i) Any part of the Claims and Litigation Management
989 Alliance (CLM) Universal Claims Certification (UCC) professional
990 designation: 19 hours of elective continuing education and 5
991 hours of the continuing education required under subsection (3).

992 Section 23. Paragraph (b) of subsection (1) of section
993 626.8734, Florida Statutes, is amended to read:

994 626.8734 Nonresident all-lines adjuster license
995 qualifications.-

996 (1) The department shall issue a license to an applicant
997 for a nonresident all-lines adjuster license upon determining
998 that the applicant has paid the applicable license fees required
999 under s. 624.501 and:

1000 (b) Has passed to the satisfaction of the department a
1001 written Florida all-lines adjuster examination of the scope
1002 prescribed in s. 626.241(6); however, the requirement for the
1003 examination does not apply to:

1004 1. An applicant who is licensed as an all-lines adjuster in
1005 his or her home state if that state has entered into a
1006 reciprocal agreement with the department; ~~or~~

1007 2. An applicant who is licensed as a nonresident all-lines
1008 adjuster in a state other than his or her home state and a
1009 reciprocal agreement with the appropriate official of the state
1010 of licensure has been entered into with the department; or

1011 3. An applicant who holds a certification set forth in s.
1012 626.221(2)(j).

1013 Section 24. Section 626.9954, Florida Statutes, is amended



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1014 to read:

1015 626.9954 Disqualification from registration.—

1016 (1) As used in this section, the terms “felony of the first
1017 degree” and “capital felony” include all felonies so designated
1018 by the laws of this state, as well as any felony so designated
1019 in the jurisdiction in which the plea is entered or judgment is
1020 rendered.

1021 (2) An applicant who has been found guilty of or has
1022 pleaded guilty or nolo contendere to the following crimes,
1023 regardless of adjudication, is permanently disqualified from
1024 registration under this part: ~~commits~~

1025 (a) A felony of the first degree;

1026 (b) A capital felony;

1027 (c) A felony involving money laundering; ~~fraud, or~~

1028 (d) A felony embezzlement; or

1029 (e) A felony directly related to the financial services
1030 business ~~is permanently barred from applying for registration~~
1031 ~~under this part. This bar applies to convictions, guilty pleas,~~
1032 ~~or nolo contendere pleas, regardless of adjudication, by an~~
1033 ~~applicant.~~

1034 (3) An applicant who has been found guilty of or has
1035 pleaded guilty or nolo contendere to a crime ~~For all other~~
1036 ~~crimes~~ not described in subsection (2), regardless of
1037 adjudication, is subject to the department may adopt rules
1038 ~~establishing the process and application of disqualifying~~
1039 ~~periods including:~~

1040 (a) A 15-year disqualifying period for all felonies
1041 involving moral turpitude which are not specifically included in
1042 subsection (2).



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1043 (b) A 7-year disqualifying period for all felonies not
1044 specifically included in subsection (2) or paragraph (a).

1045 (c) A 7-year disqualifying period for all misdemeanors
1046 directly related to the financial services business.

1047 (4) The department may adopt rules to administer this
1048 section. The rules must provide for ~~providing~~ additional
1049 disqualifying periods due to the commitment of multiple crimes
1050 and may include other factors reasonably related to the
1051 applicant's criminal history. The rules must provide for
1052 mitigating and aggravating factors. However, mitigation may not
1053 result in a disqualifying period of less than 7 years and may
1054 not mitigate the disqualifying periods in paragraph (3) (b) or
1055 paragraph (3) (c).

1056 (5) For purposes of this section, the disqualifying periods
1057 begin upon the applicant's final release from supervision or
1058 upon completion of the applicant's criminal sentence, ~~including~~
1059 ~~the payment of fines, restitution, and court costs for the crime~~
1060 ~~for which the disqualifying period applies.~~ The department may
1061 not issue a registration to an applicant unless all related
1062 fines, court costs and fees, and court-ordered restitution have
1063 been paid.

1064 (6) After the disqualifying period has expired ~~been met~~,
1065 the burden is on the applicant to demonstrate to the
1066 satisfaction of the department that he or she has been
1067 rehabilitated and does not pose a risk to the insurance-buying
1068 public and is otherwise qualified for registration.

1069 (7) Notwithstanding subsections (2) and (3), upon a grant
1070 of a pardon or the restoration of civil rights pursuant to
1071 chapter 940 and s. 8, Art. IV of the State Constitution with



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1072 respect to a finding of guilt or a plea under subsection (2) or
1073 subsection (3), such finding or plea no longer bars or
1074 disqualifies the applicant from applying for registration under
1075 this part unless the clemency specifically excludes licensure or
1076 specifically excludes registration in the financial services
1077 business; however, a pardon or restoration of civil rights does
1078 not require the department to award such registration.

1079 (8) ~~(7)~~ Section 112.011 does not apply to an applicant for
1080 registration as a navigator.

1081 Section 25. Paragraph (a) of subsection (3) of section
1082 626.2815, Florida Statutes, is amended, and paragraph (j) is
1083 added to that subsection, to read:

1084 626.2815 Continuing education requirements.—

1085 (3) Each licensee except a title insurance agent must
1086 complete a 5-hour update course every 2 years which is specific
1087 to the license held by the licensee. The course must be
1088 developed and offered by providers and approved by the
1089 department. The content of the course must address all lines of
1090 insurance for which examination and licensure are required and
1091 include the following subject areas: insurance law updates,
1092 ethics for insurance professionals, disciplinary trends and case
1093 studies, industry trends, premium discounts, determining
1094 suitability of products and services, and other similar
1095 insurance-related topics the department determines are relevant
1096 to legally and ethically carrying out the responsibilities of
1097 the license granted. A licensee who holds multiple insurance
1098 licenses must complete an update course that is specific to at
1099 least one of the licenses held. Except as otherwise specified,
1100 any remaining required hours of continuing education are



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1101 elective and may consist of any continuing education course
1102 approved by the department under this section.

1103 (a) Except as provided in paragraphs (b), (c), (d), (e),
1104 ~~and~~ (i), and (j), each licensee must also complete 19 hours of
1105 elective continuing education courses every 2 years.

1106 (j) For a licensee who is an active participant in an
1107 association, 2 hours of elective continuing education credit per
1108 calendar year may be approved by the department, if properly
1109 reported by the association.

1110 Section 26. Paragraph (n) of subsection (1) and subsection
1111 (2) of section 626.611, Florida Statutes, are amended to read:

1112 626.611 Grounds for compulsory refusal, suspension, or
1113 revocation of agent's, title agency's, adjuster's, customer
1114 representative's, service representative's, or managing general
1115 agent's license or appointment.—

1116 (1) The department shall deny an application for, suspend,
1117 revoke, or refuse to renew or continue the license or
1118 appointment of any applicant, agent, title agency, adjuster,
1119 customer representative, service representative, or managing
1120 general agent, and it shall suspend or revoke the eligibility to
1121 hold a license or appointment of any such person, if it finds
1122 that as to the applicant, licensee, or appointee any one or more
1123 of the following applicable grounds exist:

1124 (n) Having been found guilty of or having pleaded guilty or
1125 nolo contendere to a felony or a crime punishable by
1126 imprisonment of 1 year or more under the law of the United
1127 States of America or of any state thereof or under the law of
1128 any other country ~~which involves moral turpitude~~, without regard
1129 to whether a judgment of conviction has been entered by the



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1130 court having jurisdiction of such cases.

1131 (2) The department shall, upon receipt of information or an
1132 indictment, immediately temporarily suspend a license or
1133 appointment issued under this chapter when the licensee is
1134 charged with a felony enumerated in s. 626.207(2) ~~s. 626.207(3)~~.
1135 Such suspension shall continue if the licensee is found guilty
1136 of, or pleads guilty or nolo contendere to, the crime,
1137 regardless of whether a judgment or conviction is entered,
1138 during a pending appeal. A person may not transact insurance
1139 business after suspension of his or her license or appointment.

1140 Section 27. Subsection (8) of section 626.621, Florida
1141 Statutes, is amended, and a new subsection (15) is added to that
1142 section, to read:

1143 626.621 Grounds for discretionary refusal, suspension, or
1144 revocation of agent's, adjuster's, customer representative's,
1145 service representative's, or managing general agent's license or
1146 appointment.—The department may, in its discretion, deny an
1147 application for, suspend, revoke, or refuse to renew or continue
1148 the license or appointment of any applicant, agent, adjuster,
1149 customer representative, service representative, or managing
1150 general agent, and it may suspend or revoke the eligibility to
1151 hold a license or appointment of any such person, if it finds
1152 that as to the applicant, licensee, or appointee any one or more
1153 of the following applicable grounds exist under circumstances
1154 for which such denial, suspension, revocation, or refusal is not
1155 mandatory under s. 626.611:

1156 ~~(8) Having been found guilty of or having pleaded guilty or~~
1157 ~~nolo contendere to a felony or a crime punishable by~~
1158 ~~imprisonment of 1 year or more under the law of the United~~



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1159 ~~States of America or of any state thereof or under the law of~~
1160 ~~any other country, without regard to whether a judgment of~~
1161 ~~conviction has been entered by the court having jurisdiction of~~
1162 ~~such cases.~~

1163 (15) Denial, suspension, or revocation of, or any other
1164 adverse administrative action against, a license to practice or
1165 conduct any regulated profession, business, or vocation by this
1166 state, any other state, any nation, any possession or district
1167 of the United States, any court, or any lawful agency thereof.

1168 Section 28. Subsection (2) of section 626.7845, Florida
1169 Statutes, is amended to read:

1170 626.7845 Prohibition against unlicensed transaction of life
1171 insurance.-

1172 (2) Except as provided in s. 626.112(6), with respect to
1173 any line of authority specified in s. 626.015(12) ~~s.~~

1174 ~~626.015(10)~~, an ~~no~~ individual may not ~~shall~~, unless licensed as
1175 a life agent:

1176 (a) Solicit insurance or annuities or procure applications;

1177 (b) In this state, engage or hold himself or herself out as
1178 engaging in the business of analyzing or abstracting insurance
1179 policies or of counseling or advising or giving opinions to
1180 persons relative to insurance or insurance contracts, unless the
1181 individual is ~~other than~~:

1182 1. ~~As~~ A consulting actuary advising insurers ~~an insurer~~; or

1183 2. An employee ~~As to the counseling and advising of a labor~~
1184 union, association, employer, or other business entity ~~labor~~
1185 ~~unions, associations, trustees, employers, or other business~~
1186 ~~entities, or~~ the subsidiaries and affiliates of each, who
1187 counsels and advises such entity or entities relative to their



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1188 interests and those of their members or employees under
1189 insurance benefit plans; or

1190 3. A trustee advising a settlor, a beneficiary, or a person
1191 regarding his or her interests in a trust, relative to insurance
1192 benefit plans; or

1193 (c) In this state, from this state, or with a resident of
1194 this state, offer or attempt to negotiate on behalf of another
1195 person a viatical settlement contract as defined in s. 626.9911.

1196 Section 29. Section 626.8305, Florida Statutes, is amended
1197 to read:

1198 626.8305 Prohibition against the unlicensed transaction of
1199 health insurance.—Except as provided in s. 626.112(6), with
1200 respect to any line of authority specified in s. 626.015(8) ~~s.~~
1201 ~~626.015(6)~~, an ~~no~~ individual may not ~~shall~~, unless licensed as a
1202 health agent:

1203 (1) Solicit insurance or procure applications; or

1204 (2) In this state, engage or hold himself or herself out as
1205 engaging in the business of analyzing or abstracting insurance
1206 policies or of counseling or advising or giving opinions to
1207 persons relative to insurance contracts, unless the individual
1208 is other than:

1209 (a) ~~As~~ A consulting actuary advising insurers; ~~or~~

1210 (b) An employee ~~As to the counseling and advising of a~~
1211 labor union, association, employer, or other business entity
1212 ~~labor unions, associations, trustees, employers, or other~~
1213 ~~business entities, or~~ the subsidiaries and affiliates of each,
1214 who counsels and advises such entity or entities relative to
1215 their interests and those of their members or employees under
1216 insurance benefit plans; or-



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1217 (c) A trustee advising a settlor, a beneficiary, or a
1218 person regarding his or her interests in a trust, relative to
1219 insurance benefit plans.

1220 Section 30. Subsection (1) of section 626.861, Florida
1221 Statutes, is amended to read:

1222 626.861 Insurer's officers, insurer's employees, reciprocal
1223 insurer's representatives; adjustments by.—

1224 (1) This part may not ~~Nothing in this part shall~~ be
1225 construed to prevent an executive officer of any insurer, ~~or~~ a
1226 regularly salaried employee of an insurer handling claims with
1227 respect to health insurance, a regular employee of an insurer
1228 handling claims with respect to residential property when the
1229 sublimit coverage does not exceed \$500, or the duly designated
1230 attorney or agent authorized and acting for subscribers to
1231 reciprocal insurers, from adjusting any claim loss or damage
1232 under any insurance contract of such insurer.

1233 Section 31. Paragraph (c) of subsection (5) and subsection
1234 (6) of section 626.9543, Florida Statutes, are amended to read:

1235 626.9543 Holocaust victims.—

1236 (5) PROOF OF A CLAIM.—Any insurer doing business in this
1237 state, in receipt of a claim from a Holocaust victim or from a
1238 beneficiary, descendant, or heir of a Holocaust victim, shall:

1239 (c) Permit claims irrespective of any statute of
1240 limitations or notice requirements imposed by any insurance
1241 policy issued, ~~provided the claim is submitted on or before July~~
1242 ~~1, 2018.~~

1243 (6) STATUTE OF LIMITATIONS.—Notwithstanding any law or
1244 agreement among the parties to an insurance policy to the
1245 contrary, any action brought by Holocaust victims or by a



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1246 beneficiary, heir, or a descendant of a Holocaust victim seeking
1247 proceeds of an insurance policy issued or in effect between 1920
1248 and 1945, inclusive, may ~~shall~~ not be dismissed for failure to
1249 comply with the applicable statute of limitations or laches
1250 ~~provided the action is commenced on or before July 1, 2018.~~

1251 Section 32. Section 633.516, Florida Statutes, is amended
1252 to read:

1253 633.516 Studies of Division to make study of firefighter
1254 ~~employee~~ occupational diseases of firefighters or persons in
1255 other fire-related fields.—The division may contract for
1256 studies, subject to the availability of funding, of ~~shall make a~~
1257 ~~continuous study of firefighter employee~~ occupational diseases
1258 of firefighters or persons in other fire-related fields and the
1259 ways and means for the ~~their~~ control and prevention of such
1260 occupational diseases. When such a study or another study that
1261 is wholly or partly funded under an agreement, including a
1262 contract or grant, with the department tracks a disease of an
1263 individual firefighter or a person in another fire-related
1264 field, the division may, with associated security measures,
1265 release the confidential information, including a social
1266 security number, of that individual to a party who has entered
1267 into an agreement with the department ~~and shall adopt rules~~
1268 ~~necessary for such control and prevention. For this purpose, the~~
1269 ~~division is authorized to cooperate with firefighter employers,~~
1270 ~~firefighter employees, and insurers and with the Department of~~
1271 ~~Health.~~

1272 Section 33. Paragraph (a) of subsection (6) and subsection
1273 (7) of section 768.28, Florida Statutes, are amended to read:

1274 768.28 Waiver of sovereign immunity in tort actions;



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1275 recovery limits; limitation on attorney fees; statute of
1276 limitations; exclusions; indemnification; risk management
1277 programs.—

1278 (6) (a) An action may not be instituted on a claim against
1279 the state or one of its agencies or subdivisions unless the
1280 claimant presents the claim in writing to the appropriate
1281 agency, and also, except as to any claim against a municipality,
1282 county, or the Florida Space Authority, presents such claim in
1283 writing to the Department of Financial Services, within 3 years
1284 after such claim accrues and the Department of Financial
1285 Services or the appropriate agency denies the claim in writing;
1286 except that, if:

1287 1. Such claim is for contribution pursuant to s. 768.31, it
1288 must be so presented within 6 months after the judgment against
1289 the tortfeasor seeking contribution has become final by lapse of
1290 time for appeal or after appellate review or, if there is no
1291 such judgment, within 6 months after the tortfeasor seeking
1292 contribution has either discharged the common liability by
1293 payment or agreed, while the action is pending against her or
1294 him, to discharge the common liability; or

1295 2. Such action is for wrongful death, the claimant must
1296 present the claim in writing to the Department of Financial
1297 Services within 2 years after the claim accrues.

1298 (7) In actions brought pursuant to this section, process
1299 shall be served upon the head of the agency concerned and also,
1300 except as to a defendant municipality, county, or the Florida
1301 Space Authority, upon the Department of Financial Services; and
1302 the department or the agency concerned shall have 30 days within
1303 which to plead thereto.



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1304 Section 34. Subsections (3) and (4) and paragraph (e) of
1305 subsection (5) of section 288.706, Florida Statutes, are amended
1306 to read:

1307 288.706 Florida Minority Business Loan Mobilization
1308 Program.—

1309 (3) Notwithstanding ss. 215.422(15) and 216.181(16) ~~ss.~~
1310 ~~215.422(14) and 216.181(16)~~, and pursuant to s. 216.351, under
1311 the Florida Minority Business Loan Mobilization Program, a state
1312 agency may disburse up to 10 percent of the base contract award
1313 amount to assist a minority business enterprise vendor that is
1314 awarded a state agency contract for goods or services in
1315 obtaining working capital financing as provided in subsection
1316 (5).

1317 (4) Notwithstanding ss. 215.422(15) and 216.181(16) ~~ss.~~
1318 ~~215.422(14) and 216.181(16)~~, and pursuant to s. 216.351, in lieu
1319 of applying for participation in the Florida Minority Business
1320 Loan Mobilization Program, a minority business enterprise vendor
1321 awarded a state agency contract for the performance of
1322 professional services may apply with that contracting state
1323 agency for up to 5 percent of the base contract award amount.
1324 The contracting state agency may award such advance in order to
1325 facilitate the performance of that contract.

1326 (5) The following Florida Minority Business Loan
1327 Mobilization Program procedures apply to minority business
1328 enterprise vendors for contracts awarded by a state agency for
1329 construction or professional services or for the provision of
1330 goods or services:

1331 (e) The following procedures shall apply when the minority
1332 business enterprise is the prime contract vendor to the



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1333 contracting state agency:

1334 1. Pursuant to s. 216.351, ss. 215.422(15) and 216.181(16)
1335 ~~the provisions of ss. 215.422(14) and 216.181(16)~~ do not apply
1336 to this paragraph.

1337 2. For construction contracts, the designated loan
1338 mobilization payment shall be disbursed when:

1339 a. The minority business enterprise prime contract vendor
1340 requests disbursement in the first application for payment.

1341 b. The contracting state agency has issued a notice to
1342 proceed and has approved the first application for payment.

1343 3. For contracts other than construction contracts, the
1344 designated loan mobilization payment shall be disbursed when:

1345 a. The minority business enterprise prime contract vendor
1346 requests disbursement by letter delivered to the contracting
1347 state agency after the execution of the contract but prior to
1348 the commencement of work.

1349 b. The contracting state agency has approved the minority
1350 business enterprise prime contract vendor's letter of request.

1351 4. The designated loan mobilization payment may be paid by
1352 the contracting state agency prior to the commencement of work.
1353 In order to ensure that the contract time provisions do not
1354 commence until the minority business enterprise prime contract
1355 vendor has adequate working capital, the contract documents may
1356 provide that the contract shall commence at such time as the
1357 contracting state agency releases the designated loan
1358 mobilization payment to the minority business enterprise prime
1359 contract vendor and participating financial institution pursuant
1360 to the working capital agreement.

1361 Section 35. Section 626.7315, Florida Statutes, is amended



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1362 to read:

1363 626.7315 Prohibition against the unlicensed transaction of
1364 general lines insurance.—With respect to any line of authority
1365 as defined in s. 626.015(7) ~~s. 626.015(5)~~, no individual shall,
1366 unless licensed as a general lines agent:

1367 (1) Solicit insurance or procure applications therefor;

1368 (2) In this state, receive or issue a receipt for any money
1369 on account of or for any insurer, or receive or issue a receipt
1370 for money from other persons to be transmitted to any insurer
1371 for a policy, contract, or certificate of insurance or any
1372 renewal thereof, even though the policy, certificate, or
1373 contract is not signed by him or her as agent or representative
1374 of the insurer, except as provided in s. 626.0428(1);

1375 (3) Directly or indirectly represent himself or herself to
1376 be an agent of any insurer or as an agent, to collect or forward
1377 any insurance premium, or to solicit, negotiate, effect,
1378 procure, receive, deliver, or forward, directly or indirectly,
1379 any insurance contract or renewal thereof or any endorsement
1380 relating to an insurance contract, or attempt to effect the
1381 same, of property or insurable business activities or interests,
1382 located in this state;

1383 (4) In this state, engage or hold himself or herself out as
1384 engaging in the business of analyzing or abstracting insurance
1385 policies or of counseling or advising or giving opinions, other
1386 than as a licensed attorney at law, relative to insurance or
1387 insurance contracts, for fee, commission, or other compensation,
1388 other than as a salaried bona fide full-time employee so
1389 counseling and advising his or her employer relative to the
1390 insurance interests of the employer and of the subsidiaries or



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1391 business affiliates of the employer;

1392 (5) In any way, directly or indirectly, make or cause to be
1393 made, or attempt to make or cause to be made, any contract of
1394 insurance for or on account of any insurer;

1395 (6) Solicit, negotiate, or in any way, directly or
1396 indirectly, effect insurance contracts, if a member of a
1397 partnership or association, or a stockholder, officer, or agent
1398 of a corporation which holds an agency appointment from any
1399 insurer; or

1400 (7) Receive or transmit applications for suretyship, or
1401 receive for delivery bonds founded on applications forwarded
1402 from this state, or otherwise procure suretyship to be effected
1403 by a surety insurer upon the bonds of persons in this state or
1404 upon bonds given to persons in this state.

1405 Section 36. Paragraph (c) of subsection (6) of section
1406 627.351, Florida Statutes, is amended to read:

1407 627.351 Insurance risk apportionment plans.—

1408 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

1409 (c) The corporation's plan of operation:

1410 1. Must provide for adoption of residential property and
1411 casualty insurance policy forms and commercial residential and
1412 nonresidential property insurance forms, which must be approved
1413 by the office before use. The corporation shall adopt the
1414 following policy forms:

1415 a. Standard personal lines policy forms that are
1416 comprehensive multiperil policies providing full coverage of a
1417 residential property equivalent to the coverage provided in the
1418 private insurance market under an HO-3, HO-4, or HO-6 policy.

1419 b. Basic personal lines policy forms that are policies



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1420 similar to an HO-8 policy or a dwelling fire policy that provide
1421 coverage meeting the requirements of the secondary mortgage
1422 market, but which is more limited than the coverage under a
1423 standard policy.

1424 c. Commercial lines residential and nonresidential policy
1425 forms that are generally similar to the basic perils of full
1426 coverage obtainable for commercial residential structures and
1427 commercial nonresidential structures in the admitted voluntary
1428 market.

1429 d. Personal lines and commercial lines residential property
1430 insurance forms that cover the peril of wind only. The forms are
1431 applicable only to residential properties located in areas
1432 eligible for coverage under the coastal account referred to in
1433 sub-subparagraph (b)2.a.

1434 e. Commercial lines nonresidential property insurance forms
1435 that cover the peril of wind only. The forms are applicable only
1436 to nonresidential properties located in areas eligible for
1437 coverage under the coastal account referred to in sub-
1438 subparagraph (b)2.a.

1439 f. The corporation may adopt variations of the policy forms
1440 listed in sub-subparagraphs a.-e. which contain more restrictive
1441 coverage.

1442 g. Effective January 1, 2013, the corporation shall offer a
1443 basic personal lines policy similar to an HO-8 policy with
1444 dwelling repair based on common construction materials and
1445 methods.

1446 2. Must provide that the corporation adopt a program in
1447 which the corporation and authorized insurers enter into quota
1448 share primary insurance agreements for hurricane coverage, as



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1449 defined in s. 627.4025(2)(a), for eligible risks, and adopt
1450 property insurance forms for eligible risks which cover the
1451 peril of wind only.

1452 a. As used in this subsection, the term:

1453 (I) "Quota share primary insurance" means an arrangement in
1454 which the primary hurricane coverage of an eligible risk is
1455 provided in specified percentages by the corporation and an
1456 authorized insurer. The corporation and authorized insurer are
1457 each solely responsible for a specified percentage of hurricane
1458 coverage of an eligible risk as set forth in a quota share
1459 primary insurance agreement between the corporation and an
1460 authorized insurer and the insurance contract. The
1461 responsibility of the corporation or authorized insurer to pay
1462 its specified percentage of hurricane losses of an eligible
1463 risk, as set forth in the agreement, may not be altered by the
1464 inability of the other party to pay its specified percentage of
1465 losses. Eligible risks that are provided hurricane coverage
1466 through a quota share primary insurance arrangement must be
1467 provided policy forms that set forth the obligations of the
1468 corporation and authorized insurer under the arrangement,
1469 clearly specify the percentages of quota share primary insurance
1470 provided by the corporation and authorized insurer, and
1471 conspicuously and clearly state that the authorized insurer and
1472 the corporation may not be held responsible beyond their
1473 specified percentage of coverage of hurricane losses.

1474 (II) "Eligible risks" means personal lines residential and
1475 commercial lines residential risks that meet the underwriting
1476 criteria of the corporation and are located in areas that were
1477 eligible for coverage by the Florida Windstorm Underwriting



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1478 Association on January 1, 2002.

1479 b. The corporation may enter into quota share primary
1480 insurance agreements with authorized insurers at corporation
1481 coverage levels of 90 percent and 50 percent.

1482 c. If the corporation determines that additional coverage
1483 levels are necessary to maximize participation in quota share
1484 primary insurance agreements by authorized insurers, the
1485 corporation may establish additional coverage levels. However,
1486 the corporation's quota share primary insurance coverage level
1487 may not exceed 90 percent.

1488 d. Any quota share primary insurance agreement entered into
1489 between an authorized insurer and the corporation must provide
1490 for a uniform specified percentage of coverage of hurricane
1491 losses, by county or territory as set forth by the corporation
1492 board, for all eligible risks of the authorized insurer covered
1493 under the agreement.

1494 e. Any quota share primary insurance agreement entered into
1495 between an authorized insurer and the corporation is subject to
1496 review and approval by the office. However, such agreement shall
1497 be authorized only as to insurance contracts entered into
1498 between an authorized insurer and an insured who is already
1499 insured by the corporation for wind coverage.

1500 f. For all eligible risks covered under quota share primary
1501 insurance agreements, the exposure and coverage levels for both
1502 the corporation and authorized insurers shall be reported by the
1503 corporation to the Florida Hurricane Catastrophe Fund. For all
1504 policies of eligible risks covered under such agreements, the
1505 corporation and the authorized insurer must maintain complete
1506 and accurate records for the purpose of exposure and loss



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1507 reimbursement audits as required by fund rules. The corporation
1508 and the authorized insurer shall each maintain duplicate copies
1509 of policy declaration pages and supporting claims documents.

1510 g. The corporation board shall establish in its plan of
1511 operation standards for quota share agreements which ensure that
1512 there is no discriminatory application among insurers as to the
1513 terms of the agreements, pricing of the agreements, incentive
1514 provisions if any, and consideration paid for servicing policies
1515 or adjusting claims.

1516 h. The quota share primary insurance agreement between the
1517 corporation and an authorized insurer must set forth the
1518 specific terms under which coverage is provided, including, but
1519 not limited to, the sale and servicing of policies issued under
1520 the agreement by the insurance agent of the authorized insurer
1521 producing the business, the reporting of information concerning
1522 eligible risks, the payment of premium to the corporation, and
1523 arrangements for the adjustment and payment of hurricane claims
1524 incurred on eligible risks by the claims adjuster and personnel
1525 of the authorized insurer. Entering into a quota sharing
1526 insurance agreement between the corporation and an authorized
1527 insurer is voluntary and at the discretion of the authorized
1528 insurer.

1529 3. May provide that the corporation may employ or otherwise
1530 contract with individuals or other entities to provide
1531 administrative or professional services that may be appropriate
1532 to effectuate the plan. The corporation may borrow funds by
1533 issuing bonds or by incurring other indebtedness, and shall have
1534 other powers reasonably necessary to effectuate the requirements
1535 of this subsection, including, without limitation, the power to



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1536 issue bonds and incur other indebtedness in order to refinance
1537 outstanding bonds or other indebtedness. The corporation may
1538 seek judicial validation of its bonds or other indebtedness
1539 under chapter 75. The corporation may issue bonds or incur other
1540 indebtedness, or have bonds issued on its behalf by a unit of
1541 local government pursuant to subparagraph (q)2. in the absence
1542 of a hurricane or other weather-related event, upon a
1543 determination by the corporation, subject to approval by the
1544 office, that such action would enable it to efficiently meet the
1545 financial obligations of the corporation and that such
1546 financings are reasonably necessary to effectuate the
1547 requirements of this subsection. The corporation may take all
1548 actions needed to facilitate tax-free status for such bonds or
1549 indebtedness, including formation of trusts or other affiliated
1550 entities. The corporation may pledge assessments, projected
1551 recoveries from the Florida Hurricane Catastrophe Fund, other
1552 reinsurance recoverables, policyholder surcharges and other
1553 surcharges, and other funds available to the corporation as
1554 security for bonds or other indebtedness. In recognition of s.
1555 10, Art. I of the State Constitution, prohibiting the impairment
1556 of obligations of contracts, it is the intent of the Legislature
1557 that no action be taken whose purpose is to impair any bond
1558 indenture or financing agreement or any revenue source committed
1559 by contract to such bond or other indebtedness.

1560 4. Must require that the corporation operate subject to the
1561 supervision and approval of a board of governors consisting of
1562 nine individuals who are residents of this state and who are
1563 from different geographical areas of the state, one of whom is
1564 appointed by the Governor and serves solely to advocate on



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1565 behalf of the consumer. The appointment of a consumer
1566 representative by the Governor is deemed to be within the scope
1567 of the exemption provided in s. 112.313(7)(b) and is in addition
1568 to the appointments authorized under sub-subparagraph a.

1569 a. The Governor, the Chief Financial Officer, the President
1570 of the Senate, and the Speaker of the House of Representatives
1571 shall each appoint two members of the board. At least one of the
1572 two members appointed by each appointing officer must have
1573 demonstrated expertise in insurance and be deemed to be within
1574 the scope of the exemption provided in s. 112.313(7)(b). The
1575 Chief Financial Officer shall designate one of the appointees as
1576 chair. All board members serve at the pleasure of the appointing
1577 officer. All members of the board are subject to removal at will
1578 by the officers who appointed them. All board members, including
1579 the chair, must be appointed to serve for 3-year terms beginning
1580 annually on a date designated by the plan. However, for the
1581 first term beginning on or after July 1, 2009, each appointing
1582 officer shall appoint one member of the board for a 2-year term
1583 and one member for a 3-year term. A board vacancy shall be
1584 filled for the unexpired term by the appointing officer. The
1585 Chief Financial Officer shall appoint a technical advisory group
1586 to provide information and advice to the board in connection
1587 with the board's duties under this subsection. The executive
1588 director and senior managers of the corporation shall be engaged
1589 by the board and serve at the pleasure of the board. Any
1590 executive director appointed on or after July 1, 2006, is
1591 subject to confirmation by the Senate. The executive director is
1592 responsible for employing other staff as the corporation may
1593 require, subject to review and concurrence by the board.



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1594 b. The board shall create a Market Accountability Advisory
1595 Committee to assist the corporation in developing awareness of
1596 its rates and its customer and agent service levels in
1597 relationship to the voluntary market insurers writing similar
1598 coverage.

1599 (I) The members of the advisory committee consist of the
1600 following 11 persons, one of whom must be elected chair by the
1601 members of the committee: four representatives, one appointed by
1602 the Florida Association of Insurance Agents, one by the Florida
1603 Association of Insurance and Financial Advisors, one by the
1604 Professional Insurance Agents of Florida, and one by the Latin
1605 American Association of Insurance Agencies; three
1606 representatives appointed by the insurers with the three highest
1607 voluntary market share of residential property insurance
1608 business in the state; one representative from the Office of
1609 Insurance Regulation; one consumer appointed by the board who is
1610 insured by the corporation at the time of appointment to the
1611 committee; one representative appointed by the Florida
1612 Association of Realtors; and one representative appointed by the
1613 Florida Bankers Association. All members shall be appointed to
1614 3-year terms and may serve for consecutive terms.

1615 (II) The committee shall report to the corporation at each
1616 board meeting on insurance market issues which may include rates
1617 and rate competition with the voluntary market; service,
1618 including policy issuance, claims processing, and general
1619 responsiveness to policyholders, applicants, and agents; and
1620 matters relating to depopulation.

1621 5. Must provide a procedure for determining the eligibility
1622 of a risk for coverage, as follows:



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1623 a. Subject to s. 627.3517, with respect to personal lines
1624 residential risks, if the risk is offered coverage from an
1625 authorized insurer at the insurer's approved rate under a
1626 standard policy including wind coverage or, if consistent with
1627 the insurer's underwriting rules as filed with the office, a
1628 basic policy including wind coverage, for a new application to
1629 the corporation for coverage, the risk is not eligible for any
1630 policy issued by the corporation unless the premium for coverage
1631 from the authorized insurer is more than 15 percent greater than
1632 the premium for comparable coverage from the corporation.
1633 Whenever an offer of coverage for a personal lines residential
1634 risk is received for a policyholder of the corporation at
1635 renewal from an authorized insurer, if the offer is equal to or
1636 less than the corporation's renewal premium for comparable
1637 coverage, the risk is not eligible for coverage with the
1638 corporation. If the risk is not able to obtain such offer, the
1639 risk is eligible for a standard policy including wind coverage
1640 or a basic policy including wind coverage issued by the
1641 corporation; however, if the risk could not be insured under a
1642 standard policy including wind coverage regardless of market
1643 conditions, the risk is eligible for a basic policy including
1644 wind coverage unless rejected under subparagraph 8. However, a
1645 policyholder removed from the corporation through an assumption
1646 agreement remains eligible for coverage from the corporation
1647 until the end of the assumption period. The corporation shall
1648 determine the type of policy to be provided on the basis of
1649 objective standards specified in the underwriting manual and
1650 based on generally accepted underwriting practices.

1651 (I) If the risk accepts an offer of coverage through the



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1652 market assistance plan or through a mechanism established by the
1653 corporation other than a plan established by s. 627.3518, before
1654 a policy is issued to the risk by the corporation or during the
1655 first 30 days of coverage by the corporation, and the producing
1656 agent who submitted the application to the plan or to the
1657 corporation is not currently appointed by the insurer, the
1658 insurer shall:

1659 (A) Pay to the producing agent of record of the policy for
1660 the first year, an amount that is the greater of the insurer's
1661 usual and customary commission for the type of policy written or
1662 a fee equal to the usual and customary commission of the
1663 corporation; or

1664 (B) Offer to allow the producing agent of record of the
1665 policy to continue servicing the policy for at least 1 year and
1666 offer to pay the agent the greater of the insurer's or the
1667 corporation's usual and customary commission for the type of
1668 policy written.

1669
1670 If the producing agent is unwilling or unable to accept
1671 appointment, the new insurer shall pay the agent in accordance
1672 with sub-sub-sub-subparagraph (A).

1673 (II) If the corporation enters into a contractual agreement
1674 for a take-out plan, the producing agent of record of the
1675 corporation policy is entitled to retain any unearned commission
1676 on the policy, and the insurer shall:

1677 (A) Pay to the producing agent of record, for the first
1678 year, an amount that is the greater of the insurer's usual and
1679 customary commission for the type of policy written or a fee
1680 equal to the usual and customary commission of the corporation;



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1681 or

1682 (B) Offer to allow the producing agent of record to
1683 continue servicing the policy for at least 1 year and offer to
1684 pay the agent the greater of the insurer's or the corporation's
1685 usual and customary commission for the type of policy written.

1686

1687 If the producing agent is unwilling or unable to accept
1688 appointment, the new insurer shall pay the agent in accordance
1689 with sub-sub-sub-subparagraph (A).

1690 b. With respect to commercial lines residential risks, for
1691 a new application to the corporation for coverage, if the risk
1692 is offered coverage under a policy including wind coverage from
1693 an authorized insurer at its approved rate, the risk is not
1694 eligible for a policy issued by the corporation unless the
1695 premium for coverage from the authorized insurer is more than 15
1696 percent greater than the premium for comparable coverage from
1697 the corporation. Whenever an offer of coverage for a commercial
1698 lines residential risk is received for a policyholder of the
1699 corporation at renewal from an authorized insurer, if the offer
1700 is equal to or less than the corporation's renewal premium for
1701 comparable coverage, the risk is not eligible for coverage with
1702 the corporation. If the risk is not able to obtain any such
1703 offer, the risk is eligible for a policy including wind coverage
1704 issued by the corporation. However, a policyholder removed from
1705 the corporation through an assumption agreement remains eligible
1706 for coverage from the corporation until the end of the
1707 assumption period.

1708 (I) If the risk accepts an offer of coverage through the
1709 market assistance plan or through a mechanism established by the



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1710 corporation other than a plan established by s. 627.3518, before
1711 a policy is issued to the risk by the corporation or during the
1712 first 30 days of coverage by the corporation, and the producing
1713 agent who submitted the application to the plan or the
1714 corporation is not currently appointed by the insurer, the
1715 insurer shall:

1716 (A) Pay to the producing agent of record of the policy, for
1717 the first year, an amount that is the greater of the insurer's
1718 usual and customary commission for the type of policy written or
1719 a fee equal to the usual and customary commission of the
1720 corporation; or

1721 (B) Offer to allow the producing agent of record of the
1722 policy to continue servicing the policy for at least 1 year and
1723 offer to pay the agent the greater of the insurer's or the
1724 corporation's usual and customary commission for the type of
1725 policy written.

1726
1727 If the producing agent is unwilling or unable to accept
1728 appointment, the new insurer shall pay the agent in accordance
1729 with sub-sub-sub-subparagraph (A).

1730 (II) If the corporation enters into a contractual agreement
1731 for a take-out plan, the producing agent of record of the
1732 corporation policy is entitled to retain any unearned commission
1733 on the policy, and the insurer shall:

1734 (A) Pay to the producing agent of record, for the first
1735 year, an amount that is the greater of the insurer's usual and
1736 customary commission for the type of policy written or a fee
1737 equal to the usual and customary commission of the corporation;
1738 or



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1739 (B) Offer to allow the producing agent of record to
1740 continue servicing the policy for at least 1 year and offer to
1741 pay the agent the greater of the insurer's or the corporation's
1742 usual and customary commission for the type of policy written.

1743
1744 If the producing agent is unwilling or unable to accept
1745 appointment, the new insurer shall pay the agent in accordance
1746 with sub-sub-sub-subparagraph (A).

1747 c. For purposes of determining comparable coverage under
1748 sub-subparagraphs a. and b., the comparison must be based on
1749 those forms and coverages that are reasonably comparable. The
1750 corporation may rely on a determination of comparable coverage
1751 and premium made by the producing agent who submits the
1752 application to the corporation, made in the agent's capacity as
1753 the corporation's agent. A comparison may be made solely of the
1754 premium with respect to the main building or structure only on
1755 the following basis: the same coverage A or other building
1756 limits; the same percentage hurricane deductible that applies on
1757 an annual basis or that applies to each hurricane for commercial
1758 residential property; the same percentage of ordinance and law
1759 coverage, if the same limit is offered by both the corporation
1760 and the authorized insurer; the same mitigation credits, to the
1761 extent the same types of credits are offered both by the
1762 corporation and the authorized insurer; the same method for loss
1763 payment, such as replacement cost or actual cash value, if the
1764 same method is offered both by the corporation and the
1765 authorized insurer in accordance with underwriting rules; and
1766 any other form or coverage that is reasonably comparable as
1767 determined by the board. If an application is submitted to the



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1768 corporation for wind-only coverage in the coastal account, the
1769 premium for the corporation's wind-only policy plus the premium
1770 for the ex-wind policy that is offered by an authorized insurer
1771 to the applicant must be compared to the premium for multiperil
1772 coverage offered by an authorized insurer, subject to the
1773 standards for comparison specified in this subparagraph. If the
1774 corporation or the applicant requests from the authorized
1775 insurer a breakdown of the premium of the offer by types of
1776 coverage so that a comparison may be made by the corporation or
1777 its agent and the authorized insurer refuses or is unable to
1778 provide such information, the corporation may treat the offer as
1779 not being an offer of coverage from an authorized insurer at the
1780 insurer's approved rate.

1781 6. Must include rules for classifications of risks and
1782 rates.

1783 7. Must provide that if premium and investment income for
1784 an account attributable to a particular calendar year are in
1785 excess of projected losses and expenses for the account
1786 attributable to that year, such excess shall be held in surplus
1787 in the account. Such surplus must be available to defray
1788 deficits in that account as to future years and used for that
1789 purpose before assessing assessable insurers and assessable
1790 insureds as to any calendar year.

1791 8. Must provide objective criteria and procedures to be
1792 uniformly applied to all applicants in determining whether an
1793 individual risk is so hazardous as to be uninsurable. In making
1794 this determination and in establishing the criteria and
1795 procedures, the following must be considered:

1796 a. Whether the likelihood of a loss for the individual risk



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1797 is substantially higher than for other risks of the same class;
1798 and

1799 b. Whether the uncertainty associated with the individual
1800 risk is such that an appropriate premium cannot be determined.

1801
1802 The acceptance or rejection of a risk by the corporation shall
1803 be construed as the private placement of insurance, and the
1804 provisions of chapter 120 do not apply.

1805 9. Must provide that the corporation make its best efforts
1806 to procure catastrophe reinsurance at reasonable rates, to cover
1807 its projected 100-year probable maximum loss as determined by
1808 the board of governors.

1809 10. The policies issued by the corporation must provide
1810 that if the corporation or the market assistance plan obtains an
1811 offer from an authorized insurer to cover the risk at its
1812 approved rates, the risk is no longer eligible for renewal
1813 through the corporation, except as otherwise provided in this
1814 subsection.

1815 11. Corporation policies and applications must include a
1816 notice that the corporation policy could, under this section, be
1817 replaced with a policy issued by an authorized insurer which
1818 does not provide coverage identical to the coverage provided by
1819 the corporation. The notice must also specify that acceptance of
1820 corporation coverage creates a conclusive presumption that the
1821 applicant or policyholder is aware of this potential.

1822 12. May establish, subject to approval by the office,
1823 different eligibility requirements and operational procedures
1824 for any line or type of coverage for any specified county or
1825 area if the board determines that such changes are justified due



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1826 to the voluntary market being sufficiently stable and
1827 competitive in such area or for such line or type of coverage
1828 and that consumers who, in good faith, are unable to obtain
1829 insurance through the voluntary market through ordinary methods
1830 continue to have access to coverage from the corporation. If
1831 coverage is sought in connection with a real property transfer,
1832 the requirements and procedures may not provide an effective
1833 date of coverage later than the date of the closing of the
1834 transfer as established by the transferor, the transferee, and,
1835 if applicable, the lender.

1836 13. Must provide that, with respect to the coastal account,
1837 any assessable insurer with a surplus as to policyholders of \$25
1838 million or less writing 25 percent or more of its total
1839 countrywide property insurance premiums in this state may
1840 petition the office, within the first 90 days of each calendar
1841 year, to qualify as a limited apportionment company. A regular
1842 assessment levied by the corporation on a limited apportionment
1843 company for a deficit incurred by the corporation for the
1844 coastal account may be paid to the corporation on a monthly
1845 basis as the assessments are collected by the limited
1846 apportionment company from its insureds, but a limited
1847 apportionment company must begin collecting the regular
1848 assessments not later than 90 days after the regular assessments
1849 are levied by the corporation, and the regular assessments must
1850 be paid in full within 15 months after being levied by the
1851 corporation. A limited apportionment company shall collect from
1852 its policyholders any emergency assessment imposed under sub-
1853 subparagraph (b)3.d. The plan must provide that, if the office
1854 determines that any regular assessment will result in an



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1855 impairment of the surplus of a limited apportionment company,
1856 the office may direct that all or part of such assessment be
1857 deferred as provided in subparagraph (q)4. However, an emergency
1858 assessment to be collected from policyholders under sub-
1859 subparagraph (b)3.d. may not be limited or deferred.

1860 14. Must provide that the corporation appoint as its
1861 licensed agents only those agents who throughout such
1862 appointments also hold an appointment as defined in s. 626.015
1863 ~~s. 626.015(3)~~ by an insurer who is authorized to write and is
1864 actually writing or renewing personal lines residential property
1865 coverage, commercial residential property coverage, or
1866 commercial nonresidential property coverage within the state.

1867 15. Must provide a premium payment plan option to its
1868 policyholders which, at a minimum, allows for quarterly and
1869 semiannual payment of premiums. A monthly payment plan may, but
1870 is not required to, be offered.

1871 16. Must limit coverage on mobile homes or manufactured
1872 homes built before 1994 to actual cash value of the dwelling
1873 rather than replacement costs of the dwelling.

1874 17. Must provide coverage for manufactured or mobile home
1875 dwellings. Such coverage must also include the following
1876 attached structures:

1877 a. Screened enclosures that are aluminum framed or screened
1878 enclosures that are not covered by the same or substantially the
1879 same materials as those of the primary dwelling;

1880 b. Carports that are aluminum or carports that are not
1881 covered by the same or substantially the same materials as those
1882 of the primary dwelling; and

1883 c. Patios that have a roof covering that is constructed of



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1884 materials that are not the same or substantially the same
1885 materials as those of the primary dwelling.

1886
1887 The corporation shall make available a policy for mobile homes
1888 or manufactured homes for a minimum insured value of at least
1889 \$3,000.

1890 18. May provide such limits of coverage as the board
1891 determines, consistent with the requirements of this subsection.

1892 19. May require commercial property to meet specified
1893 hurricane mitigation construction features as a condition of
1894 eligibility for coverage.

1895 20. Must provide that new or renewal policies issued by the
1896 corporation on or after January 1, 2012, which cover sinkhole
1897 loss do not include coverage for any loss to appurtenant
1898 structures, driveways, sidewalks, decks, or patios that are
1899 directly or indirectly caused by sinkhole activity. The
1900 corporation shall exclude such coverage using a notice of
1901 coverage change, which may be included with the policy renewal,
1902 and not by issuance of a notice of nonrenewal of the excluded
1903 coverage upon renewal of the current policy.

1904 21. As of January 1, 2012, must require that the agent
1905 obtain from an applicant for coverage from the corporation an
1906 acknowledgment signed by the applicant, which includes, at a
1907 minimum, the following statement:

1908
1909 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
1910 AND ASSESSMENT LIABILITY:

1911
1912 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE



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1913 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
1914 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
1915 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
1916 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
1917 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
1918 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
1919 LEGISLATURE.

1920 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
1921 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
1922 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
1923 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
1924 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
1925 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
1926 ARE REGULATED AND APPROVED BY THE STATE.

1927 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
1928 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
1929 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
1930 FLORIDA LEGISLATURE.

1931 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
1932 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
1933 STATE OF FLORIDA.

1934
1935 a. The corporation shall maintain, in electronic format or
1936 otherwise, a copy of the applicant's signed acknowledgment and
1937 provide a copy of the statement to the policyholder as part of
1938 the first renewal after the effective date of this subparagraph.

1939 b. The signed acknowledgment form creates a conclusive
1940 presumption that the policyholder understood and accepted his or
1941 her potential surcharge and assessment liability as a



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1942 policyholder of the corporation.

1943 Section 37. This act shall take effect July 1, 2017.