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LEGISLATIVE ACTION

Senate	.	House
Comm: RS	.	
04/08/2021	.	
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Appropriations Subcommittee on Agriculture, Environment, and  
General Government (Brandes) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 370 - 977

and insert:

(c) The corporation's plan of operation:

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



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

15 b. Basic personal lines policy forms that are policies  
16 similar to an HO-8 policy or a dwelling fire policy that provide  
17 coverage meeting the requirements of the secondary mortgage  
18 market, but which is more limited than the coverage under a  
19 standard policy.

20 c. Commercial lines residential and nonresidential policy  
21 forms that are generally similar to the basic perils of full  
22 coverage obtainable for commercial residential structures and  
23 commercial nonresidential structures in the admitted voluntary  
24 market.

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

30 e. Commercial lines nonresidential property insurance forms  
31 that cover the peril of wind only. The forms are applicable only  
32 to nonresidential properties located in areas eligible for  
33 coverage under the coastal account referred to in sub-  
34 subparagraph (b)2.a.

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

38 g. Effective January 1, 2013, the corporation shall offer a  
39 basic personal lines policy similar to an HO-8 policy with



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40 dwelling repair based on common construction materials and  
41 methods.

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

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

49         (I) "Quota share primary insurance" means an arrangement in  
50 which the primary hurricane coverage of an eligible risk is  
51 provided in specified percentages by the corporation and an  
52 authorized insurer. The corporation and authorized insurer are  
53 each solely responsible for a specified percentage of hurricane  
54 coverage of an eligible risk as set forth in a quota share  
55 primary insurance agreement between the corporation and an  
56 authorized insurer and the insurance contract. The  
57 responsibility of the corporation or authorized insurer to pay  
58 its specified percentage of hurricane losses of an eligible  
59 risk, as set forth in the agreement, may not be altered by the  
60 inability of the other party to pay its specified percentage of  
61 losses. Eligible risks that are provided hurricane coverage  
62 through a quota share primary insurance arrangement must be  
63 provided policy forms that set forth the obligations of the  
64 corporation and authorized insurer under the arrangement,  
65 clearly specify the percentages of quota share primary insurance  
66 provided by the corporation and authorized insurer, and  
67 conspicuously and clearly state that the authorized insurer and  
68 the corporation may not be held responsible beyond their



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69 specified percentage of coverage of hurricane losses.

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

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

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

84 d. Any quota share primary insurance agreement entered into  
85 between an authorized insurer and the corporation must provide  
86 for a uniform specified percentage of coverage of hurricane  
87 losses, by county or territory as set forth by the corporation  
88 board, for all eligible risks of the authorized insurer covered  
89 under the agreement.

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

96 f. For all eligible risks covered under quota share primary  
97 insurance agreements, the exposure and coverage levels for both



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98 the corporation and authorized insurers shall be reported by the  
99 corporation to the Florida Hurricane Catastrophe Fund. For all  
100 policies of eligible risks covered under such agreements, the  
101 corporation and the authorized insurer must maintain complete  
102 and accurate records for the purpose of exposure and loss  
103 reimbursement audits as required by fund rules. The corporation  
104 and the authorized insurer shall each maintain duplicate copies  
105 of policy declaration pages and supporting claims documents.

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

112 h. The quota share primary insurance agreement between the  
113 corporation and an authorized insurer must set forth the  
114 specific terms under which coverage is provided, including, but  
115 not limited to, the sale and servicing of policies issued under  
116 the agreement by the insurance agent of the authorized insurer  
117 producing the business, the reporting of information concerning  
118 eligible risks, the payment of premium to the corporation, and  
119 arrangements for the adjustment and payment of hurricane claims  
120 incurred on eligible risks by the claims adjuster and personnel  
121 of the authorized insurer. Entering into a quota sharing  
122 insurance agreement between the corporation and an authorized  
123 insurer is voluntary and at the discretion of the authorized  
124 insurer.

125 3. May provide that the corporation may employ or otherwise  
126 contract with individuals or other entities to provide



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127 administrative or professional services that may be appropriate  
128 to effectuate the plan. The corporation may borrow funds by  
129 issuing bonds or by incurring other indebtedness, and shall have  
130 other powers reasonably necessary to effectuate the requirements  
131 of this subsection, including, without limitation, the power to  
132 issue bonds and incur other indebtedness in order to refinance  
133 outstanding bonds or other indebtedness. The corporation may  
134 seek judicial validation of its bonds or other indebtedness  
135 under chapter 75. The corporation may issue bonds or incur other  
136 indebtedness, or have bonds issued on its behalf by a unit of  
137 local government pursuant to subparagraph (q)2. in the absence  
138 of a hurricane or other weather-related event, upon a  
139 determination by the corporation, subject to approval by the  
140 office, that such action would enable it to efficiently meet the  
141 financial obligations of the corporation and that such  
142 financings are reasonably necessary to effectuate the  
143 requirements of this subsection. The corporation may take all  
144 actions needed to facilitate tax-free status for such bonds or  
145 indebtedness, including formation of trusts or other affiliated  
146 entities. The corporation may pledge assessments, projected  
147 recoveries from the Florida Hurricane Catastrophe Fund, other  
148 reinsurance recoverables, policyholder surcharges and other  
149 surcharges, and other funds available to the corporation as  
150 security for bonds or other indebtedness. In recognition of s.  
151 10, Art. I of the State Constitution, prohibiting the impairment  
152 of obligations of contracts, it is the intent of the Legislature  
153 that no action be taken whose purpose is to impair any bond  
154 indenture or financing agreement or any revenue source committed  
155 by contract to such bond or other indebtedness.



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

165           a. The Governor, the Chief Financial Officer, the President  
166 of the Senate, and the Speaker of the House of Representatives  
167 shall each appoint two members of the board. At least one of the  
168 two members appointed by each appointing officer must have  
169 demonstrated expertise in insurance and be deemed to be within  
170 the scope of the exemption provided in s. 112.313(7)(b). The  
171 Chief Financial Officer shall designate one of the appointees as  
172 chair. All board members serve at the pleasure of the appointing  
173 officer. All members of the board are subject to removal at will  
174 by the officers who appointed them. All board members, including  
175 the chair, must be appointed to serve for 3-year terms beginning  
176 annually on a date designated by the plan. However, for the  
177 first term beginning on or after July 1, 2009, each appointing  
178 officer shall appoint one member of the board for a 2-year term  
179 and one member for a 3-year term. A board vacancy shall be  
180 filled for the unexpired term by the appointing officer. The  
181 Chief Financial Officer shall appoint a technical advisory group  
182 to provide information and advice to the board in connection  
183 with the board's duties under this subsection. The executive  
184 director and senior managers of the corporation shall be engaged



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185 by the board and serve at the pleasure of the board. Any  
186 executive director appointed on or after July 1, 2006, is  
187 subject to confirmation by the Senate. The executive director is  
188 responsible for employing other staff as the corporation may  
189 require, subject to review and concurrence by the board.

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

195 (I) The members of the advisory committee consist of the  
196 following 11 persons, one of whom must be elected chair by the  
197 members of the committee: four representatives, one appointed by  
198 the Florida Association of Insurance Agents, one by the Florida  
199 Association of Insurance and Financial Advisors, one by the  
200 Professional Insurance Agents of Florida, and one by the Latin  
201 American Association of Insurance Agencies; three  
202 representatives appointed by the insurers with the three highest  
203 voluntary market share of residential property insurance  
204 business in this ~~the~~ state; one representative from the Office  
205 of Insurance Regulation; one consumer appointed by the board who  
206 is insured by the corporation at the time of appointment to the  
207 committee; one representative appointed by the Florida  
208 Association of Realtors; and one representative appointed by the  
209 Florida Bankers Association. All members shall be appointed to  
210 3-year terms and may serve for consecutive terms.

211 (II) The committee shall report to the corporation at each  
212 board meeting on insurance market issues that ~~which~~ may include  
213 rates and rate competition with the voluntary market; service,





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214 including policy issuance, claims processing, and general  
215 responsiveness to policyholders, applicants, and agents; and  
216 matters relating to depopulation.

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

219 a. Subject to s. 627.3517, with respect to personal lines  
220 residential risks, if the risk is offered coverage from an  
221 authorized insurer at the insurer's approved rate under a  
222 standard policy including wind coverage or, if consistent with  
223 the insurer's underwriting rules as filed with the office, a  
224 basic policy including wind coverage, for a new application to  
225 the corporation for coverage, the risk is not eligible for any  
226 policy issued by the corporation unless the premium for coverage  
227 from the authorized insurer is more than 15 percent greater than  
228 the premium for comparable coverage from the corporation.

229 Whenever an offer of coverage for a personal lines residential  
230 risk is received for a policyholder of the corporation ~~at~~  
231 ~~renewal~~ from an authorized insurer, ~~if the offer is equal to or~~  
232 ~~less than the corporation's renewal premium for comparable~~  
233 ~~coverage,~~ the risk is not eligible for coverage with the  
234 corporation unless the premium for comparable coverage from the  
235 authorized insurer is more than 15 percent greater than the  
236 premium under subparagraph (n)1. for personal residential  
237 properties that are not the insured's primary residence. If the  
238 risk is not able to obtain such offer, the risk is eligible for  
239 a standard policy including wind coverage or a basic policy  
240 including wind coverage issued by the corporation; however, if  
241 the risk could not be insured under a standard policy including  
242 wind coverage regardless of market conditions, the risk is



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243 eligible for a basic policy including wind coverage unless  
244 rejected under subparagraph 8. However, a policyholder removed  
245 from the corporation through an assumption agreement remains  
246 eligible for coverage from the corporation until the end of the  
247 assumption period. The corporation shall determine the type of  
248 policy to be provided on the basis of objective standards  
249 specified in the underwriting manual and based on generally  
250 accepted underwriting practices.

251 (I) If the risk accepts an offer of coverage through the  
252 market assistance plan or through a mechanism established by the  
253 corporation other than a plan established by s. 627.3518, before  
254 a policy is issued to the risk by the corporation or during the  
255 first 30 days of coverage by the corporation, and the producing  
256 agent who submitted the application to the plan or to the  
257 corporation is not currently appointed by the insurer, the  
258 insurer shall:

259 (A) Pay to the producing agent of record of the policy for  
260 the first year, an amount that is the greater of the insurer's  
261 usual and customary commission for the type of policy written or  
262 a fee equal to the usual and customary commission of the  
263 corporation; or

264 (B) Offer to allow the producing agent of record of the  
265 policy to continue servicing the policy for at least 1 year and  
266 offer to pay the agent the greater of the insurer's or the  
267 corporation's usual and customary commission for the type of  
268 policy written.

269  
270 If the producing agent is unwilling or unable to accept  
271 appointment, the new insurer shall pay the agent in accordance



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272 with sub-sub-sub-subparagraph (A).

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

277 (A) Pay to the producing agent of record, for the first  
278 year, an amount that is the greater of the insurer's usual and  
279 customary commission for the type of policy written or a fee  
280 equal to the usual and customary commission of the corporation;  
281 or

282 (B) Offer to allow the producing agent of record to  
283 continue servicing the policy for at least 1 year and offer to  
284 pay the agent the greater of the insurer's or the corporation's  
285 usual and customary commission for the type of policy written.  
286

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

290 b. With respect to commercial lines residential risks, for  
291 a new application to the corporation for coverage, if the risk  
292 is offered coverage under a policy including wind coverage from  
293 an authorized insurer at its approved rate, the risk is not  
294 eligible for a policy issued by the corporation unless the  
295 premium for coverage from the authorized insurer is more than 15  
296 percent greater than the premium for comparable coverage from  
297 the corporation. Whenever an offer of coverage for a commercial  
298 lines residential risk is received for a policyholder of the  
299 corporation at renewal from an authorized insurer, if the offer  
300 is equal to or less than the corporation's renewal premium for



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301 comparable coverage, the risk is not eligible for coverage with  
302 the corporation. If the risk is not able to obtain any such  
303 offer, the risk is eligible for a policy including wind coverage  
304 issued by the corporation. However, a policyholder removed from  
305 the corporation through an assumption agreement remains eligible  
306 for coverage from the corporation until the end of the  
307 assumption period.

308 (I) If the risk accepts an offer of coverage through the  
309 market assistance plan or through a mechanism established by the  
310 corporation other than a plan established by s. 627.3518, before  
311 a policy is issued to the risk by the corporation or during the  
312 first 30 days of coverage by the corporation, and the producing  
313 agent who submitted the application to the plan or the  
314 corporation is not currently appointed by the insurer, the  
315 insurer shall:

316 (A) Pay to the producing agent of record of the policy, for  
317 the first year, an amount that is the greater of the insurer's  
318 usual and customary commission for the type of policy written or  
319 a fee equal to the usual and customary commission of the  
320 corporation; or

321 (B) Offer to allow the producing agent of record of the  
322 policy to continue servicing the policy for at least 1 year and  
323 offer to pay the agent the greater of the insurer's or the  
324 corporation's usual and customary commission for the type of  
325 policy written.

326  
327 If the producing agent is unwilling or unable to accept  
328 appointment, the new insurer shall pay the agent in accordance  
329 with sub-sub-sub-subparagraph (A).



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

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

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

343  
344 If the producing agent is unwilling or unable to accept  
345 appointment, the new insurer shall pay the agent in accordance  
346 with sub-sub-sub-subparagraph (A).

347 c. For purposes of determining comparable coverage under  
348 sub-subparagraphs a. and b., the comparison must be based on  
349 those forms and coverages that are reasonably comparable. The  
350 corporation may rely on a determination of comparable coverage  
351 and premium made by the producing agent who submits the  
352 application to the corporation, made in the agent's capacity as  
353 the corporation's agent. A comparison may be made solely of the  
354 premium with respect to the main building or structure only on  
355 the following basis: the same coverage A or other building  
356 limits; the same percentage hurricane deductible that applies on  
357 an annual basis or that applies to each hurricane for commercial  
358 residential property; the same percentage of ordinance and law



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359 coverage, if the same limit is offered by both the corporation  
360 and the authorized insurer; the same mitigation credits, to the  
361 extent the same types of credits are offered both by the  
362 corporation and the authorized insurer; the same method for loss  
363 payment, such as replacement cost or actual cash value, if the  
364 same method is offered both by the corporation and the  
365 authorized insurer in accordance with underwriting rules; and  
366 any other form or coverage that is reasonably comparable as  
367 determined by the board. If an application is submitted to the  
368 corporation for wind-only coverage in the coastal account, the  
369 premium for the corporation's wind-only policy plus the premium  
370 for the ex-wind policy that is offered by an authorized insurer  
371 to the applicant must be compared to the premium for multiperil  
372 coverage offered by an authorized insurer, subject to the  
373 standards for comparison specified in this subparagraph. If the  
374 corporation or the applicant requests from the authorized  
375 insurer a breakdown of the premium of the offer by types of  
376 coverage so that a comparison may be made by the corporation or  
377 its agent and the authorized insurer refuses or is unable to  
378 provide such information, the corporation may treat the offer as  
379 not being an offer of coverage from an authorized insurer at the  
380 insurer's approved rate.

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

383       7. Must provide that if premium and investment income for  
384 an account attributable to a particular calendar year are in  
385 excess of projected losses and expenses for the account  
386 attributable to that year, such excess shall be held in surplus  
387 in the account. Such surplus must be available to defray



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388 deficits in that account as to future years and used for that  
389 purpose before assessing assessable insurers and assessable  
390 insureds as to any calendar year.

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

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

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

401  
402 The acceptance or rejection of a risk by the corporation shall  
403 be construed as the private placement of insurance, and ~~the~~  
404 ~~provisions of~~ chapter 120 does ~~de~~ not apply.

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

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

415 11. Corporation policies and applications must include a  
416 notice that the corporation policy could, under this section, be



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417 replaced with a policy issued by an authorized insurer which  
418 does not provide coverage identical to the coverage provided by  
419 the corporation. The notice must also specify that acceptance of  
420 corporation coverage creates a conclusive presumption that the  
421 applicant or policyholder is aware of this potential.

422 12. May establish, subject to approval by the office,  
423 different eligibility requirements and operational procedures  
424 for any line or type of coverage for any specified county or  
425 area if the board determines that such changes are justified due  
426 to the voluntary market being sufficiently stable and  
427 competitive in such area or for such line or type of coverage  
428 and that consumers who, in good faith, are unable to obtain  
429 insurance through the voluntary market through ordinary methods  
430 continue to have access to coverage from the corporation. If  
431 coverage is sought in connection with a real property transfer,  
432 the requirements and procedures may not provide an effective  
433 date of coverage later than the date of the closing of the  
434 transfer as established by the transferor, the transferee, and,  
435 if applicable, the lender.

436 13. Must provide that, with respect to the coastal account,  
437 any assessable insurer with a surplus as to policyholders of \$25  
438 million or less writing 25 percent or more of its total  
439 countrywide property insurance premiums in this state may  
440 petition the office, within the first 90 days of each calendar  
441 year, to qualify as a limited apportionment company. A regular  
442 assessment levied by the corporation on a limited apportionment  
443 company for a deficit incurred by the corporation for the  
444 coastal account may be paid to the corporation on a monthly  
445 basis as the assessments are collected by the limited





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446 apportionment company from its insureds, but a limited  
447 apportionment company must begin collecting the regular  
448 assessments not later than 90 days after the regular assessments  
449 are levied by the corporation, and the regular assessments must  
450 be paid in full within 15 months after being levied by the  
451 corporation. A limited apportionment company shall collect from  
452 its policyholders any emergency assessment imposed under sub-  
453 subparagraph (b)3.d. The plan must provide that, if the office  
454 determines that any regular assessment will result in an  
455 impairment of the surplus of a limited apportionment company,  
456 the office may direct that all or part of such assessment be  
457 deferred as provided in subparagraph (q)4. However, an emergency  
458 assessment to be collected from policyholders under sub-  
459 subparagraph (b)3.d. may not be limited or deferred.

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

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

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

474 17. Must provide coverage for manufactured or mobile home



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475 dwellings. Such coverage must also include the following  
476 attached structures:

477       a. Screened enclosures that are aluminum framed or screened  
478 enclosures that are not covered by the same or substantially the  
479 same materials as those of the primary dwelling;

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

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

486  
487 The corporation shall make available a policy for mobile homes  
488 or manufactured homes for a minimum insured value of at least  
489 \$3,000.

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

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

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



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504           21. As of January 1, 2012, must require that the agent  
505 obtain from an applicant for coverage from the corporation an  
506 acknowledgment signed by the applicant, which includes, at a  
507 minimum, the following statement:

508

509                           ACKNOWLEDGMENT OF POTENTIAL SURCHARGE  
510                           AND ASSESSMENT LIABILITY:

511

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

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

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

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



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533 STATE OF FLORIDA.

534

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

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

543 22. The corporation shall pay a producing agent of record a  
544 reasonable commission not to exceed the average of commissions  
545 paid in the preceding year by the 20 admitted insurers writing  
546 the greatest market share of property insurance in this state.

547 (n)1. Rates for coverage provided by the corporation must  
548 be actuarially sound and subject to s. 627.062, except as  
549 otherwise provided in this paragraph. The corporation shall file  
550 its recommended rates with the office at least annually. The  
551 corporation shall provide any additional information regarding  
552 the rates which the office requires. The office shall consider  
553 the recommendations of the board and issue a final order  
554 establishing the rates for the corporation within 45 days after  
555 the recommended rates are filed. The corporation may not pursue  
556 an administrative challenge or judicial review of the final  
557 order of the office.

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



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

572           4. The rate filings for the corporation which were approved  
573 by the office and took effect January 1, 2007, are rescinded,  
574 except for those rates that were lowered. As soon as possible,  
575 the corporation shall begin using the lower rates that were in  
576 effect on December 31, 2006, and provide refunds to  
577 policyholders who paid higher rates as a result of that rate  
578 filing. The rates in effect on December 31, 2006, remain in  
579 effect for the 2007 and 2008 calendar years except for any rate  
580 change that results in a lower rate. The next rate change that  
581 may increase rates shall take effect pursuant to a new rate  
582 filing recommended by the corporation and established by the  
583 office, subject to this paragraph.

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

588           6. Beginning on or after January 1, 2022 ~~January 1, 2010~~,  
589 and notwithstanding the board's recommended rates and the  
590 office's final order regarding the corporation's filed rates



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591 under subparagraph 1., the corporation shall annually implement  
592 a rate increase which, except for sinkhole coverage, does not  
593 exceed 10 percent for any single policy renewed ~~issued~~ by the  
594 corporation covering a personal residential property that is  
595 used as the primary residence of the insured which has a  
596 dwelling replacement cost less than \$700,000 or that is a single  
597 condominium unit that has a combined dwelling and contents  
598 replacement cost less than \$700,000, excluding coverage changes  
599 and surcharges, if the policy was initially issued by the  
600 corporation before January 1, 2022. For purposes of this  
601 section, the term "primary residence" means the dwelling that  
602 the insured has represented as their permanent home on the  
603 insurance application or otherwise to the corporation.

604  
605 ===== T I T L E A M E N D M E N T =====

606 And the title is amended as follows:

607 Delete lines 7 - 13

608 and insert:

609 certain circumstances; revising conditions for  
610 eligibility for coverage with the corporation to  
611 require a certain minimum premium; specifying a limit  
612 for agent commission rates; revising the application  
613 of annual rate increase limits to certain policies  
614 issued by the corporation; defining the term "primary  
615 residence";