



518482

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
01/12/2022	.	
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The Committee on Banking and Insurance (Brandes) recommended the following:

Senate Amendment (with title amendment)

Between lines 68 and 69
insert:

Section 2. Paragraph (n) of subsection (6) of section
627.351, Florida Statutes, is amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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



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11 otherwise provided in this paragraph. The corporation shall file
12 its recommended rates with the office at least annually. The
13 corporation shall provide any additional information regarding
14 the rates which the office requires. The office shall consider
15 the recommendations of the board and issue a final order
16 establishing the rates for the corporation within 45 days after
17 the recommended rates are filed. The corporation may not pursue
18 an administrative challenge or judicial review of the final
19 order of the office.

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

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

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

37 5. Notwithstanding the board's recommended rates and the
38 office's final order regarding the corporation's filed rates
39 under subparagraph 1., the corporation shall annually implement



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40 a rate increase which, except for sinkhole coverage, does not
41 exceed the following for any single policy issued by the
42 corporation, excluding coverage changes and surcharges:

- 43 a. Eleven percent for 2022.
- 44 b. Twelve percent for 2023.
- 45 c. Thirteen percent for 2024.
- 46 d. Fourteen percent for 2025.
- 47 e. Fifteen percent for 2026 and all subsequent years.
- 48 6. The corporation may also implement an increase to
49 reflect the effect on the corporation of the cash buildup factor
50 pursuant to s. 215.555(5)(b).

51 7. The corporation's implementation of rates as prescribed
52 in subparagraph 5. shall cease for any line of business written
53 by the corporation upon the corporation's implementation of
54 actuarially sound rates. Thereafter, the corporation shall
55 annually make a recommended actuarially sound rate filing for
56 each commercial and personal line of business the corporation
57 writes.

58 8. Rates for coverage provided by the corporation for
59 policies assumed from unsound insurers as defined in s.
60 215.555(2)(p) may not be discounted below the rates established
61 by the corporation for other policies pursuant to this paragraph
62 at the time of the transfer and may not be reduced below the
63 rate for the policy at the time the corporation assumed the
64 policy.

65
66 ===== T I T L E A M E N D M E N T =====

67 And the title is amended as follows:

68 Delete lines 2 - 8



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69 and insert:

70 An act relating to unsound insurers; amending s.
71 215.555, F.S.; defining the term "unsound insurer";
72 revising requirements for coverage under the Florida
73 Hurricane Catastrophe Fund of certain policies assumed
74 by authorized insurers or the Citizens Property
75 Insurance Corporation; providing construction;
76 amending s. 627.351, F.S.; prohibiting the corporation
77 from discounting or reducing rates for policies
78 assumed from unsound insurers; providing an effective
79 date.