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2 An act relating to property insurer reimbursements;  
3 amending s. 215.555, F.S.; defining the term "unsound  
4 insurer"; revising requirements for coverage under the  
5 Florida Hurricane Catastrophe Fund of certain policies  
6 assumed by authorized insurers or the Citizens  
7 Property Insurance Corporation; providing  
8 construction; amending s. 215.555, F.S.; revising the  
9 definition of the term "covered policy"; providing  
10 effective dates.

11  
12 Be It Enacted by the Legislature of the State of Florida:

13  
14 Section 1. Paragraph (e) of subsection (5) of section  
15 215.555, Florida Statutes, is amended, and paragraph (p) is  
16 added to subsection (2) of that section, to read:

17 215.555 Florida Hurricane Catastrophe Fund.—

18 (2) DEFINITIONS.—As used in this section:

19 (p) "Unsound insurer" means an insurer determined by the  
20 Office of Insurance Regulation to be in unsound condition as  
21 defined in s. 624.80(2) or an insurer placed in receivership  
22 under chapter 631.

23 (5) REIMBURSEMENT PREMIUMS.—

24 (e)1. If an authorized insurer or the Citizens Property  
25 Insurance Corporation assumes or otherwise provides coverage for  
26 policies of an unsound insurer ~~an insurer placed in liquidation~~  
27 ~~under chapter 631 pursuant to s. 627.351(6)~~, the authorized  
28 insurer or the Citizens Property Insurance Corporation may,  
29 pursuant to conditions mutually agreed to between the authorized

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30 insurer or the Citizens Property Insurance Corporation and the  
31 State Board of Administration, seek to obtain coverage for such  
32 policies under its contract with the fund or accept an  
33 assignment of the ~~unsound liquidated~~ insurer's contract with the  
34 fund. However, if a covered event has occurred before the  
35 effective date of the transfer of the policies, the authorized  
36 insurer or the Citizens Property Insurance Corporation may only  
37 obtain coverage for such policies through an assignment as  
38 provided in subparagraph 3.

39 2. If an authorized insurer or the Citizens Property  
40 Insurance Corporation assumes policies from an unsound insurer  
41 and elects to cover these policies under its ~~the corporation's~~  
42 contract with the fund, it shall notify the board of its insured  
43 values with respect to such policies within a specified time  
44 mutually agreed to between the authorized insurer or the  
45 Citizens Property Insurance Corporation and the board, after  
46 such assumption ~~or other coverage transaction~~, and the fund  
47 shall treat such policies as having been in effect as of June 30  
48 of that year.

49 3. If an authorized insurer or the Citizens Property  
50 Insurance Corporation accepts ~~In the event of~~ an assignment of  
51 an unsound insurer's contract, the fund shall apply the unsound  
52 insurer's ~~that~~ contract to such policies and treat the  
53 authorized insurer or the Citizens Property Insurance  
54 Corporation as if ~~it the corporation~~ were the unsound liquidated  
55 insurer for the remaining term of the contract, with ~~and the~~  
56 ~~corporation~~ shall have all rights and duties of the unsound  
57 liquidated insurer beginning on the date it provides coverage  
58 for such policies. This subparagraph may not be construed to

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59 limit the fund's right to receive the premium due under the  
60 unsound insurer's contract, ~~but the corporation is not subject~~  
61 ~~to any preexisting rights, liabilities, or duties of the~~  
62 ~~liquidated insurer. The assignment, including any unresolved~~  
63 ~~issues between the liquidated insurer and Citizens Property~~  
64 ~~Insurance Corporation under the contract, shall be provided for~~  
65 ~~in the liquidation order or otherwise determined by the court.~~  
66 ~~However, if a covered event occurs before the effective date of~~  
67 ~~the assignment, the corporation may not obtain coverage for such~~  
68 ~~policies under its contract with the fund and shall accept an~~  
69 ~~assignment of the liquidated insurer's contract as provided in~~  
70 ~~this paragraph.~~

71 Section 2. Effective June 1, 2023, paragraph (c) of  
72 subsection (2) of section 215.555, Florida Statutes, is amended  
73 to read:

74 215.555 Florida Hurricane Catastrophe Fund.—

75 (2) DEFINITIONS.—As used in this section:

76 (c) "Covered policy" means any insurance policy covering  
77 residential property in this state, including, but not limited  
78 to, any homeowner, mobile home owner, farm owner, condominium  
79 association, condominium unit owner, tenant, or apartment  
80 building policy, or any other policy covering a residential  
81 structure or its contents issued by any authorized insurer,  
82 including a commercial self-insurance fund holding a certificate  
83 of authority issued by the Office of Insurance Regulation under  
84 s. 624.462, the Citizens Property Insurance Corporation, and any  
85 joint underwriting association or similar entity created under  
86 law. The term "covered policy" includes any collateral  
87 protection insurance policy covering personal residences which

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88 protects both the borrower's and the lender's financial  
89 interests, in an amount at least equal to the coverage amount  
90 for the dwelling in place under the lapsed homeowner's policy,  
91 the coverage amount that the homeowner has been notified of by  
92 the collateral protection insurer, or the coverage amount that  
93 the homeowner requests from the collateral protection insurer,  
94 if such collateral protection insurance policy can be accurately  
95 reported as required in subsection (5). Additionally, covered  
96 policies include policies covering the peril of wind removed  
97 from the Florida Residential Property and Casualty Joint  
98 Underwriting Association or from the Citizens Property Insurance  
99 Corporation, created under s. 627.351(6), or from the Florida  
100 Windstorm Underwriting Association, created under s. 627.351(2),  
101 by an authorized insurer under the terms and conditions of an  
102 executed assumption agreement between the authorized insurer and  
103 such association or Citizens Property Insurance Corporation.  
104 Each assumption agreement between the association and such  
105 authorized insurer or Citizens Property Insurance Corporation  
106 must be approved by the Office of Insurance Regulation before  
107 the effective date of the assumption, and the Office of  
108 Insurance Regulation must provide written notification to the  
109 board within 15 working days after such approval. "Covered  
110 policy" does not include any policy that excludes wind coverage  
111 or hurricane coverage or any reinsurance agreement and does not  
112 include any policy otherwise meeting this definition which is  
113 issued by a surplus lines insurer or a reinsurer. All commercial  
114 residential excess policies and all deductible buy-back policies  
115 that, based on sound actuarial principles, require individual  
116 ratemaking shall be excluded by rule if the actuarial soundness

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117 of the fund is not jeopardized. For this purpose, the term  
118 "excess policy" means a policy that provides insurance  
119 protection for large commercial property risks and that provides  
120 a layer of coverage above a primary layer insured by another  
121 insurer.

122 Section 3. Except as otherwise expressly provided in this  
123 act, this act shall take effect July 1, 2022.