

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

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1 Committee/Subcommittee hearing bill: Commerce Committee  
2 Representative Gregory offered the following:

3  
4 **Amendment (with title amendment)**

5 Remove lines 490-1644 and insert:

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

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

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

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

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

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

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

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

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

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

43 4. Must require that the corporation operate subject to  
44 the supervision and approval of a board of governors consisting  
45 of nine individuals who are residents of this state and who are  
46 from different geographical areas of this ~~the~~ state, one of whom  
47 is appointed by the Governor and serves solely to advocate on  
48 behalf of the consumer. The appointment of a consumer  
49 representative by the Governor is deemed to be within the scope  
50 of the exemption provided in s. 112.313(7) (b) and is in addition  
51 to the appointments authorized under sub-subparagraph a. A  
52 registered lobbyist for executive or legislative branch may not  
53 be a member of the board.

54 a. The Governor, the Chief Financial Officer, the  
55 President of the Senate, and the Speaker of the House of  
56 Representatives shall each appoint two members of the board. At  
57 least one of the two members appointed by each appointing  
58 officer must have demonstrated expertise in insurance and be  
59 deemed to be within the scope of the exemption provided in s.  
60 112.313(7) (b) at the time of appointment or reappointment. The  
61 Chief Financial Officer shall designate one of the appointees as  
62 chair. All board members serve at the pleasure of the appointing  
63 officer. All members of the board are subject to removal at will  
64 by the officers who appointed them. All board members, including  
65 the chair, must be appointed to serve for 3-year terms beginning

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66 annually on a date designated by the plan. However, for the  
67 first term beginning on or after July 1, 2009, each appointing  
68 officer shall appoint one member of the board for a 2-year term  
69 and one member for a 3-year term. A board vacancy shall be  
70 filled for the unexpired term by the appointing officer. The  
71 Chief Financial Officer shall appoint a technical advisory group  
72 to provide information and advice to the board in connection  
73 with the board's duties under this subsection. The executive  
74 director and senior managers of the corporation shall be engaged  
75 by the board and serve at the pleasure of the board. Any  
76 executive director appointed on or after July 1, 2006, is  
77 subject to confirmation by the Senate. The executive director is  
78 responsible for employing other staff as the corporation may  
79 require, subject to review and concurrence by the board.

80 b. The board shall create a Market Accountability Advisory  
81 Committee to assist the corporation in developing awareness of  
82 its rates and its customer and agent service levels in  
83 relationship to the voluntary market insurers writing similar  
84 coverage.

85 (I) The members of the advisory committee consist of the  
86 following 11 persons, one of whom must be elected chair by the  
87 members of the committee: four representatives, one appointed by  
88 the Florida Association of Insurance Agents, one by the Florida  
89 Association of Insurance and Financial Advisors, one by the  
90 Professional Insurance Agents of Florida, and one by the Latin

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91 American Association of Insurance Agencies; three  
92 representatives appointed by the insurers with the three highest  
93 voluntary market share of residential property insurance  
94 business in this ~~the~~ state; one representative from the Office  
95 of Insurance Regulation; one consumer appointed by the board who  
96 is insured by the corporation at the time of appointment to the  
97 committee; one representative appointed by the Florida  
98 Association of Realtors; and one representative appointed by the  
99 Florida Bankers Association. All members shall be appointed to  
100 3-year terms and may serve for consecutive terms.

101 (II) The committee shall report to the corporation at each  
102 board meeting on insurance market issues that ~~which~~ may include  
103 rates and rate competition with the voluntary market; service,  
104 including policy issuance, claims processing, and general  
105 responsiveness to policyholders, applicants, and agents; and  
106 matters relating to depopulation.

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

109 a. Subject to s. 627.3517, with respect to personal lines  
110 residential risks, if the risk is offered coverage from an  
111 authorized insurer at the insurer's approved rate under a  
112 standard policy including wind coverage or, if consistent with  
113 the insurer's underwriting rules as filed with the office, a  
114 basic policy including wind coverage, for a new application to  
115 the corporation for coverage, the risk is not eligible for any

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116 policy issued by the corporation unless the premium for coverage  
117 from the authorized insurer is more than 20 percent greater than  
118 the premium for comparable coverage from the corporation.

119 (I) Whenever an offer of coverage for a personal lines  
120 residential risk is received for a policyholder of the  
121 corporation at renewal from an authorized insurer, ~~if the offer~~  
122 ~~is equal to or less than the corporation's renewal premium for~~  
123 ~~comparable coverage,~~ the risk is not eligible for coverage with  
124 the corporation unless the premium for coverage from the  
125 authorized insurer is more than the following percent greater  
126 than the renewal premium for comparable coverage from the  
127 corporation:

128 (A) Four percent for policies that renew during 2023.

129 (B) Eight percent for policies that renew during 2024.

130 (C) Twelve percent for policies that renew during 2025.

131 (D) Sixteen percent for policies that renew during 2026.

132 (E) Twenty percent for policies that renew during 2027 and  
133 during all subsequent years.

134  
135 If the risk is not able to obtain such offers ~~offer~~, the risk is  
136 eligible for a standard policy including wind coverage or a  
137 basic policy including wind coverage issued by the corporation;  
138 however, if the risk could not be insured under a standard  
139 policy including wind coverage regardless of market conditions,  
140 the risk is eligible for a basic policy including wind coverage

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141 unless rejected under subparagraph 8. ~~However, a policyholder~~  
142 ~~removed from the corporation through an assumption agreement~~  
143 ~~remains eligible for coverage from the corporation until the end~~  
144 ~~of the assumption period.~~ The corporation shall determine the  
145 type of policy to be provided on the basis of objective  
146 standards specified in the underwriting manual and based on  
147 generally accepted underwriting practices. A policyholder  
148 removed from the corporation through an assumption agreement  
149 does not remain eligible for coverage from the corporation  
150 beyond the end of the policy term. However, any policy removed  
151 from the corporation through an assumption agreement shall  
152 remain on the corporation's policy forms through the end of the  
153 policy term.

154 (II)~~(I)~~ If the risk accepts an offer of coverage through  
155 the market assistance plan or through a mechanism established by  
156 the corporation other than a plan established by s. 627.3518,  
157 before a policy is issued to the risk by the corporation or  
158 during the first 30 days of coverage by the corporation, and the  
159 producing agent who submitted the application to the plan or to  
160 the corporation is not currently appointed by the insurer, the  
161 insurer shall:

162 (A) Pay to the producing agent of record of the policy for  
163 the first year, an amount that is the greater of the insurer's  
164 usual and customary commission for the type of policy written or

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165 a fee equal to the usual and customary commission of the  
166 corporation; or

167 (B) Offer to allow the producing agent of record of the  
168 policy to continue servicing the policy for at least 1 year and  
169 offer to pay the agent the greater of the insurer's or the  
170 corporation's usual and customary commission for the type of  
171 policy written.

172

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

176 (III)~~(II)~~ If the corporation enters into a contractual  
177 agreement for a take-out plan, the producing agent of record of  
178 the corporation policy is entitled to retain any unearned  
179 commission on the policy, and the insurer shall:

180 (A) Pay to the producing agent of record, for the first  
181 year, an amount that is the greater of the insurer's usual and  
182 customary commission for the type of policy written or a fee  
183 equal to the usual and customary commission of the corporation;  
184 or

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

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

193 b. With respect to commercial lines residential risks, for  
194 a new application to the corporation for coverage, if the risk  
195 is offered coverage under a policy including wind coverage from  
196 an authorized insurer at its approved rate, the risk is not  
197 eligible for a policy issued by the corporation unless the  
198 premium for coverage from the authorized insurer is more than 20  
199 ~~15~~ percent greater than the premium for comparable coverage from  
200 the corporation.

201 (I) Whenever an offer of coverage for a commercial lines  
202 residential risk is received for a policyholder of the  
203 corporation at renewal from an authorized insurer, ~~if the offer~~  
204 ~~is equal to or less than the corporation's renewal premium for~~  
205 ~~comparable coverage,~~ the risk is not eligible for coverage with  
206 the corporation unless the premium for coverage from the  
207 authorized insurer is more than the following percent greater  
208 than the renewal premium for comparable coverage from the  
209 corporation:

210 (A) Four percent for policies that renew during 2023.

211 (B) Eight percent for policies that renew during 2024.

212 (C) Twelve percent for policies that renew during 2025.

213 (D) Sixteen percent for policies that renew during 2026.

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214 (E) Twenty percent for policies that renew during 2027 and  
215 during all subsequent years.

216  
217 If the risk is not able to obtain any such offers ~~offer~~, the  
218 risk is eligible for a policy including wind coverage issued by  
219 the corporation. ~~However,~~ A policyholder removed from the  
220 corporation through an assumption agreement does not remain  
221 ~~remains~~ eligible for coverage from the corporation beyond the  
222 end of the policy term ~~until the end of the assumption period.~~  
223 However, any policy removed from the corporation through an  
224 assumption agreement shall remain on the corporation's policy  
225 forms through the end of the policy term.

226 (II)-(I) If the risk accepts an offer of coverage through  
227 the market assistance plan or through a mechanism established by  
228 the corporation other than a plan established by s. 627.3518,  
229 before a policy is issued to the risk by the corporation or  
230 during the first 30 days of coverage by the corporation, and the  
231 producing agent who submitted the application to the plan or the  
232 corporation is not currently appointed by the insurer, the  
233 insurer shall:

234 (A) Pay to the producing agent of record of the policy,  
235 for the first year, an amount that is the greater of the  
236 insurer's usual and customary commission for the type of policy  
237 written or a fee equal to the usual and customary commission of  
238 the corporation; or

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239 (B) Offer to allow the producing agent of record of the  
240 policy to continue servicing the policy for at least 1 year and  
241 offer to pay the agent the greater of the insurer's or the  
242 corporation's usual and customary commission for the type of  
243 policy written.

244

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

248 c. For purposes of determining comparable coverage under  
249 sub-subparagraphs a. and b., the comparison must be based on  
250 those forms and coverages that are reasonably comparable. The  
251 corporation may rely on a determination of comparable coverage  
252 and premium made by the producing agent who submits the  
253 application to the corporation, made in the agent's capacity as  
254 the corporation's agent. A comparison may be made solely of the  
255 premium with respect to the main building or structure only on  
256 the following basis: the same coverage A or other building  
257 limits; the same percentage hurricane deductible that applies on  
258 an annual basis or that applies to each hurricane for commercial  
259 residential property; the same percentage of ordinance and law  
260 coverage, if the same limit is offered by both the corporation  
261 and the authorized insurer; the same mitigation credits, to the  
262 extent the same types of credits are offered both by the  
263 corporation and the authorized insurer; the same method for loss

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264 payment, such as replacement cost or actual cash value, if the  
265 same method is offered both by the corporation and the  
266 authorized insurer in accordance with underwriting rules; and  
267 any other form or coverage that is reasonably comparable as  
268 determined by the board. If an application is submitted to the  
269 corporation for wind-only coverage in the coastal account, the  
270 premium for the corporation's wind-only policy plus the premium  
271 for the ex-wind policy that is offered by an authorized insurer  
272 to the applicant must be compared to the premium for multiperil  
273 coverage offered by an authorized insurer, subject to the  
274 standards for comparison specified in this subparagraph. If the  
275 corporation or the applicant requests from the authorized  
276 insurer a breakdown of the premium of the offer by types of  
277 coverage so that a comparison may be made by the corporation or  
278 its agent and the authorized insurer refuses or is unable to  
279 provide such information, the corporation may treat the offer as  
280 not being an offer of coverage from an authorized insurer at the  
281 insurer's approved rate.

282 6. Must include rules for classifications of risks and  
283 rates.

284 7. Must provide that if premium and investment income for  
285 an account attributable to a particular calendar year are in  
286 excess of projected losses and expenses for the account  
287 attributable to that year, such excess shall be held in surplus  
288 in the account. Such surplus must be available to defray

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289 deficits in that account as to future years and used for that  
290 purpose before assessing assessable insurers and assessable  
291 insureds as to any calendar year.

292 8. Must provide objective criteria and procedures to be  
293 uniformly applied to all applicants in determining whether an  
294 individual risk is so hazardous as to be uninsurable. In making  
295 this determination and in establishing the criteria and  
296 procedures, the following must be considered:

297 a. Whether the likelihood of a loss for the individual  
298 risk is substantially higher than for other risks of the same  
299 class; and

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

302

303 The acceptance or rejection of a risk by the corporation must  
304 ~~shall~~ be construed as the private placement of insurance, and  
305 ~~the provisions of chapter 120 does de~~ not apply.

306 9. Must provide that the corporation make its best efforts  
307 to procure catastrophe reinsurance at reasonable rates, to cover  
308 its projected 100-year probable maximum loss as determined by  
309 the board of governors. ~~If catastrophe reinsurance is not~~  
310 ~~available at reasonable rates, the corporation need not purchase~~  
311 ~~it, but the corporation shall include the costs of reinsurance~~  
312 ~~to cover its projected 100-year probable maximum loss in its~~

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313 ~~rate calculations even if it does not purchase catastrophe~~  
314 ~~reinsurance.~~

315 10. ~~The policies issued by the corporation~~ Must provide  
316 that if the corporation or the market assistance plan obtains an  
317 offer from an authorized insurer to cover the risk at its  
318 approved rates, the risk is no longer eligible for renewal  
319 through the corporation, except as otherwise provided in this  
320 subsection.

321 11. ~~Corporation policies and applications~~ Must include a  
322 notice that the corporation policy could, under this section, be  
323 replaced with a policy issued by an authorized insurer which  
324 does not provide coverage identical to the coverage provided by  
325 the corporation. The notice must also specify that acceptance of  
326 corporation coverage creates a conclusive presumption that the  
327 applicant or policyholder is aware of this potential.

328 12. May establish, subject to approval by the office,  
329 different eligibility requirements and operational procedures  
330 for any line or type of coverage for any specified county or  
331 area if the board determines that such changes are justified due  
332 to the voluntary market being sufficiently stable and  
333 competitive in such area or for such line or type of coverage  
334 and that consumers who, in good faith, are unable to obtain  
335 insurance through the voluntary market through ordinary methods  
336 continue to have access to coverage from the corporation. If  
337 coverage is sought in connection with a real property transfer,

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338 the requirements and procedures may not provide an effective  
339 date of coverage later than the date of the closing of the  
340 transfer as established by the transferor, the transferee, and,  
341 if applicable, the lender.

342 13. Must provide that, with respect to the coastal  
343 account, any assessable insurer with a surplus as to  
344 policyholders of \$25 million or less writing 25 percent or more  
345 of its total countrywide property insurance premiums in this  
346 state may petition the office, within the first 90 days of each  
347 calendar year, to qualify as a limited apportionment company. A  
348 regular assessment levied by the corporation on a limited  
349 apportionment company for a deficit incurred by the corporation  
350 for the coastal account may be paid to the corporation on a  
351 monthly basis as the assessments are collected by the limited  
352 apportionment company from its insureds, but a limited  
353 apportionment company must begin collecting the regular  
354 assessments not later than 90 days after the regular assessments  
355 are levied by the corporation, and the regular assessments must  
356 be paid in full within 15 months after being levied by the  
357 corporation. A limited apportionment company shall collect from  
358 its policyholders any emergency assessment imposed under sub-  
359 subparagraph (b)3.d. The plan must provide that, if the office  
360 determines that any regular assessment will result in an  
361 impairment of the surplus of a limited apportionment company,  
362 the office may direct that all or part of such assessment be

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363 deferred as provided in subparagraph (q) 4. However, an emergency  
364 assessment to be collected from policyholders under sub-  
365 subparagraph (b)3.d. may not be limited or deferred.

366 14. Must provide that the corporation appoint as its  
367 licensed agents only those agents who throughout such  
368 appointments also hold an appointment as defined in s. 626.015  
369 by an insurer who is authorized to write and is actually writing  
370 or renewing personal lines residential property coverage,  
371 commercial residential property coverage, or commercial  
372 nonresidential property coverage within this ~~the~~ state.

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

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

380 17. Must provide coverage for manufactured or mobile home  
381 dwellings. Such coverage must also include the following  
382 attached structures:

383 a. Screened enclosures that are aluminum framed or  
384 screened enclosures that are not covered by the same or  
385 substantially the same materials as those of the primary  
386 dwelling;



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387           b. Carports that are aluminum or carports that are not  
388 covered by the same or substantially the same materials as those  
389 of the primary dwelling; and

390           c. Patios that have a roof covering that is constructed of  
391 materials that are not the same or substantially the same  
392 materials as those of the primary dwelling.

393

394 The corporation shall make available a policy for mobile homes  
395 or manufactured homes for a minimum insured value of at least  
396 \$3,000.

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

399           19. May require commercial property to meet specified  
400 hurricane mitigation construction features as a condition of  
401 eligibility for coverage.

402           20. Must provide that new or renewal policies issued by  
403 the corporation on or after January 1, 2012, which cover  
404 sinkhole loss do not include coverage for any loss to  
405 appurtenant structures, driveways, sidewalks, decks, or patios  
406 that are directly or indirectly caused by sinkhole activity. The  
407 corporation shall exclude such coverage using a notice of  
408 coverage change, which may be included with the policy renewal,  
409 and not by issuance of a notice of nonrenewal of the excluded  
410 coverage upon renewal of the current policy.

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411 21. As of January 1, 2012, must require that the agent  
412 obtain from an applicant for coverage from the corporation an  
413 acknowledgment signed by the applicant, which includes, at a  
414 minimum, the following statement:

415 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE

416 AND ASSESSMENT LIABILITY:

417 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
418 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
419 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
420 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
421 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE  
422 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT  
423 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
424 LEGISLATURE.

425 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER  
426 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,  
427 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO  
428 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN  
429 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE  
430 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES  
431 ARE REGULATED AND APPROVED BY THE STATE.

432 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
433 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
434 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
435 FLORIDA LEGISLATURE.

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436 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE  
437 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
438 STATE OF FLORIDA.

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

443 b. The signed acknowledgment form creates a conclusive  
444 presumption that the policyholder understood and accepted his or  
445 her potential surcharge and assessment liability as a  
446 policyholder of the corporation.

447 (d)1. All prospective employees for senior management  
448 positions, as defined by the plan of operation, are subject to  
449 background checks as a prerequisite for employment. The office  
450 shall conduct the background checks pursuant to ss. 624.34,  
451 624.404(3), and 628.261.

452 2. On or before July 1 of each year, employees of the  
453 corporation must sign and submit a statement attesting that they  
454 do not have a conflict of interest, as defined in part III of  
455 chapter 112. As a condition of employment, all prospective  
456 employees must sign and submit to the corporation a conflict-of-  
457 interest statement.

458 3. The executive director, senior managers, and members of  
459 the board of governors are subject to part III of chapter 112,  
460 including, but not limited to, the code of ethics and public

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1307 (2022)

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461 disclosure and reporting of financial interests, pursuant to s.  
462 112.3145. For purposes of applying part III of chapter 112 to  
463 activities of the executive director, senior managers, and  
464 members of the board of governors, those persons shall be  
465 considered public officers or employees and the corporation  
466 shall be considered their agency. Notwithstanding s.  
467 112.3143(2), a board member may not vote on any measure that  
468 would inure to his or her special private gain or loss; that he  
469 or she knows would inure to the special private gain or loss of  
470 any principal by whom he or she is retained or to the parent  
471 organization or subsidiary of a corporate principal by which he  
472 or she is retained, other than an agency as defined in s.  
473 112.312; or that he or she knows would inure to the special  
474 private gain or loss of a relative or business associate of the  
475 public officer. Before the vote is taken, such member shall  
476 publicly state to the assembly the nature of his or her interest  
477 in the matter from which he or she is abstaining from voting  
478 and, within 15 days after the vote occurs, disclose the nature  
479 of his or her interest as a public record in a memorandum filed  
480 with the person responsible for recording the minutes of the  
481 meeting, who shall incorporate the memorandum in the minutes.  
482 Senior managers and board members are also required to file such  
483 disclosures with the Commission on Ethics and the Office of  
484 Insurance Regulation. The executive director of the corporation  
485 or his or her designee shall notify each existing and newly

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486 appointed member of the board of governors and senior managers  
487 of their duty to comply with the reporting requirements of part  
488 III of chapter 112. At least quarterly, the executive director  
489 or his or her designee shall submit to the Commission on Ethics  
490 a list of names of the senior managers and members of the board  
491 of governors who are subject to the public disclosure  
492 requirements under s. 112.3145.

493 4. Notwithstanding s. 112.3148, s. 112.3149, or any other  
494 provision of law, an employee or board member may not knowingly  
495 accept, directly or indirectly, any gift or expenditure from a  
496 person or entity, or an employee or representative of such  
497 person or entity, which has a contractual relationship with the  
498 corporation or who is under consideration for a contract. An  
499 employee or board member who fails to comply with subparagraph  
500 3. or this subparagraph is subject to penalties provided under  
501 ss. 112.317 and 112.3173.

502 5. Any senior manager of the corporation who is employed  
503 on or after January 1, 2007, regardless of the date of hire, who  
504 subsequently retires or terminates employment is prohibited from  
505 representing another person or entity before the corporation for  
506 2 years after retirement or termination of employment from the  
507 corporation.

508 6. The executive director, members of the board of  
509 governors, and senior managers of the corporation are prohibited  
510 from having any employment or contractual relationship for 2

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511 years after retirement from or termination of service to the  
512 corporation with an insurer that has entered into a take-out  
513 bonus agreement with the corporation.

514 7. At the time of appointment, the executive director must  
515 have the experience, character, and qualifications sufficient to  
516 qualify as a chief executive officer of an insurer in accordance  
517 with s. 624.404(3).

518 (n)1. Rates for coverage provided by the corporation must  
519 be actuarially sound and subject to s. 627.062, except as  
520 otherwise provided in this paragraph. The corporation shall file  
521 its recommended rates with the office at least annually. The  
522 corporation shall provide any additional information regarding  
523 the rates which the office requires. The office shall consider  
524 the recommendations of the board and issue a final order  
525 establishing the rates for the corporation within 45 days after  
526 the recommended rates are filed. The corporation may not pursue  
527 an administrative challenge or judicial review of the final  
528 order of the office.

529 2. In addition to the rates otherwise determined pursuant  
530 to this paragraph, the corporation shall impose and collect an  
531 amount equal to the premium tax provided in s. 624.509 to  
532 augment the financial resources of the corporation.

533 3. If ~~After~~ the public hurricane loss-projection model  
534 under s. 627.06281 is ~~has been~~ found to be accurate and reliable  
535 by the Florida Commission on Hurricane Loss Projection

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536 Methodology, it must ~~the model shall~~ be considered when  
537 establishing the windstorm portion of the corporation's rates.  
538 The corporation may use the public model results in combination  
539 with the results of private models to calculate rates for the  
540 windstorm portion of the corporation's rates. This subparagraph  
541 does not require or allow the corporation to adopt rates lower  
542 than the rates otherwise required or allowed by this paragraph.

543 4. The corporation must make a recommended actuarially  
544 sound rate filing for each personal and commercial line of  
545 business it writes.

546 5. Notwithstanding the board's recommended rates and the  
547 office's final order regarding the corporation's filed rates  
548 under subparagraph 1., the corporation shall annually implement  
549 a rate increase that ~~which~~, except for sinkhole coverage, does  
550 not exceed the following for any single policy issued by the  
551 corporation, excluding coverage changes and surcharges:

- 552 a. Eleven percent for 2022.
- 553 b. Twelve percent for 2023.
- 554 c. Thirteen percent for 2024.
- 555 d. Fourteen percent for 2025.
- 556 e. Fifteen percent for 2026 and all subsequent years.

557 6. The corporation may also implement an increase to  
558 reflect the effect on the corporation of the cash buildup factor  
559 pursuant to s. 215.555(5) (b).

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560           7. The corporation's implementation of rates as prescribed  
561 in subparagraph 5. must ~~shall~~ cease for any line of business  
562 written by the corporation upon the corporation's implementation  
563 of actuarially sound rates. Thereafter, the corporation shall  
564 annually make a recommended actuarially sound rate filing for  
565 each commercial and personal line of business the corporation  
566 writes.

567           (x)1. The following records of the corporation are  
568 confidential and exempt from ~~the provisions of~~ s. 119.07(1) and  
569 s. 24(a), Art. I of the State Constitution:

570           a. Underwriting files, except that a policyholder or an  
571 applicant shall have access to his or her own underwriting  
572 files. Confidential and exempt underwriting file records may  
573 also be released to other governmental agencies upon written  
574 request and demonstration of need; such records held by the  
575 receiving agency remain confidential and exempt as provided  
576 herein.

577           b. Claims files, until termination of all litigation and  
578 settlement of all claims arising out of the same incident,  
579 although portions of the claims files may remain exempt, as  
580 otherwise provided by law. Confidential and exempt claims file  
581 records may be released to other governmental agencies upon  
582 written request and demonstration of need; such records held by  
583 the receiving agency remain confidential and exempt as provided  
584 herein.

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585 c. Records obtained or generated by an internal auditor  
586 pursuant to a routine audit, until the audit is completed, or if  
587 the audit is conducted as part of an investigation, until the  
588 investigation is closed or ceases to be active. An investigation  
589 is considered "active" while the investigation is being  
590 conducted with a reasonable, good faith belief that it could  
591 lead to the filing of administrative, civil, or criminal  
592 proceedings.

593 d. Matters reasonably encompassed in privileged attorney-  
594 client communications.

595 e. Proprietary information licensed to the corporation  
596 under contract and the contract provides for the confidentiality  
597 of such proprietary information.

598 f. All information relating to the medical condition or  
599 medical status of a corporation employee which is not relevant  
600 to the employee's capacity to perform his or her duties, except  
601 as otherwise provided in this paragraph. Information that is  
602 exempt includes ~~shall include~~, but is not limited to,  
603 information relating to workers' compensation, insurance  
604 benefits, and retirement or disability benefits.

605 g. Upon an employee's entrance into the employee  
606 assistance program, a program to assist any employee who has a  
607 behavioral or medical disorder, substance abuse problem, or  
608 emotional difficulty that affects the employee's job  
609 performance, all records relative to that participation are

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610 ~~shall be confidential and exempt from the provisions of s.~~  
611 119.07(1) and s. 24(a), Art. I of the State Constitution, except  
612 as otherwise provided in s. 112.0455(11).

613 h. Information relating to negotiations for financing,  
614 reinsurance, depopulation, or contractual services, until the  
615 conclusion of the negotiations.

616 i. Minutes of closed meetings regarding underwriting  
617 files, and minutes of closed meetings regarding an open claims  
618 file until termination of all litigation and settlement of all  
619 claims with regard to that claim, except that information  
620 otherwise confidential or exempt by law must ~~shall~~ be redacted.

621 2. If an authorized insurer is considering underwriting a  
622 risk insured by the corporation, relevant underwriting files and  
623 confidential claims files may be released to the insurer  
624 provided the insurer agrees in writing, notarized and under  
625 oath, to maintain the confidentiality of such files. If a policy  
626 file is transferred to an insurer, that policy file is no longer  
627 a public record because it is not held by an agency subject to  
628 ~~the provisions of~~ the public records law. Underwriting files and  
629 confidential claims files may also be released to staff and the  
630 board of governors of the market assistance plan established  
631 pursuant to s. 627.3515, who must retain the confidentiality of  
632 such files, except such files may be released to authorized  
633 insurers that are considering assuming the risks to which the  
634 files apply, provided the insurer agrees in writing, notarized

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635 and under oath, to maintain the confidentiality of such files.  
636 Finally, the corporation or the board or staff of the market  
637 assistance plan may make the following information obtained from  
638 underwriting files and confidential claims files available to an  
639 entity that has obtained a permit to become an authorized  
640 insurer, a reinsurer that may provide reinsurance under s.  
641 624.610, a licensed reinsurance broker, a licensed rating  
642 organization, a modeling company, or a licensed general lines  
643 insurance agent: name, address, and telephone number of the  
644 residential property owner or insured; location of the risk;  
645 rating information; loss history; and policy type. The receiving  
646 person must retain the confidentiality of the information  
647 received and may use the information only for the purposes of  
648 developing a take-out plan or a rating plan to be submitted to  
649 the office for approval or otherwise analyzing the underwriting  
650 of a risk or risks insured by the corporation on behalf of the  
651 private insurance market. A licensed general lines insurance  
652 agent may not use such information for the direct solicitation  
653 of policyholders.

654 3. A policyholder who has filed suit against the  
655 corporation has the right to discover the contents of his or her  
656 own claims file to the same extent that discovery of such  
657 contents would be available from a private insurer in litigation  
658 as provided by the Florida Rules of Civil Procedure, the Florida  
659 Evidence Code, and other applicable law. Pursuant to subpoena, a

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660 third party has the right to discover the contents of an  
661 insured's or applicant's underwriting or claims file to the same  
662 extent that discovery of such contents would be available from a  
663 private insurer by subpoena as provided by the Florida Rules of  
664 Civil Procedure, the Florida Evidence Code, and other applicable  
665 law, and subject to any confidentiality protections requested by  
666 the corporation and agreed to by the seeking party or ordered by  
667 the court. The corporation may release confidential underwriting  
668 and claims file contents and information as it deems necessary  
669 and appropriate to underwrite or service insurance policies and  
670 claims, subject to any confidentiality protections deemed  
671 necessary and appropriate by the corporation.

672 4. Portions of meetings of the corporation are exempt from  
673 ~~the provisions of~~ s. 286.011 and s. 24(b), Art. I of the State  
674 Constitution wherein confidential underwriting files or  
675 confidential open claims files are discussed. All portions of  
676 corporation meetings which are closed to the public shall be  
677 recorded by a court reporter. The court reporter shall record  
678 the times of commencement and termination of the meeting, all  
679 discussion and proceedings, the names of all persons present at  
680 any time, and the names of all persons speaking. No portion of  
681 any closed meeting shall be off the record. Subject to the  
682 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's  
683 notes of any closed meeting shall be retained by the corporation  
684 for a minimum of 5 years. A copy of the transcript, less any

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685 exempt matters, of any closed meeting wherein claims are  
686 discussed shall become public as to individual claims after  
687 settlement of the claim.

688 (ii) The corporation shall revise the programs adopted  
689 pursuant to sub-subparagraph (q)3.a. for personal lines  
690 residential policies to maximize policyholder options and  
691 encourage increased participation by insurers and agents. After  
692 January 1, 2017, a policy may not be taken out of the  
693 corporation unless the provisions of this paragraph are met.

694 1. The corporation must publish a periodic schedule of  
695 cycles during which an insurer may identify, and notify the  
696 corporation of, policies that the insurer is requesting to take  
697 out. A request must include a description of the coverage  
698 offered and an estimated premium and must be submitted to the  
699 corporation in a form and manner prescribed by the corporation.

700 2. The corporation must maintain and make available to the  
701 agent of record a consolidated list of all insurers requesting  
702 to take out a policy. The list must include a description of the  
703 coverage offered and the estimated premium for each take-out  
704 request.

705 3. If a policyholder receives a take-out offer from an  
706 authorized insurer, the risk is no longer eligible for coverage  
707 with the corporation unless the premium for coverage from the  
708 authorized insurer is more than the following percent greater

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- 709 than the renewal premium for comparable coverage from the  
710 corporation:
- 711 a. Four percent for policies effective on or after January  
712 1, 2023.
  - 713 b. Eight percent for policies effective on or after  
714 January 1, 2024.
  - 715 c. Twelve percent for policies effective on or after  
716 January 1, 2025.
  - 717 d. Sixteen percent for policies effective on or after  
718 January 1, 2026.
  - 719 e. Twenty percent for policies effective on or after  
720 January 1, 2027 and in all subsequent years.

721 -----  
722  
723  
724 **T I T L E A M E N D M E N T**

725 Remove lines 8-38 and insert:

726 dwelling replacement costs; specifying that a registered  
727 lobbyist may not be a member of the corporation's board of  
728 governors; specifying qualification requirements for certain  
729 members of the corporation's board of governors at the time of  
730 appointment and reappointment; revising thresholds for  
731 determining eligibility of a risk for coverage by the  
732 corporation; providing that policyholders removed from the  
733 corporation through an assumption agreement do not remain

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734 eligible for coverage from the corporation but may remain on the  
735 corporation's policy forms for a specified time for a specified  
736 purpose; eliminating costs of reinsurance in rates under certain  
737 circumstances; making technical changes; specifying the  
738 qualifications for an appointee as the executive director of the  
739 corporation; revising circumstances under which