

By Senator Brandes

24-00069B-22

2022186\_\_

1                                   A bill to be entitled  
2       An act relating to Citizens Property Insurance  
3       Corporation; amending s. 627.021, F.S.; revising  
4       applicability; amending s. 627.351, F.S.; revising the  
5       method for determining the amounts of potential  
6       surcharges to be levied against policyholders under  
7       certain circumstances; defining the term "primary  
8       residence"; revising conditions for eligibility for  
9       coverage with the corporation to require a certain  
10      minimum premium; specifying a limit for agent  
11      commission rates; providing that eligible surplus  
12      lines insurers may participate, in the same manner and  
13      on the same terms as an authorized insurer, in  
14      depopulation, take-out, or keep-out programs relating  
15      to policies removed from Citizens Property Insurance  
16      Corporation; providing certain exceptions, conditions,  
17      and requirements relating to such participation by a  
18      surplus lines insurer in the corporation's  
19      depopulation, take-out, or keep-out programs;  
20      providing thresholds for eligibility for coverage by  
21      the corporation for risks that are offered coverage  
22      from qualified surplus lines insurers; authorizing  
23      information from underwriting files and confidential  
24      claims files to be released under certain  
25      circumstances by the corporation to specified entities  
26      that consider writing or underwriting risks insured by  
27      the corporation; specifying that only the  
28      corporation's transfer of a policy file to an insurer,  
29      as opposed to the transfer of any file, changes the

24-00069B-22

2022186\_\_

30 file's public record status; making technical changes;  
31 amending s. 627.3517, F.S.; making technical changes;  
32 amending s. 627.3518, F.S., and reenacting paragraphs  
33 (6) (a) and (7) (a) of that section, relating to the  
34 Citizens Property Insurance Corporation policyholder  
35 eligibility clearinghouse program, to incorporate the  
36 amendments made to s. 627.351, F.S., in references  
37 thereto; conforming provisions to changes made by the  
38 act; providing an effective date.

39  
40 Be It Enacted by the Legislature of the State of Florida:

41  
42 Section 1. Subsection (2) of section 627.021, Florida  
43 Statutes, is amended to read:

44 627.021 Scope of this part.—

45 (2) This part does not apply to:

46 (a) Reinsurance, except joint reinsurance as provided in s.  
47 627.311.

48 (b) Insurance against loss of or damage to aircraft, their  
49 hulls, accessories, or equipment, or against liability, other  
50 than workers' compensation and employer's liability, arising out  
51 of the ownership, maintenance, or use of aircraft.

52 (c) Insurance of vessels or craft, their cargoes, marine  
53 builders' risks, marine protection and indemnity, or other risks  
54 commonly insured under marine insurance policies.

55 (d) Commercial inland marine insurance.

56 (e) Except as may be specifically stated to apply, surplus  
57 lines insurance placed under ~~the provisions of~~ ss. 626.913-  
58 626.937.

24-00069B-22

2022186\_\_

59 Section 2. Paragraphs (b), (c), (n), (q), and (x) of  
60 subsection (6) of section 627.351, Florida Statutes, are amended  
61 to read:

62 627.351 Insurance risk apportionment plans.—

63 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

64 (b)1. All insurers authorized to write one or more subject  
65 lines of business in this state are subject to assessment by the  
66 corporation and, for the purposes of this subsection, are  
67 referred to collectively as "assessable insurers." Insurers  
68 writing one or more subject lines of business in this state  
69 pursuant to part VIII of chapter 626 are not assessable  
70 insurers; however, insureds who procure one or more subject  
71 lines of business in this state pursuant to part VIII of chapter  
72 626 are subject to assessment by the corporation and are  
73 referred to collectively as "assessable insureds." An insurer's  
74 assessment liability begins on the first day of the calendar  
75 year following the year in which the insurer was issued a  
76 certificate of authority to transact insurance for subject lines  
77 of business in this state and terminates 1 year after the end of  
78 the first calendar year during which the insurer no longer holds  
79 a certificate of authority to transact insurance for subject  
80 lines of business in this state.

81 2.a. All revenues, assets, liabilities, losses, and  
82 expenses of the corporation shall be divided into three separate  
83 accounts as follows:

84 (I) A personal lines account for personal residential  
85 policies issued by the corporation which provides comprehensive,  
86 multiperil coverage on risks that are not located in areas  
87 eligible for coverage by the Florida Windstorm Underwriting

24-00069B-22

2022186\_\_

88 Association as those areas were defined on January 1, 2002, and  
89 for policies that do not provide coverage for the peril of wind  
90 on risks that are located in such areas;

91 (II) A commercial lines account for commercial residential  
92 and commercial nonresidential policies issued by the corporation  
93 which provides coverage for basic property perils on risks that  
94 are not located in areas eligible for coverage by the Florida  
95 Windstorm Underwriting Association as those areas were defined  
96 on January 1, 2002, and for policies that do not provide  
97 coverage for the peril of wind on risks that are located in such  
98 areas; and

99 (III) A coastal account for personal residential policies  
100 and commercial residential and commercial nonresidential  
101 property policies issued by the corporation which provides  
102 coverage for the peril of wind on risks that are located in  
103 areas eligible for coverage by the Florida Windstorm  
104 Underwriting Association as those areas were defined on January  
105 1, 2002. The corporation may offer policies that provide  
106 multiperil coverage and shall offer policies that provide  
107 coverage only for the peril of wind for risks located in areas  
108 eligible for coverage in the coastal account. Effective July 1,  
109 2014, the corporation shall cease offering new commercial  
110 residential policies providing multiperil coverage and shall  
111 instead continue to offer commercial residential wind-only  
112 policies, and may offer commercial residential policies  
113 excluding wind. The corporation may, however, continue to renew  
114 a commercial residential multiperil policy on a building that is  
115 insured by the corporation on June 30, 2014, under a multiperil  
116 policy. In issuing multiperil coverage, the corporation may use

24-00069B-22

2022186\_\_

117 its approved policy forms and rates for the personal lines  
118 account. An applicant or insured who is eligible to purchase a  
119 multiperil policy from the corporation may purchase a multiperil  
120 policy from an authorized insurer without prejudice to the  
121 applicant's or insured's eligibility to prospectively purchase a  
122 policy that provides coverage only for the peril of wind from  
123 the corporation. An applicant or insured who is eligible for a  
124 corporation policy that provides coverage only for the peril of  
125 wind may elect to purchase or retain such policy and also  
126 purchase or retain coverage excluding wind from an authorized  
127 insurer without prejudice to the applicant's or insured's  
128 eligibility to prospectively purchase a policy that provides  
129 multiperil coverage from the corporation. It is the goal of the  
130 Legislature that there be an overall average savings of 10  
131 percent or more for a policyholder who currently has a wind-only  
132 policy with the corporation, and an ex-wind policy with a  
133 voluntary insurer or the corporation, and who obtains a  
134 multiperil policy from the corporation. It is the intent of the  
135 Legislature that the offer of multiperil coverage in the coastal  
136 account be made and implemented in a manner that does not  
137 adversely affect the tax-exempt status of the corporation or  
138 creditworthiness of or security for currently outstanding  
139 financing obligations or credit facilities of the coastal  
140 account, the personal lines account, or the commercial lines  
141 account. The coastal account must also include quota share  
142 primary insurance under subparagraph (c)2. The area eligible for  
143 coverage under the coastal account also includes the area within  
144 Port Canaveral, which is bordered on the south by the City of  
145 Cape Canaveral, bordered on the west by the Banana River, and

24-00069B-22

2022186\_\_

146 bordered on the north by Federal Government property.

147       b. The three separate accounts must be maintained as long  
148 as financing obligations entered into by the Florida Windstorm  
149 Underwriting Association or Residential Property and Casualty  
150 Joint Underwriting Association are outstanding, in accordance  
151 with the terms of the corresponding financing documents. If the  
152 financing obligations are no longer outstanding, the corporation  
153 may use a single account for all revenues, assets, liabilities,  
154 losses, and expenses of the corporation. Consistent with this  
155 subparagraph and prudent investment policies that minimize the  
156 cost of carrying debt, the board shall exercise its best efforts  
157 to retire existing debt or obtain the approval of necessary  
158 parties to amend the terms of existing debt, so as to structure  
159 the most efficient plan for consolidating the three separate  
160 accounts into a single account.

161       c. Creditors of the Residential Property and Casualty Joint  
162 Underwriting Association and the accounts specified in sub-sub-  
163 subparagraphs a.(I) and (II) may have a claim against, and  
164 recourse to, those accounts and no claim against, or recourse  
165 to, the account referred to in sub-sub-subparagraph a.(III).  
166 Creditors of the Florida Windstorm Underwriting Association have  
167 a claim against, and recourse to, the account referred to in  
168 sub-sub-subparagraph a.(III) and no claim against, or recourse  
169 to, the accounts referred to in sub-sub-subparagraphs a.(I) and  
170 (II).

171       d. Revenues, assets, liabilities, losses, and expenses not  
172 attributable to particular accounts shall be prorated among the  
173 accounts.

174       e. The Legislature finds that the revenues of the

24-00069B-22

2022186\_\_

175 corporation are revenues that are necessary to meet the  
176 requirements set forth in documents authorizing the issuance of  
177 bonds under this subsection.

178 f. The income of the corporation may not inure to the  
179 benefit of any private person.

180 3. With respect to a deficit in an account:

181 a. After accounting for the Citizens policyholder surcharge  
182 imposed under sub-subparagraph i., if the remaining projected  
183 deficit incurred in the coastal account in a particular calendar  
184 year:

185 (I) Is not greater than 2 percent of the aggregate  
186 statewide direct written premium for the subject lines of  
187 business for the prior calendar year, the entire deficit shall  
188 be recovered through regular assessments of assessable insurers  
189 under paragraph (q) and assessable insureds.

190 (II) Exceeds 2 percent of the aggregate statewide direct  
191 written premium for the subject lines of business for the prior  
192 calendar year, the corporation shall levy regular assessments on  
193 assessable insurers under paragraph (q) and on assessable  
194 insureds in an amount equal to the greater of 2 percent of the  
195 projected deficit or 2 percent of the aggregate statewide direct  
196 written premium for the subject lines of business for the prior  
197 calendar year. Any remaining projected deficit shall be  
198 recovered through emergency assessments under sub-subparagraph  
199 d.

200 b. Each assessable insurer's share of the amount being  
201 assessed under sub-subparagraph a. must be in the proportion  
202 that the assessable insurer's direct written premium for the  
203 subject lines of business for the year preceding the assessment

24-00069B-22

2022186\_\_

204 bears to the aggregate statewide direct written premium for the  
205 subject lines of business for that year. The assessment  
206 percentage applicable to each assessable insured is the ratio of  
207 the amount being assessed under sub-subparagraph a. to the  
208 aggregate statewide direct written premium for the subject lines  
209 of business for the prior year. Assessments levied by the  
210 corporation on assessable insurers under sub-subparagraph a.  
211 must be paid as required by the corporation's plan of operation  
212 and paragraph (q). Assessments levied by the corporation on  
213 assessable insureds under sub-subparagraph a. shall be collected  
214 by the surplus lines agent at the time the surplus lines agent  
215 collects the surplus lines tax required by s. 626.932, and paid  
216 to the Florida Surplus Lines Service Office at the time the  
217 surplus lines agent pays the surplus lines tax to that office.  
218 Upon receipt of regular assessments from surplus lines agents,  
219 the Florida Surplus Lines Service Office shall transfer the  
220 assessments directly to the corporation as determined by the  
221 corporation.

222 c. After accounting for the Citizens policyholder surcharge  
223 imposed under sub-subparagraph i., the remaining projected  
224 deficits in the personal lines account and in the commercial  
225 lines account in a particular calendar year shall be recovered  
226 through emergency assessments under sub-subparagraph d.

227 d. Upon a determination by the board of governors that a  
228 projected deficit in an account exceeds the amount that is  
229 expected to be recovered through regular assessments under sub-  
230 subparagraph a., plus the amount that is expected to be  
231 recovered through surcharges under sub-subparagraph i., the  
232 board, after verification by the office, shall levy emergency



24-00069B-22

2022186\_\_

233 assessments for as many years as necessary to cover the  
234 deficits, to be collected by assessable insurers and the  
235 corporation and collected from assessable insureds upon issuance  
236 or renewal of policies for subject lines of business, excluding  
237 National Flood Insurance policies. The amount collected in a  
238 particular year must be a uniform percentage of that year's  
239 direct written premium for subject lines of business and all  
240 accounts of the corporation, excluding National Flood Insurance  
241 Program policy premiums, as annually determined by the board and  
242 verified by the office. The office shall verify the arithmetic  
243 calculations involved in the board's determination within 30  
244 days after receipt of the information on which the determination  
245 was based. The office shall notify assessable insurers and the  
246 Florida Surplus Lines Service Office of the date on which  
247 assessable insurers shall begin to collect and assessable  
248 insureds shall begin to pay such assessment. The date must be at  
249 least 90 days after the date the corporation levies emergency  
250 assessments pursuant to this sub-subparagraph. Notwithstanding  
251 any other provision of law, the corporation and each assessable  
252 insurer that writes subject lines of business shall collect  
253 emergency assessments from its policyholders without such  
254 obligation being affected by any credit, limitation, exemption,  
255 or deferment. Emergency assessments levied by the corporation on  
256 assessable insureds shall be collected by the surplus lines  
257 agent at the time the surplus lines agent collects the surplus  
258 lines tax required by s. 626.932 and paid to the Florida Surplus  
259 Lines Service Office at the time the surplus lines agent pays  
260 the surplus lines tax to that office. The emergency assessments  
261 collected shall be transferred directly to the corporation on a

24-00069B-22

2022186\_\_

262 periodic basis as determined by the corporation and held by the  
263 corporation solely in the applicable account. The aggregate  
264 amount of emergency assessments levied for an account in any  
265 calendar year may be less than but may not exceed the greater of  
266 10 percent of the amount needed to cover the deficit, plus  
267 interest, fees, commissions, required reserves, and other costs  
268 associated with financing the original deficit, or 10 percent of  
269 the aggregate statewide direct written premium for subject lines  
270 of business and all accounts of the corporation for the prior  
271 year, plus interest, fees, commissions, required reserves, and  
272 other costs associated with financing the deficit.

273 e. The corporation may pledge the proceeds of assessments,  
274 projected recoveries from the Florida Hurricane Catastrophe  
275 Fund, other insurance and reinsurance recoverables, policyholder  
276 surcharges and other surcharges, and other funds available to  
277 the corporation as the source of revenue for and to secure bonds  
278 issued under paragraph (q), bonds or other indebtedness issued  
279 under subparagraph (c)3., or lines of credit or other financing  
280 mechanisms issued or created under this subsection, or to retire  
281 any other debt incurred as a result of deficits or events giving  
282 rise to deficits, or in any other way that the board determines  
283 will efficiently recover such deficits. The purpose of the lines  
284 of credit or other financing mechanisms is to provide additional  
285 resources to assist the corporation in covering claims and  
286 expenses attributable to a catastrophe. As used in this  
287 subsection, the term "assessments" includes regular assessments  
288 under sub-subparagraph a. or subparagraph (q)1. and emergency  
289 assessments under sub-subparagraph d. Emergency assessments  
290 collected under sub-subparagraph d. are not part of an insurer's

24-00069B-22

2022186\_\_

291 rates, are not premium, and are not subject to premium tax,  
292 fees, or commissions; however, failure to pay the emergency  
293 assessment shall be treated as failure to pay premium. The  
294 emergency assessments shall continue as long as any bonds issued  
295 or other indebtedness incurred with respect to a deficit for  
296 which the assessment was imposed remain outstanding, unless  
297 adequate provision has been made for the payment of such bonds  
298 or other indebtedness pursuant to the documents governing such  
299 bonds or indebtedness.

300 f. As used in this subsection for purposes of any deficit  
301 incurred on or after January 25, 2007, the term "subject lines  
302 of business" means insurance written by assessable insurers or  
303 procured by assessable insureds for all property and casualty  
304 lines of business in this state, but not including workers'  
305 compensation or medical malpractice. As used in this sub-  
306 subparagraph, the term "property and casualty lines of business"  
307 includes all lines of business identified on Form 2, Exhibit of  
308 Premiums and Losses, in the annual statement required of  
309 authorized insurers under s. 624.424 and any rule adopted under  
310 this section, except for those lines identified as accident and  
311 health insurance and except for policies written under the  
312 National Flood Insurance Program or the Federal Crop Insurance  
313 Program. For purposes of this sub-subparagraph, the term  
314 "workers' compensation" includes both workers' compensation  
315 insurance and excess workers' compensation insurance.

316 g. The Florida Surplus Lines Service Office shall determine  
317 annually the aggregate statewide written premium in subject  
318 lines of business procured by assessable insureds and report  
319 that information to the corporation in a form and at a time the

24-00069B-22

2022186\_\_

320 corporation specifies to ensure that the corporation can meet  
321 the requirements of this subsection and the corporation's  
322 financing obligations.

323 h. The Florida Surplus Lines Service Office shall verify  
324 the proper application by surplus lines agents of assessment  
325 percentages for regular assessments and emergency assessments  
326 levied under this subparagraph on assessable insureds and assist  
327 the corporation in ensuring the accurate, timely collection and  
328 payment of assessments by surplus lines agents as required by  
329 the corporation.

330 i. Upon determination by the board of governors that an  
331 account has a projected deficit, the board shall levy a Citizens  
332 policyholder surcharge against all policyholders of the  
333 corporation.

334 (I) The surcharge must ~~shall~~ be levied as a uniform  
335 percentage of the premium for the policy ~~of up to 15 percent of~~  
336 ~~such premium, and must~~ which funds shall be used to offset the  
337 deficit, as follows:

338 (A) If the total number of policyholders of the corporation  
339 is less than 1 million, a surcharge of 15 percent of the  
340 premium.

341 (B) If the total number of policyholders of the corporation  
342 is at least 1 million but less than 1.5 million, a surcharge of  
343 20 percent of the premium.

344 (C) If the total number of policyholders of the corporation  
345 is at least 1.5 million, a surcharge of 25 percent of the  
346 premium.

347 (II) The surcharge is payable upon cancellation or  
348 termination of the policy, upon renewal of the policy, or upon

24-00069B-22

2022186\_\_

349 issuance of a new policy by the corporation within the first 12  
350 months after the date of the levy or the period of time  
351 necessary to fully collect the surcharge amount.

352 (III) The corporation may not levy any regular assessments  
353 under paragraph (q) pursuant to sub-subparagraph a. or sub-  
354 subparagraph b. with respect to a particular year's deficit  
355 until the corporation has first levied the full amount of the  
356 surcharge authorized by this sub-subparagraph.

357 (IV) The surcharge is not considered premium and is not  
358 subject to commissions, fees, or premium taxes. However, failure  
359 to pay the surcharge shall be treated as failure to pay premium.

360 j. If the amount of any assessments or surcharges collected  
361 from corporation policyholders, assessable insurers or their  
362 policyholders, or assessable insureds exceeds the amount of the  
363 deficits, such excess amounts shall be remitted to and retained  
364 by the corporation in a reserve to be used by the corporation,  
365 as determined by the board of governors and approved by the  
366 office, to pay claims or reduce any past, present, or future  
367 plan-year deficits or to reduce outstanding debt.

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

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

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

24-00069B-22

2022186\_\_

378           b. Basic personal lines policy forms that are policies  
379 similar to an HO-8 policy or a dwelling fire policy that provide  
380 coverage meeting the requirements of the secondary mortgage  
381 market, but which is more limited than the coverage under a  
382 standard policy.

383           c. Commercial lines residential and nonresidential policy  
384 forms that are generally similar to the basic perils of full  
385 coverage obtainable for commercial residential structures and  
386 commercial nonresidential structures in the admitted voluntary  
387 market.

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

393           e. Commercial lines nonresidential property insurance forms  
394 that cover the peril of wind only. The forms are applicable only  
395 to nonresidential properties located in areas eligible for  
396 coverage under the coastal account referred to in sub-  
397 subparagraph (b)2.a.

398           f. The corporation may adopt variations of the policy forms  
399 listed in sub-subparagraphs a.-e. which contain more restrictive  
400 coverage.

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

405           2. Must provide that the corporation adopt a program in  
406 which the corporation and authorized insurers enter into quota

24-00069B-22

2022186\_\_

407 share primary insurance agreements for hurricane coverage, as  
408 defined in s. 627.4025(2) (a), for eligible risks, and adopt  
409 property insurance forms for eligible risks which cover the  
410 peril of wind only.

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

412 (II) "Primary residence" means the dwelling that the  
413 insured has represented as their permanent home on the insurance  
414 application or otherwise to the corporation.

415 (III) ~~(I)~~ "Quota share primary insurance" means an  
416 arrangement in which the primary hurricane coverage of an  
417 eligible risk is provided in specified percentages by the  
418 corporation and an authorized insurer. The corporation and  
419 authorized insurer are each solely responsible for a specified  
420 percentage of hurricane coverage of an eligible risk as set  
421 forth in a quota share primary insurance agreement between the  
422 corporation and an authorized insurer and the insurance  
423 contract. The responsibility of the corporation or authorized  
424 insurer to pay its specified percentage of hurricane losses of  
425 an eligible risk, as set forth in the agreement, may not be  
426 altered by the inability of the other party to pay its specified  
427 percentage of losses. Eligible risks that are provided hurricane  
428 coverage through a quota share primary insurance arrangement  
429 must be provided policy forms that set forth the obligations of  
430 the corporation and authorized insurer under the arrangement,  
431 clearly specify the percentages of quota share primary insurance  
432 provided by the corporation and authorized insurer, and  
433 conspicuously and clearly state that the authorized insurer and  
434 the corporation may not be held responsible beyond their  
435 specified percentage of coverage of hurricane losses.

24-00069B-22

2022186\_\_

436        (I)~~(II)~~ "Eligible risks" means personal lines residential  
437 and commercial lines residential risks that meet the  
438 underwriting criteria of the corporation and are located in  
439 areas that were eligible for coverage by the Florida Windstorm  
440 Underwriting Association on January 1, 2002.

441        b. The corporation may enter into quota share primary  
442 insurance agreements with authorized insurers at corporation  
443 coverage levels of 90 percent and 50 percent.

444        c. If the corporation determines that additional coverage  
445 levels are necessary to maximize participation in quota share  
446 primary insurance agreements by authorized insurers, the  
447 corporation may establish additional coverage levels. However,  
448 the corporation's quota share primary insurance coverage level  
449 may not exceed 90 percent.

450        d. Any quota share primary insurance agreement entered into  
451 between an authorized insurer and the corporation must provide  
452 for a uniform specified percentage of coverage of hurricane  
453 losses, by county or territory as set forth by the corporation  
454 board, for all eligible risks of the authorized insurer covered  
455 under the agreement.

456        e. Any quota share primary insurance agreement entered into  
457 between an authorized insurer and the corporation is subject to  
458 review and approval by the office. However, such agreement shall  
459 be authorized only as to insurance contracts entered into  
460 between an authorized insurer and an insured who is already  
461 insured by the corporation for wind coverage.

462        f. For all eligible risks covered under quota share primary  
463 insurance agreements, the exposure and coverage levels for both  
464 the corporation and authorized insurers shall be reported by the



24-00069B-22

2022186\_\_

465 corporation to the Florida Hurricane Catastrophe Fund. For all  
466 policies of eligible risks covered under such agreements, the  
467 corporation and the authorized insurer must maintain complete  
468 and accurate records for the purpose of exposure and loss  
469 reimbursement audits as required by fund rules. The corporation  
470 and the authorized insurer shall each maintain duplicate copies  
471 of policy declaration pages and supporting claims documents.

472 g. The corporation board shall establish in its plan of  
473 operation standards for quota share agreements which ensure that  
474 there is no discriminatory application among insurers as to the  
475 terms of the agreements, pricing of the agreements, incentive  
476 provisions if any, and consideration paid for servicing policies  
477 or adjusting claims.

478 h. The quota share primary insurance agreement between the  
479 corporation and an authorized insurer must set forth the  
480 specific terms under which coverage is provided, including, but  
481 not limited to, the sale and servicing of policies issued under  
482 the agreement by the insurance agent of the authorized insurer  
483 producing the business, the reporting of information concerning  
484 eligible risks, the payment of premium to the corporation, and  
485 arrangements for the adjustment and payment of hurricane claims  
486 incurred on eligible risks by the claims adjuster and personnel  
487 of the authorized insurer. Entering into a quota sharing  
488 insurance agreement between the corporation and an authorized  
489 insurer is voluntary and at the discretion of the authorized  
490 insurer.

491 3. May provide that the corporation may employ or otherwise  
492 contract with individuals or other entities to provide  
493 administrative or professional services that may be appropriate

24-00069B-22

2022186\_\_

494 to effectuate the plan. The corporation may borrow funds by  
495 issuing bonds or by incurring other indebtedness, and shall have  
496 other powers reasonably necessary to effectuate the requirements  
497 of this subsection, including, without limitation, the power to  
498 issue bonds and incur other indebtedness in order to refinance  
499 outstanding bonds or other indebtedness. The corporation may  
500 seek judicial validation of its bonds or other indebtedness  
501 under chapter 75. The corporation may issue bonds or incur other  
502 indebtedness, or have bonds issued on its behalf by a unit of  
503 local government pursuant to subparagraph (q)2. in the absence  
504 of a hurricane or other weather-related event, upon a  
505 determination by the corporation, subject to approval by the  
506 office, that such action would enable it to efficiently meet the  
507 financial obligations of the corporation and that such  
508 financings are reasonably necessary to effectuate the  
509 requirements of this subsection. The corporation may take all  
510 actions needed to facilitate tax-free status for such bonds or  
511 indebtedness, including formation of trusts or other affiliated  
512 entities. The corporation may pledge assessments, projected  
513 recoveries from the Florida Hurricane Catastrophe Fund, other  
514 reinsurance recoverables, policyholder surcharges and other  
515 surcharges, and other funds available to the corporation as  
516 security for bonds or other indebtedness. In recognition of s.  
517 10, Art. I of the State Constitution, prohibiting the impairment  
518 of obligations of contracts, it is the intent of the Legislature  
519 that no action be taken whose purpose is to impair any bond  
520 indenture or financing agreement or any revenue source committed  
521 by contract to such bond or other indebtedness.

522 4. Must require that the corporation operate subject to the

24-00069B-22

2022186\_\_

523 supervision and approval of a board of governors consisting of  
524 nine individuals who are residents of this state and who are  
525 from different geographical areas of this ~~the~~ state, one of whom  
526 is appointed by the Governor and serves solely to advocate on  
527 behalf of the consumer. The appointment of a consumer  
528 representative by the Governor is deemed to be within the scope  
529 of the exemption provided in s. 112.313(7)(b) and is in addition  
530 to the appointments authorized under sub-subparagraph a.

531 a. The Governor, the Chief Financial Officer, the President  
532 of the Senate, and the Speaker of the House of Representatives  
533 shall each appoint two members of the board. At least one of the  
534 two members appointed by each appointing officer must have  
535 demonstrated expertise in insurance and be deemed to be within  
536 the scope of the exemption provided in s. 112.313(7)(b). The  
537 Chief Financial Officer shall designate one of the appointees as  
538 chair. All board members serve at the pleasure of the appointing  
539 officer. All members of the board are subject to removal at will  
540 by the officers who appointed them. All board members, including  
541 the chair, must be appointed to serve for 3-year terms beginning  
542 annually on a date designated by the plan. However, for the  
543 first term beginning on or after July 1, 2009, each appointing  
544 officer shall appoint one member of the board for a 2-year term  
545 and one member for a 3-year term. A board vacancy shall be  
546 filled for the unexpired term by the appointing officer. The  
547 Chief Financial Officer shall appoint a technical advisory group  
548 to provide information and advice to the board in connection  
549 with the board's duties under this subsection. The executive  
550 director and senior managers of the corporation shall be engaged  
551 by the board and serve at the pleasure of the board. Any

24-00069B-22

2022186\_\_

552 executive director appointed on or after July 1, 2006, is  
553 subject to confirmation by the Senate. The executive director is  
554 responsible for employing other staff as the corporation may  
555 require, subject to review and concurrence by the board.

556 b. The board shall create a Market Accountability Advisory  
557 Committee to assist the corporation in developing awareness of  
558 its rates and its customer and agent service levels in  
559 relationship to the voluntary market insurers writing similar  
560 coverage.

561 (I) The members of the advisory committee consist of the  
562 following 11 persons, one of whom must be elected chair by the  
563 members of the committee: four representatives, one appointed by  
564 the Florida Association of Insurance Agents, one by the Florida  
565 Association of Insurance and Financial Advisors, one by the  
566 Professional Insurance Agents of Florida, and one by the Latin  
567 American Association of Insurance Agencies; three  
568 representatives appointed by the insurers with the three highest  
569 voluntary market share of residential property insurance  
570 business in this ~~the~~ state; one representative from the Office  
571 of Insurance Regulation; one consumer appointed by the board who  
572 is insured by the corporation at the time of appointment to the  
573 committee; one representative appointed by the Florida  
574 Association of Realtors; and one representative appointed by the  
575 Florida Bankers Association. All members shall be appointed to  
576 3-year terms and may serve for consecutive terms.

577 (II) The committee shall report to the corporation at each  
578 board meeting on insurance market issues that ~~which~~ may include  
579 rates and rate competition with the voluntary market; service,  
580 including policy issuance, claims processing, and general

24-00069B-22

2022186\_\_

581 responsiveness to policyholders, applicants, and agents; and  
582 matters relating to depopulation.

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

585 a. Subject to s. 627.3517, with respect to personal lines  
586 residential risks, if the risk is offered coverage from an  
587 authorized insurer at the insurer's approved rate under a  
588 standard policy including wind coverage or, if consistent with  
589 the insurer's underwriting rules as filed with the office, a  
590 basic policy including wind coverage, for a new application to  
591 the corporation for coverage, the risk is not eligible for any  
592 policy issued by the corporation unless the premium for coverage  
593 from the authorized insurer is more than 20 percent greater than  
594 the premium for comparable coverage from the corporation.

595 Whenever an offer of coverage for a personal lines residential  
596 risk is received for a policyholder of the corporation ~~at~~  
597 ~~renewal~~ from an authorized insurer, ~~if the offer is equal to or~~  
598 ~~less than the corporation's renewal premium for comparable~~  
599 ~~coverage,~~ the risk is not eligible for coverage with the  
600 corporation unless the premium for comparable coverage from the  
601 authorized insurer is more than 20 percent greater than the  
602 premium under subparagraph (n)1. for personal residential  
603 properties that are not the insured's primary residence. If the  
604 risk is not able to obtain such offer, the risk is eligible for  
605 a standard policy including wind coverage or a basic policy  
606 including wind coverage issued by the corporation; however, if  
607 the risk could not be insured under a standard policy including  
608 wind coverage regardless of market conditions, the risk is  
609 eligible for a basic policy including wind coverage unless

24-00069B-22

2022186\_\_

610 rejected under subparagraph 8. However, a policyholder removed  
611 from the corporation through an assumption agreement remains  
612 eligible for coverage from the corporation until the end of the  
613 assumption period. The corporation shall determine the type of  
614 policy to be provided on the basis of objective standards  
615 specified in the underwriting manual and based on generally  
616 accepted underwriting practices.

617 (I) If the risk accepts an offer of coverage through the  
618 market assistance plan or through a mechanism established by the  
619 corporation other than a plan established by s. 627.3518, before  
620 a policy is issued to the risk by the corporation or during the  
621 first 30 days of coverage by the corporation, and the producing  
622 agent who submitted the application to the plan or to the  
623 corporation is not currently appointed by the insurer, the  
624 insurer shall:

625 (A) Pay to the producing agent of record of the policy for  
626 the first year, an amount that is the greater of the insurer's  
627 usual and customary commission for the type of policy written or  
628 a fee equal to the usual and customary commission of the  
629 corporation; or

630 (B) Offer to allow the producing agent of record of the  
631 policy to continue servicing the policy for at least 1 year and  
632 offer to pay the agent the greater of the insurer's or the  
633 corporation's usual and customary commission for the type of  
634 policy written.

635  
636 If the producing agent is unwilling or unable to accept  
637 appointment, the new insurer shall pay the agent in accordance  
638 with sub-sub-sub-subparagraph (A).

24-00069B-22

2022186\_\_

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

643 (A) Pay to the producing agent of record, for the first  
644 year, an amount that is the greater of the insurer's usual and  
645 customary commission for the type of policy written or a fee  
646 equal to the usual and customary commission of the corporation;  
647 or

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

652  
653 If the producing agent is unwilling or unable to accept  
654 appointment, the new insurer shall pay the agent in accordance  
655 with sub-sub-sub-subparagraph (A).

656 b. With respect to commercial lines residential risks, for  
657 a new application to the corporation for coverage, if the risk  
658 is offered coverage under a policy including wind coverage from  
659 an authorized insurer at its approved rate, the risk is not  
660 eligible for a policy issued by the corporation unless the  
661 premium for coverage from the authorized insurer is more than 15  
662 percent greater than the premium for comparable coverage from  
663 the corporation. Whenever an offer of coverage for a commercial  
664 lines residential risk is received for a policyholder of the  
665 corporation at renewal from an authorized insurer, if the offer  
666 is equal to or less than the corporation's renewal premium for  
667 comparable coverage, the risk is not eligible for coverage with

24-00069B-22

2022186\_\_

668 the corporation. If the risk is not able to obtain any such  
669 offer, the risk is eligible for a policy including wind coverage  
670 issued by the corporation. However, a policyholder removed from  
671 the corporation through an assumption agreement remains eligible  
672 for coverage from the corporation until the end of the  
673 assumption period.

674 (I) If the risk accepts an offer of coverage through the  
675 market assistance plan or through a mechanism established by the  
676 corporation other than a plan established by s. 627.3518, before  
677 a policy is issued to the risk by the corporation or during the  
678 first 30 days of coverage by the corporation, and the producing  
679 agent who submitted the application to the plan or the  
680 corporation is not currently appointed by the insurer, the  
681 insurer shall:

682 (A) Pay to the producing agent of record of the policy, for  
683 the first year, an amount that is the greater of the insurer's  
684 usual and customary commission for the type of policy written or  
685 a fee equal to the usual and customary commission of the  
686 corporation; or

687 (B) Offer to allow the producing agent of record of the  
688 policy to continue servicing the policy for at least 1 year and  
689 offer to pay the agent the greater of the insurer's or the  
690 corporation's usual and customary commission for the type of  
691 policy written.

692  
693 If the producing agent is unwilling or unable to accept  
694 appointment, the new insurer shall pay the agent in accordance  
695 with sub-sub-sub-subparagraph (A).

696 (II) If the corporation enters into a contractual agreement



24-00069B-22

2022186\_\_

697 for a take-out plan, the producing agent of record of the  
698 corporation policy is entitled to retain any unearned commission  
699 on the policy, and the insurer shall:

700 (A) Pay to the producing agent of record, for the first  
701 year, an amount that is the greater of the insurer's usual and  
702 customary commission for the type of policy written or a fee  
703 equal to the usual and customary commission of the corporation;  
704 or

705 (B) Offer to allow the producing agent of record to  
706 continue servicing the policy for at least 1 year and offer to  
707 pay the agent the greater of the insurer's or the corporation's  
708 usual and customary commission for the type of policy written.  
709

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

713 c. For purposes of determining comparable coverage under  
714 sub-subparagraphs a. and b., the comparison must be based on  
715 those forms and coverages that are reasonably comparable. The  
716 corporation may rely on a determination of comparable coverage  
717 and premium made by the producing agent who submits the  
718 application to the corporation, made in the agent's capacity as  
719 the corporation's agent. A comparison may be made solely of the  
720 premium with respect to the main building or structure only on  
721 the following basis: the same coverage A or other building  
722 limits; the same percentage hurricane deductible that applies on  
723 an annual basis or that applies to each hurricane for commercial  
724 residential property; the same percentage of ordinance and law  
725 coverage, if the same limit is offered by both the corporation

24-00069B-22

2022186\_\_

726 and the authorized insurer; the same mitigation credits, to the  
727 extent the same types of credits are offered both by the  
728 corporation and the authorized insurer; the same method for loss  
729 payment, such as replacement cost or actual cash value, if the  
730 same method is offered both by the corporation and the  
731 authorized insurer in accordance with underwriting rules; and  
732 any other form or coverage that is reasonably comparable as  
733 determined by the board. If an application is submitted to the  
734 corporation for wind-only coverage in the coastal account, the  
735 premium for the corporation's wind-only policy plus the premium  
736 for the ex-wind policy that is offered by an authorized insurer  
737 to the applicant must be compared to the premium for multiperil  
738 coverage offered by an authorized insurer, subject to the  
739 standards for comparison specified in this subparagraph. If the  
740 corporation or the applicant requests from the authorized  
741 insurer a breakdown of the premium of the offer by types of  
742 coverage so that a comparison may be made by the corporation or  
743 its agent and the authorized insurer refuses or is unable to  
744 provide such information, the corporation may treat the offer as  
745 not being an offer of coverage from an authorized insurer at the  
746 insurer's approved rate.

747 6. Must include rules for classifications of risks and  
748 rates.

749 7. Must provide that if premium and investment income for  
750 an account attributable to a particular calendar year are in  
751 excess of projected losses and expenses for the account  
752 attributable to that year, such excess shall be held in surplus  
753 in the account. Such surplus must be available to defray  
754 deficits in that account as to future years and used for that

24-00069B-22

2022186\_\_

755 purpose before assessing assessable insurers and assessable  
756 insureds as to any calendar year.

757 8. Must provide objective criteria and procedures to be  
758 uniformly applied to all applicants in determining whether an  
759 individual risk is so hazardous as to be uninsurable. In making  
760 this determination and in establishing the criteria and  
761 procedures, the following must be considered:

762 a. Whether the likelihood of a loss for the individual risk  
763 is substantially higher than for other risks of the same class;  
764 and

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

767

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

771 9. Must provide that the corporation make its best efforts  
772 to procure catastrophe reinsurance at reasonable rates, to cover  
773 its projected 100-year probable maximum loss as determined by  
774 the board of governors. If catastrophe reinsurance is not  
775 available at reasonable rates, the corporation need not purchase  
776 it, but the corporation shall include the costs of reinsurance  
777 to cover its projected 100-year probable maximum loss in its  
778 rate calculations even if it does not purchase catastrophe  
779 reinsurance.

780 10. The policies issued by the corporation must provide  
781 that if the corporation or the market assistance plan obtains an  
782 offer from an authorized insurer to cover the risk at its  
783 approved rates, the risk is no longer eligible for renewal

24-00069B-22

2022186\_\_

784 through the corporation, except as otherwise provided in this  
785 subsection.

786 11. Corporation policies and applications must include a  
787 notice that the corporation policy could, under this section, be  
788 replaced with a policy issued by an authorized insurer which  
789 does not provide coverage identical to the coverage provided by  
790 the corporation. The notice must also specify that acceptance of  
791 corporation coverage creates a conclusive presumption that the  
792 applicant or policyholder is aware of this potential.

793 12. May establish, subject to approval by the office,  
794 different eligibility requirements and operational procedures  
795 for any line or type of coverage for any specified county or  
796 area if the board determines that such changes are justified due  
797 to the voluntary market being sufficiently stable and  
798 competitive in such area or for such line or type of coverage  
799 and that consumers who, in good faith, are unable to obtain  
800 insurance through the voluntary market through ordinary methods  
801 continue to have access to coverage from the corporation. If  
802 coverage is sought in connection with a real property transfer,  
803 the requirements and procedures may not provide an effective  
804 date of coverage later than the date of the closing of the  
805 transfer as established by the transferor, the transferee, and,  
806 if applicable, the lender.

807 13. Must provide that, with respect to the coastal account,  
808 any assessable insurer with a surplus as to policyholders of \$25  
809 million or less writing 25 percent or more of its total  
810 countrywide property insurance premiums in this state may  
811 petition the office, within the first 90 days of each calendar  
812 year, to qualify as a limited apportionment company. A regular

24-00069B-22

2022186\_\_

813 assessment levied by the corporation on a limited apportionment  
814 company for a deficit incurred by the corporation for the  
815 coastal account may be paid to the corporation on a monthly  
816 basis as the assessments are collected by the limited  
817 apportionment company from its insureds, but a limited  
818 apportionment company must begin collecting the regular  
819 assessments not later than 90 days after the regular assessments  
820 are levied by the corporation, and the regular assessments must  
821 be paid in full within 15 months after being levied by the  
822 corporation. A limited apportionment company shall collect from  
823 its policyholders any emergency assessment imposed under sub-  
824 subparagraph (b)3.d. The plan must provide that, if the office  
825 determines that any regular assessment will result in an  
826 impairment of the surplus of a limited apportionment company,  
827 the office may direct that all or part of such assessment be  
828 deferred as provided in subparagraph (q)4. However, an emergency  
829 assessment to be collected from policyholders under sub-  
830 subparagraph (b)3.d. may not be limited or deferred.

831 14. Must provide that the corporation appoint as its  
832 licensed agents only those agents who throughout such  
833 appointments also hold an appointment as defined in s. 626.015  
834 by an insurer who is authorized to write and is actually writing  
835 or renewing personal lines residential property coverage,  
836 commercial residential property coverage, or commercial  
837 nonresidential property coverage within this ~~the~~ state.

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

24-00069B-22

2022186\_\_

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

845           17. Must provide coverage for manufactured or mobile home  
846 dwellings. Such coverage must also include the following  
847 attached structures:

848           a. Screened enclosures that are aluminum framed or screened  
849 enclosures that are not covered by the same or substantially the  
850 same materials as those of the primary dwelling;

851           b. Carports that are aluminum or carports that are not  
852 covered by the same or substantially the same materials as those  
853 of the primary dwelling; and

854           c. Patios that have a roof covering that is constructed of  
855 materials that are not the same or substantially the same  
856 materials as those of the primary dwelling.

857  
858 The corporation shall make available a policy for mobile homes  
859 or manufactured homes for a minimum insured value of at least  
860 \$3,000.

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

863           19. May require commercial property to meet specified  
864 hurricane mitigation construction features as a condition of  
865 eligibility for coverage.

866           20. Must provide that new or renewal policies issued by the  
867 corporation on or after January 1, 2012, which cover sinkhole  
868 loss do not include coverage for any loss to appurtenant  
869 structures, driveways, sidewalks, decks, or patios that are  
870 directly or indirectly caused by sinkhole activity. The

24-00069B-22

2022186\_\_

871 corporation shall exclude such coverage using a notice of  
 872 coverage change, which may be included with the policy renewal,  
 873 and not by issuance of a notice of nonrenewal of the excluded  
 874 coverage upon renewal of the current policy.

875 21. As of January 1, 2012, must require that the agent  
 876 obtain from an applicant for coverage from the corporation an  
 877 acknowledgment signed by the applicant, which includes, at a  
 878 minimum, the following statement:

879  
 880 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE  
 881 AND ASSESSMENT LIABILITY:  
 882

883 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
 884 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
 885 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
 886 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
 887 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE  
 888 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT  
 889 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
 890 LEGISLATURE.

891 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER  
 892 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,  
 893 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO  
 894 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN  
 895 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE  
 896 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES  
 897 ARE REGULATED AND APPROVED BY THE STATE.

898 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
 899 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER

24-00069B-22

2022186\_\_

900 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
901 FLORIDA LEGISLATURE.

902 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE  
903 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
904 STATE OF FLORIDA.

905  
906 a. The corporation shall maintain, in electronic format or  
907 otherwise, a copy of the applicant's signed acknowledgment and  
908 provide a copy of the statement to the policyholder as part of  
909 the first renewal after the effective date of this subparagraph.

910 b. The signed acknowledgment form creates a conclusive  
911 presumption that the policyholder understood and accepted his or  
912 her potential surcharge and assessment liability as a  
913 policyholder of the corporation.

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

918 (n)1. Rates for coverage provided by the corporation must  
919 be actuarially sound and subject to s. 627.062, except as  
920 otherwise provided in this paragraph. The corporation shall file  
921 its recommended rates with the office at least annually. The  
922 corporation shall provide any additional information regarding  
923 the rates which the office requires. The office shall consider  
924 the recommendations of the board and issue a final order  
925 establishing the rates for the corporation within 45 days after  
926 the recommended rates are filed. The corporation may not pursue  
927 an administrative challenge or judicial review of the final  
928 order of the office.



24-00069B-22

2022186\_\_

929           2. In addition to the rates otherwise determined pursuant  
930 to this paragraph, the corporation shall impose and collect an  
931 amount equal to the premium tax provided in s. 624.509 to  
932 augment the financial resources of the corporation.

933           3. If ~~After~~ the public hurricane loss-projection model  
934 under s. 627.06281 is ~~has been~~ found to be accurate and reliable  
935 by the Florida Commission on Hurricane Loss Projection  
936 Methodology, it must ~~the model shall~~ be considered when  
937 establishing the windstorm portion of the corporation's rates.  
938 The corporation may use the public model results in combination  
939 with the results of private models to calculate rates for the  
940 windstorm portion of the corporation's rates. This subparagraph  
941 does not require or allow the corporation to adopt rates lower  
942 than the rates otherwise required or allowed by this paragraph.

943           4. The corporation must make a recommended actuarially  
944 sound rate filing for each personal and commercial line of  
945 business it writes.

946           5. Notwithstanding the board's recommended rates and the  
947 office's final order regarding the corporation's filed rates  
948 under subparagraph 1., the corporation shall annually implement  
949 a rate increase that ~~which~~, except for sinkhole coverage, does  
950 not exceed the following for any single policy issued by the  
951 corporation, excluding coverage changes and surcharges:

- 952           a. Eleven percent for 2022.  
953           b. Twelve percent for 2023.  
954           c. Thirteen percent for 2024.  
955           d. Fourteen percent for 2025.  
956           e. Fifteen percent for 2026 and all subsequent years.  
957           6. The corporation may also implement an increase to

24-00069B-22

2022186\_\_

958 reflect the effect on the corporation of the cash buildup factor  
959 pursuant to s. 215.555(5) (b) .

960 7. The corporation's implementation of rates as prescribed  
961 in subparagraph 5. must ~~shall~~ cease for any line of business  
962 written by the corporation upon the corporation's implementation  
963 of actuarially sound rates. Thereafter, the corporation shall  
964 annually make a recommended actuarially sound rate filing for  
965 each commercial and personal line of business the corporation  
966 writes.

967 (q)1. The corporation shall certify to the office its needs  
968 for annual assessments as to a particular calendar year, and for  
969 any interim assessments that it deems to be necessary to sustain  
970 operations as to a particular year pending the receipt of annual  
971 assessments. Upon verification, the office shall approve such  
972 certification, and the corporation shall levy such annual or  
973 interim assessments. Such assessments shall be prorated as  
974 provided in paragraph (b). The corporation shall take all  
975 reasonable and prudent steps necessary to collect the amount of  
976 assessments due from each assessable insurer, including, if  
977 prudent, filing suit to collect the assessments, and the office  
978 may provide such assistance to the corporation it deems  
979 appropriate. If the corporation is unable to collect an  
980 assessment from any assessable insurer, the uncollected  
981 assessments shall be levied as an additional assessment against  
982 the assessable insurers and any assessable insurer required to  
983 pay an additional assessment as a result of such failure to pay  
984 shall have a cause of action against such nonpaying assessable  
985 insurer. Assessments shall be included as an appropriate factor  
986 in the making of rates. The failure of a surplus lines agent to

24-00069B-22

2022186\_\_

987 collect and remit any regular or emergency assessment levied by  
988 the corporation is considered to be a violation of s. 626.936  
989 and subjects the surplus lines agent to the penalties provided  
990 in that section.

991 2. The governing body of any unit of local government, any  
992 residents of which are insured by the corporation, may issue  
993 bonds as defined in s. 125.013 or s. 166.101 from time to time  
994 to fund an assistance program, in conjunction with the  
995 corporation, for the purpose of defraying deficits of the  
996 corporation. In order to avoid needless and indiscriminate  
997 proliferation, duplication, and fragmentation of such assistance  
998 programs, any unit of local government, any residents of which  
999 are insured by the corporation, may provide for the payment of  
1000 losses, regardless of whether or not the losses occurred within  
1001 or outside of the territorial jurisdiction of the local  
1002 government. Revenue bonds under this subparagraph may not be  
1003 issued until validated pursuant to chapter 75, unless a state of  
1004 emergency is declared by executive order or proclamation of the  
1005 Governor pursuant to s. 252.36 making such findings as are  
1006 necessary to determine that it is in the best interests of, and  
1007 necessary for, the protection of the public health, safety, and  
1008 general welfare of residents of this state and declaring it an  
1009 essential public purpose to permit certain municipalities or  
1010 counties to issue such bonds as will permit relief to claimants  
1011 and policyholders of the corporation. Any such unit of local  
1012 government may enter into such contracts with the corporation  
1013 and with any other entity created pursuant to this subsection as  
1014 are necessary to carry out this paragraph. Any bonds issued  
1015 under this subparagraph shall be payable from and secured by

24-00069B-22

2022186\_\_

1016 moneys received by the corporation from emergency assessments  
1017 under sub-subparagraph (b)3.d., and assigned and pledged to or  
1018 on behalf of the unit of local government for the benefit of the  
1019 holders of such bonds. The funds, credit, property, and taxing  
1020 power of the state or of the unit of local government may ~~shall~~  
1021 not be pledged for the payment of such bonds.

1022 3.a. The corporation shall adopt one or more programs  
1023 subject to approval by the office for the reduction of both new  
1024 and renewal writings in the corporation. Beginning January 1,  
1025 2008, any program the corporation adopts for the payment of  
1026 bonuses to an insurer for each risk the insurer removes from the  
1027 corporation shall comply with s. 627.3511(2) and may not exceed  
1028 the amount referenced in s. 627.3511(2) for each risk removed.  
1029 The corporation may consider any prudent and not unfairly  
1030 discriminatory approach to reducing corporation writings, and  
1031 may adopt a credit against assessment liability or other  
1032 liability that provides an incentive for insurers to take risks  
1033 out of the corporation and to keep risks out of the corporation  
1034 by maintaining or increasing voluntary writings in counties or  
1035 areas in which corporation risks are highly concentrated and a  
1036 program to provide a formula under which an insurer voluntarily  
1037 taking risks out of the corporation by maintaining or increasing  
1038 voluntary writings will be relieved wholly or partially from  
1039 assessments under sub-subparagraph (b)3.a. However, any "take-  
1040 out bonus" or payment to an insurer must be conditioned on the  
1041 property being insured for at least 5 years by the insurer,  
1042 unless canceled or nonrenewed by the policyholder. If the policy  
1043 is canceled or nonrenewed by the policyholder before the end of  
1044 the 5-year period, the amount of the take-out bonus must be

24-00069B-22

2022186\_\_

1045 prorated for the time period the policy was insured. When the  
1046 corporation enters into a contractual agreement for a take-out  
1047 plan, the producing agent of record of the corporation policy is  
1048 entitled to retain any unearned commission on such policy, and  
1049 the insurer shall either:

1050 (I) Pay to the producing agent of record of the policy, for  
1051 the first year, an amount which is the greater of the insurer's  
1052 usual and customary commission for the type of policy written or  
1053 a policy fee equal to the usual and customary commission of the  
1054 corporation; or

1055 (II) Offer to allow the producing agent of record of the  
1056 policy to continue servicing the policy for a period of not less  
1057 than 1 year and offer to pay the agent the insurer's usual and  
1058 customary commission for the type of policy written. If the  
1059 producing agent is unwilling or unable to accept appointment by  
1060 the new insurer, the new insurer shall pay the agent in  
1061 accordance with sub-sub-subparagraph (I).

1062 b. Any credit or exemption from regular assessments adopted  
1063 under this subparagraph shall last no longer than the 3 years  
1064 following the cancellation or expiration of the policy by the  
1065 corporation. With the approval of the office, the board may  
1066 extend such credits for an additional year if the insurer  
1067 guarantees an additional year of renewability for all policies  
1068 removed from the corporation, or for 2 additional years if the  
1069 insurer guarantees 2 additional years of renewability for all  
1070 policies so removed.

1071 c. There shall be no credit, limitation, exemption, or  
1072 deferment from emergency assessments to be collected from  
1073 policyholders pursuant to sub-subparagraph (b)3.d.

24-00069B-22

2022186\_\_

1074 d. Notwithstanding any other law, for purposes of a  
1075 depopulation, take-out, or keep-out program adopted by the  
1076 corporation, including an initial or renewal offer of coverage  
1077 made to a policyholder removed from the corporation pursuant to  
1078 such program, an eligible surplus lines insurer may participate  
1079 in the program in the same manner and on the same terms as an  
1080 authorized insurer, except as provided under this sub-  
1081 subparagraph.

1082 (I) To qualify for participation, the surplus lines insurer  
1083 must first obtain approval from the office for its depopulation,  
1084 take-out, or keep-out plan and then comply with all of the  
1085 corporation's requirements for the plan applicable to admitted  
1086 insurers and with all statutory provisions applicable to the  
1087 removal of policies from the corporation.

1088 (II) In considering a surplus lines insurer's request for  
1089 approval for its plan, the office shall determine whether the  
1090 surplus lines insurer meets the following requirements:

1091 (A) Maintains a surplus of \$50 million on a company or  
1092 pooled basis;

1093 (B) Has a superior, excellent, exceptional, or equally  
1094 comparable financial strength rating by a rating agency  
1095 acceptable to the office;

1096 (C) Maintains reserves, surplus, reinsurance, and  
1097 reinsurance equivalents sufficient to cover the insurer's 100-  
1098 year probable maximum hurricane loss at least twice in a single  
1099 hurricane season and submits such reinsurance to the office to  
1100 review for purposes of the take-out;

1101 (D) Provides prominent notice to the policyholder before  
1102 the assumption of the policy that surplus lines policies are not

24-00069B-22

2022186\_\_

1103 provided coverage by the Florida Insurance Guaranty Association  
1104 and provides an outline of any substantial differences in  
1105 coverage between the existing policy and the policy being  
1106 offered to the insured; and

1107 (E) Provides policy coverage similar to that provided by  
1108 the corporation.

1109 (III) To obtain approval for a plan, the surplus lines  
1110 insurer must file the following with the office:

1111 (A) Information requested by the office to demonstrate  
1112 compliance with s. 624.404(3), including biographical  
1113 affidavits, fingerprints processed pursuant to s. 624.34, and  
1114 the results of criminal history records checks for officers and  
1115 directors of the insurer and its parent or holding company;

1116 (B) A service-of-process consent and agreement form  
1117 executed by the insurer;

1118 (C) Proof that the insurer has been an eligible or  
1119 authorized insurer for at least 3 years;

1120 (D) A duly authenticated copy of the insurer's current  
1121 audited financial statement, in English, which, in the case of  
1122 statements originally made in the currencies of other countries,  
1123 expresses all monetary values in United States dollars, at an  
1124 exchange rate then current and shown in the statement, and  
1125 including any additional information relative to the insurer as  
1126 the office may request;

1127 (E) A complete certified copy of the latest official  
1128 financial statement required by the insurer's domiciliary state,  
1129 if different from the statement required by sub-sub-sub-  
1130 subparagraph (D); and

1131 (F) If applicable, a copy of the United States trust

24-00069B-22

2022186\_\_

1132 account agreement.

1133

1134 This sub-sub-subparagraph does not subject any surplus lines  
1135 insurer to requirements in addition to part VIII of chapter 626.  
1136 Surplus lines brokers making an offer of coverage under this  
1137 sub-subparagraph are not required to comply with s.  
1138 626.916(1) (a), (b), (c), or (e).

1139 (IV) Within 10 days after the date of assumption, the  
1140 surplus lines insurer assuming policies from the corporation  
1141 shall remit to the Bureau of Collateral Management within the  
1142 Department of Financial Services a special deposit equal to the  
1143 unearned premium net of unearned commissions on the assumed  
1144 block of business. The surplus lines insurer shall submit to the  
1145 office, along with the special deposit, an accounting of the  
1146 policies assumed and the amount of unearned premium for such  
1147 policies and a sworn affidavit attesting to the accuracy of the  
1148 accounting by an officer of the surplus lines insurer.

1149 Thereafter, the surplus lines insurer shall make a filing within  
1150 10 days after the end of each calendar quarter attesting to the  
1151 unearned premium in force for the previous quarter on policies  
1152 assumed from the corporation and shall submit additional funds  
1153 with that filing if the special deposit is insufficient to cover  
1154 the unearned premium on assumed policies, or shall receive a  
1155 return of funds within 60 days if the special deposit exceeds  
1156 the amount of unearned premium required for assumed policies.  
1157 The special deposit is an asset of the surplus lines insurer  
1158 which is held by the department for the benefit of state  
1159 policyholders of the surplus lines insurer in the event of the  
1160 insolvency of the surplus lines insurer. If an order of



24-00069B-22

2022186\_\_

1161 liquidation is entered in any state against the surplus lines  
1162 insurer, the department may use the special deposit for payment  
1163 of unearned premium or policy claims, return all or part of the  
1164 deposit to the domiciliary receiver, or use the funds in  
1165 accordance with any action authorized under part I of chapter  
1166 631 or in compliance with any order of a court having  
1167 jurisdiction over the insolvency.

1168 (V) In advance of a surplus lines insurer assuming a  
1169 policy, surplus lines brokers representing a surplus lines  
1170 insurer on a take-out program shall obtain confirmation, in  
1171 written or e-mail form, from each producing agent stating that  
1172 the agent is willing to participate in the take-out program with  
1173 the surplus lines insurer engaging in the take-out program. The  
1174 take-out program is also subject to s. 627.3517. If a  
1175 policyholder is selected for removal from the corporation by a  
1176 surplus lines insurer and an authorized insurer, the corporation  
1177 must give priority to the offer of coverage from the authorized  
1178 insurer.

1179 (VI) (A) A risk that has a dwelling replacement cost of  
1180 \$700,000 or more or a single condominium unit that has a  
1181 combined dwelling and contents replacement cost of \$700,000 or  
1182 more is not eligible for coverage by the corporation if it is  
1183 offered comparable coverage from a qualified surplus lines  
1184 insurer at a premium no greater than 15 percent above the  
1185 premium charged by the corporation.

1186 (B) A risk that has a dwelling replacement cost below  
1187 \$700,000 or a single condominium unit that has a combined  
1188 dwelling and contents replacement cost below \$700,000 remains  
1189 eligible for coverage by the corporation if it is offered

24-00069B-22

2022186\_\_

1190 coverage from a qualified surplus lines insurer.

1191 4. The plan shall provide for the deferment, in whole or in  
1192 part, of the assessment of an assessable insurer, other than an  
1193 emergency assessment collected from policyholders pursuant to  
1194 sub-subparagraph (b)3.d., if the office finds that payment of  
1195 the assessment would endanger or impair the solvency of the  
1196 insurer. In the event an assessment against an assessable  
1197 insurer is deferred in whole or in part, the amount by which  
1198 such assessment is deferred may be assessed against the other  
1199 assessable insurers in a manner consistent with the basis for  
1200 assessments set forth in paragraph (b).

1201 5. Effective July 1, 2007, in order to evaluate the costs  
1202 and benefits of approved take-out plans, if the corporation pays  
1203 a bonus or other payment to an insurer for an approved take-out  
1204 plan, it shall maintain a record of the address or such other  
1205 identifying information on the property or risk removed in order  
1206 to track if and when the property or risk is later insured by  
1207 the corporation.

1208 6. Any policy taken out, assumed, or removed from the  
1209 corporation is, as of the effective date of the take-out,  
1210 assumption, or removal, direct insurance issued by the insurer  
1211 and not by the corporation, even if the corporation continues to  
1212 service the policies. This subparagraph applies to policies of  
1213 the corporation and not policies taken out, assumed, or removed  
1214 from any other entity.

1215 7. For a policy taken out, assumed, or removed from the  
1216 corporation, the insurer may, for a period of no more than 3  
1217 years, continue to use any of the corporation's policy forms or  
1218 endorsements that apply to the policy taken out, removed, or

24-00069B-22

2022186\_\_

1219 assumed without obtaining approval from the office for use of  
1220 such policy form or endorsement.

1221 (x)1. The following records of the corporation are  
1222 confidential and exempt from ~~the provisions of~~ s. 119.07(1) and  
1223 s. 24(a), Art. I of the State Constitution:

1224 a. Underwriting files, except that a policyholder or an  
1225 applicant shall have access to his or her own underwriting  
1226 files. Confidential and exempt underwriting file records may  
1227 also be released to other governmental agencies upon written  
1228 request and demonstration of need; such records held by the  
1229 receiving agency remain confidential and exempt as provided  
1230 herein.

1231 b. Claims files, until termination of all litigation and  
1232 settlement of all claims arising out of the same incident,  
1233 although portions of the claims files may remain exempt, as  
1234 otherwise provided by law. Confidential and exempt claims file  
1235 records may be released to other governmental agencies upon  
1236 written request and demonstration of need; such records held by  
1237 the receiving agency remain confidential and exempt as provided  
1238 herein.

1239 c. Records obtained or generated by an internal auditor  
1240 pursuant to a routine audit, until the audit is completed, or if  
1241 the audit is conducted as part of an investigation, until the  
1242 investigation is closed or ceases to be active. An investigation  
1243 is considered "active" while the investigation is being  
1244 conducted with a reasonable, good faith belief that it could  
1245 lead to the filing of administrative, civil, or criminal  
1246 proceedings.

1247 d. Matters reasonably encompassed in privileged attorney-

24-00069B-22

2022186\_\_

1248 client communications.

1249 e. Proprietary information licensed to the corporation  
1250 under contract and the contract provides for the confidentiality  
1251 of such proprietary information.

1252 f. All information relating to the medical condition or  
1253 medical status of a corporation employee which is not relevant  
1254 to the employee's capacity to perform his or her duties, except  
1255 as otherwise provided in this paragraph. Information that is  
1256 exempt includes ~~shall include~~, but is not limited to,  
1257 information relating to workers' compensation, insurance  
1258 benefits, and retirement or disability benefits.

1259 g. Upon an employee's entrance into the employee assistance  
1260 program, a program to assist any employee who has a behavioral  
1261 or medical disorder, substance abuse problem, or emotional  
1262 difficulty that affects the employee's job performance, all  
1263 records relative to that participation are ~~shall be~~ confidential  
1264 and exempt from ~~the provisions of~~ s. 119.07(1) and s. 24(a),  
1265 Art. I of the State Constitution, except as otherwise provided  
1266 in s. 112.0455(11).

1267 h. Information relating to negotiations for financing,  
1268 reinsurance, depopulation, or contractual services, until the  
1269 conclusion of the negotiations.

1270 i. Minutes of closed meetings regarding underwriting files,  
1271 and minutes of closed meetings regarding an open claims file  
1272 until termination of all litigation and settlement of all claims  
1273 with regard to that claim, except that information otherwise  
1274 confidential or exempt by law must ~~shall~~ be redacted.

1275 2. If an authorized insurer, a reinsurance intermediary, an  
1276 eligible surplus lines insurer, or an entity that has filed an

24-00069B-22

2022186\_\_

1277 application with the office for licensure as a property and  
1278 casualty insurer in this state is considering writing or  
1279 assisting in the underwriting of a risk insured by the  
1280 corporation, relevant information from both the underwriting  
1281 files and confidential claims files may be released to the  
1282 insurer, reinsurance intermediary, eligible surplus lines  
1283 insurer, or entity that has been created to seek authority to  
1284 write property insurance in this state, provided that the  
1285 recipient insurer agrees in writing, notarized and under oath,  
1286 to maintain the confidentiality of such files. If a policy file  
1287 is transferred to an insurer, that policy file is no longer a  
1288 public record because it is not held by an agency subject to ~~the~~  
1289 ~~provisions of~~ the public records law. Underwriting files and  
1290 confidential claims files may also be released to staff and the  
1291 board of governors of the market assistance plan established  
1292 pursuant to s. 627.3515, who must retain the confidentiality of  
1293 such files, except such files may be released to authorized  
1294 insurers that are considering assuming the risks to which the  
1295 files apply, provided the insurer agrees in writing, notarized  
1296 and under oath, to maintain the confidentiality of such files.  
1297 Finally, the corporation or the board or staff of the market  
1298 assistance plan may make the following information obtained from  
1299 underwriting files and confidential claims files available to an  
1300 entity that has obtained a permit to become an authorized  
1301 insurer, a reinsurer that may provide reinsurance under s.  
1302 624.610, a licensed reinsurance broker, a licensed rating  
1303 organization, a modeling company, or a licensed general lines  
1304 insurance agent: name, address, and telephone number of the  
1305 residential property owner or insured; location of the risk;

24-00069B-22

2022186\_\_

1306 rating information; loss history; and policy type. The receiving  
1307 person must retain the confidentiality of the information  
1308 received and may use the information only for the purposes of  
1309 developing a take-out plan or a rating plan to be submitted to  
1310 the office for approval or otherwise analyzing the underwriting  
1311 of a risk or risks insured by the corporation on behalf of the  
1312 private insurance market. A licensed general lines insurance  
1313 agent may not use such information for the direct solicitation  
1314 of policyholders.

1315 3. A policyholder who has filed suit against the  
1316 corporation has the right to discover the contents of his or her  
1317 own claims file to the same extent that discovery of such  
1318 contents would be available from a private insurer in litigation  
1319 as provided by the Florida Rules of Civil Procedure, the Florida  
1320 Evidence Code, and other applicable law. Pursuant to subpoena, a  
1321 third party has the right to discover the contents of an  
1322 insured's or applicant's underwriting or claims file to the same  
1323 extent that discovery of such contents would be available from a  
1324 private insurer by subpoena as provided by the Florida Rules of  
1325 Civil Procedure, the Florida Evidence Code, and other applicable  
1326 law, and subject to any confidentiality protections requested by  
1327 the corporation and agreed to by the seeking party or ordered by  
1328 the court. The corporation may release confidential underwriting  
1329 and claims file contents and information as it deems necessary  
1330 and appropriate to underwrite or service insurance policies and  
1331 claims, subject to any confidentiality protections deemed  
1332 necessary and appropriate by the corporation.

1333 4. Portions of meetings of the corporation are exempt from  
1334 ~~the provisions of~~ s. 286.011 and s. 24(b), Art. I of the State

24-00069B-22

2022186\_\_

1335 Constitution wherein confidential underwriting files or  
1336 confidential open claims files are discussed. All portions of  
1337 corporation meetings which are closed to the public shall be  
1338 recorded by a court reporter. The court reporter shall record  
1339 the times of commencement and termination of the meeting, all  
1340 discussion and proceedings, the names of all persons present at  
1341 any time, and the names of all persons speaking. No portion of  
1342 any closed meeting shall be off the record. Subject to the  
1343 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's  
1344 notes of any closed meeting shall be retained by the corporation  
1345 for a minimum of 5 years. A copy of the transcript, less any  
1346 exempt matters, of any closed meeting wherein claims are  
1347 discussed shall become public as to individual claims after  
1348 settlement of the claim.

1349 Section 3. Section 627.3517, Florida Statutes, is amended  
1350 to read:

1351 627.3517 Consumer choice.—No provision of s. 627.351, s.  
1352 627.3511, or s. 627.3515 shall be construed to impair the right  
1353 of any insurance risk apportionment plan policyholder, upon  
1354 receipt of any keep-out ~~keepout~~ or take-out offer, to retain his  
1355 or her current agent, so long as that agent is duly licensed and  
1356 appointed by the insurance risk apportionment plan or otherwise  
1357 authorized to place business with the insurance risk  
1358 apportionment plan. This right may ~~shall~~ not be canceled,  
1359 suspended, impeded, abridged, or otherwise compromised by any  
1360 rule, plan of operation, or depopulation plan, whether through  
1361 keep-out ~~keepout~~, take-out, midterm assumption, or any other  
1362 means, of any insurance risk apportionment plan or depopulation  
1363 plan, including, but not limited to, those described in s.

24-00069B-22

2022186\_\_

1364 627.351, s. 627.3511, or s. 627.3515. The commission shall adopt  
1365 any rules necessary to cause any insurance risk apportionment  
1366 plan or market assistance plan under such sections to  
1367 demonstrate that the operations of the plan do not interfere  
1368 with, promote, or allow interference with the rights created  
1369 under this section. If the policyholder's current agent is  
1370 unable or unwilling to be appointed with the insurer making the  
1371 take-out or keep-out ~~keepout~~ offer, the policyholder is ~~shall~~  
1372 not ~~be~~ disqualified from participation in the appropriate  
1373 insurance risk apportionment plan because of an offer of  
1374 coverage in the voluntary market. An offer of full property  
1375 insurance coverage by the insurer currently insuring either the  
1376 ex-wind or wind-only coverage on the policy to which the offer  
1377 applies is ~~shall~~ not ~~be~~ considered a take-out or keep-out  
1378 ~~keepout~~ offer. Any rule, plan of operation, or plan of  
1379 depopulation, through keep-out ~~keepout~~, take-out, midterm  
1380 assumption, or any other means, of any property insurance risk  
1381 apportionment plan under s. 627.351(2) or (6) is subject to ss.  
1382 627.351(2) (b) and (6) (c) and 627.3511(4).

1383 Section 4. Subsection (5) of section 627.3518, Florida  
1384 Statutes, is amended, and paragraph (a) of subsection (6) and  
1385 paragraph (a) of subsection (7) of that section are reenacted,  
1386 to read:

1387 627.3518 Citizens Property Insurance Corporation  
1388 policyholder eligibility clearinghouse program.—The purpose of  
1389 this section is to provide a framework for the corporation to  
1390 implement a clearinghouse program by January 1, 2014.

1391 (5) Notwithstanding s. 627.3517, any applicant for new  
1392 coverage from the corporation is not eligible for coverage from



24-00069B-22

2022186\_\_

1393 the corporation if provided an offer of coverage from an  
1394 authorized insurer through the program at a premium that is at  
1395 or below the eligibility threshold established in s.  
1396 627.351(6)(c)5.a. Whenever an offer of coverage for a personal  
1397 lines risk is received for a policyholder of the corporation at  
1398 renewal from an authorized insurer through the program, if the  
1399 offer is at or below the eligibility threshold specified in s.  
1400 627.351(6)(c)5.a. ~~equal to or less than the corporation's~~  
1401 ~~renewal premium for comparable coverage,~~ the risk is not  
1402 eligible for coverage with the corporation. In the event that an  
1403 offer of coverage for a new applicant or a personal lines risk  
1404 at renewal is received from an authorized insurer through the  
1405 program, and the premium offered exceeds the eligibility  
1406 thresholds specified ~~threshold contained~~ in s.  
1407 627.351(6)(c)5.a., the applicant or insured may elect to accept  
1408 such coverage, or may elect to accept or continue coverage with  
1409 the corporation. ~~In the event an offer of coverage for a~~  
1410 ~~personal lines risk is received from an authorized insurer at~~  
1411 ~~renewal through the program, and the premium offered is more~~  
1412 ~~than the corporation's renewal premium for comparable coverage,~~  
1413 ~~the insured may elect to accept such coverage, or may elect to~~  
1414 ~~accept or continue coverage with the corporation.~~ Section  
1415 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from  
1416 an authorized insurer obtained through the program. An applicant  
1417 for coverage from the corporation who was declared ineligible  
1418 for coverage at renewal by the corporation in the previous 36  
1419 months due to an offer of coverage pursuant to this subsection  
1420 shall be considered a renewal under this section if the  
1421 corporation determines that the authorized insurer making the

24-00069B-22

2022186\_\_

1422 offer of coverage pursuant to this subsection continues to  
1423 insure the applicant and increased the rate on the policy in  
1424 excess of the increase allowed for the corporation under s.  
1425 627.351(6)(n)5.

1426 (6) Independent insurance agents submitting new  
1427 applications for coverage or that are the agent of record on a  
1428 renewal policy submitted to the program:

1429 (a) Are granted and must maintain ownership and the  
1430 exclusive use of expirations, records, or other written or  
1431 electronic information directly related to such applications or  
1432 renewals written through the corporation or through an insurer  
1433 participating in the program, notwithstanding s.  
1434 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted  
1435 for as long as the insured remains with the agency or until sold  
1436 or surrendered in writing by the agent. Contracts with the  
1437 corporation or required by the corporation must not amend,  
1438 modify, interfere with, or limit such rights of ownership. Such  
1439 expirations, records, or other written or electronic information  
1440 may be used to review an application, issue a policy, or for any  
1441 other purpose necessary for placing such business through the  
1442 program.

1443  
1444 Applicants ineligible for coverage in accordance with subsection  
1445 (5) remain ineligible if their independent agent is unwilling or  
1446 unable to enter into a standard or limited agency agreement with  
1447 an insurer participating in the program.

1448 (7) Exclusive agents submitting new applications for  
1449 coverage or that are the agent of record on a renewal policy  
1450 submitted to the program:

24-00069B-22

2022186\_\_

1451 (a) Must maintain ownership and the exclusive use of  
1452 expirations, records, or other written or electronic information  
1453 directly related to such applications or renewals written  
1454 through the corporation or through an insurer participating in  
1455 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and  
1456 (II)(B). Contracts with the corporation or required by the  
1457 corporation must not amend, modify, interfere with, or limit  
1458 such rights of ownership. Such expirations, records, or other  
1459 written or electronic information may be used to review an  
1460 application, issue a policy, or for any other purpose necessary  
1461 for placing such business through the program.

1462  
1463 Applicants ineligible for coverage in accordance with subsection  
1464 (5) remain ineligible if their exclusive agent is unwilling or  
1465 unable to enter into a standard or limited agency agreement with  
1466 an insurer making an offer of coverage to that applicant.

1467 Section 5. This act shall take effect January 1, 2023.