Representative Learned offered the following:

Amendment (with title amendment)

Remove lines 268-562 and insert:

4. The RAP reimbursement contract shall require that:
   a. Any reimbursement that a RAP insurer receives from the RAP program be deposited into a fund reserved to its policyholders. The reimbursement amount may be used only by the RAP insurer's policyholders to pay their homeowners' insurance premiums under the RAP insurer's policies.
   b. By June 1 of the year that follows the year in which the RAP insurer participates in the RAP program, the RAP insurer shall submit to the board information on the method of
disbursement of the fund described in sub-subparagraph a., the amount disbursed, the recipients of the disbursement, and the remaining balance, if any, of the fund. The board must provide guidelines for a method of disbursement that ensures equitable distribution of funds among the RAP insurer's policyholders.

(b) For the two covered events with the largest losses, the RAP reimbursement contract must contain a promise by the board to reimburse the RAP insurer for 90 percent of its losses from each covered event in excess of the insurer's RAP retention, plus 10 percent of the reimbursed losses to cover loss adjustment expenses. The sum of the losses and 10 percent loss adjustment expense allocation from the RAP layer may not exceed the RAP limit. Recoveries on losses in the FHCF mandatory layer shall inure to the benefit of the RAP contract layer.

(c) The RAP reimbursement contract must provide that reimbursement amounts are not reduced by reinsurance paid or payable to the insurer from other sources excluding the FHCF.

(d) The board shall calculate and report to each RAP insurer the RAP payout multiples as the ratio of the RAP industry limit of $2 billion for the 2022-2023 contract year, or the deferred limit for the 2022-2023 contract year, to the mandatory FHCF retention multiplied by the mandatory FHCF retention multiples divided by the RAP qualification ratio. The RAP payout multiple for an insurer is multiplied by the RAP insurer's FHCF premium to calculate its RAP maximum payout. RAP
payout multiples are calculated for 45 percent, 75 percent, and
90 percent FHCF mandatory coverage selections.

(e) A RAP insurer's RAP retention is calculated as
follows:

1. The board shall calculate and report to each RAP
insurer the RAP retention multiples for each FHCF coverage
selection as the FHCF retention multiple minus the RAP payout
multiple. The RAP retention multiple for an insurer is
multiplied by the RAP insurer's FHCF premium to calculate its
RAP retention. RAP retention multiples are calculated for 45
percent, 75 percent, and 90 percent FHCF mandatory coverage
selections.

2. The RAP industry retention for the 2022-2023 contract
year is the FHCF's industry retention minus $2 billion, prior to
allocation to qualifying RAP insurers. The RAP industry
retention for the 2023-2024 contract year is the FHCF's industry
retention for the 2023-2024 contract year minus the total
defered RAP limit, prior to allocation to qualifying RAP
insurers.

3. A RAP insurer determines its actual RAP retention by
multiplying its actual mandatory reimbursement FHCF premium by
the RAP retention multiple.

(f) To ensure that insurers have properly reported the
losses for which RAP reimbursements have been made, the board
may inspect, examine, and verify the records of each RAP
insurer's covered policies at such times as the board deems appropriate for the specific purpose of validating the accuracy of losses required to be reported under the terms and conditions of the RAP reimbursement contract.

(5) INSURER QUALIFICATION.—
(a) An insurer is not eligible to participate in the RAP program if the board receives a notice from the Commissioner of Insurance Regulation which certifies that the insurer is in an unsound financial condition no later than:

1. June 15, 2022, for RAP insurers that participate during the 2022-2023 contract year; or
2. February 1, 2023, for RAP insurers subject to participation deferral under subsection (6) and participate during the 2023-2024 contract year.

(b) The office must make this determination based on the following factors:

1. The insurer's compliance with the requirements to qualify for and hold a certificate of authority under s. 624.404;
2. The insurer's compliance with the applicable surplus requirements of s. 624.408;
3. The insurer's compliance with the applicable risk-based capital requirements under s. 624.4085;
4. The insurer's compliance with the applicable premium to surplus requirements under s. 624.4095; and
5. An analysis of quarterly and annual statements, including an actuarial opinion summary, and other information submitted to the office pursuant to s. 624.424.

(c) If the board receives timely notice pursuant to paragraph (a) regarding an insurer, such insurer is disqualified from participating in the RAP program.

(6) PARTICIPATION DEFERRAL.—

(a) A RAP insurer that has any private reinsurance that duplicates RAP coverage that such insurer would receive for the 2022-2023 contract year shall notify the board in writing of such duplicative coverage no later than June 30, 2022. Participation in the RAP program for such RAP insurers shall be deferred until the 2023-2024 contract year.

(b) A new participating insurer that begins writing covered policies in this state after June 1, 2022, is deemed to defer its RAP coverage to the 2023-2024 contract year.

(7) RAP PREMIUMS.—Premiums may not be charged for participation in the RAP program.

(8) CLAIMS-PAYING CAPACITY.—The RAP program shall not affect the claims-paying capacity of the FHCF as provided in s. 215.555(4)(c)1.

(9) INSOLVENCY OF RAP INSURER.—

(a) The RAP reimbursement contract shall provide that in the event of an insolvency of a RAP insurer, the RAP program shall pay reimbursements directly to the applicable state...
guaranty fund for the benefit of policyholders in this state of the RAP insurer.

    (b) If an authorized insurer or the Citizens Property Insurance Corporation accepts an assignment of an unsound RAP insurer's RAP contract, the FHCF shall apply the unsound RAP insurer's RAP contract to such policies and treat the authorized insurer or the Citizens Property Insurance Corporation as if it were the unsound RAP insurer for the remaining term of the RAP contract, with all rights and duties of the unsound RAP insurer beginning on the date it provides coverage for such policies.

(10) VIOLATIONS.—Any violation of this section or of rules adopted under this section constitutes a violation of the insurance code.

(11) LEGAL PROCEEDINGS.—The board is authorized to take any action necessary to enforce the rules, provisions, and requirements of the RAP reimbursement contract, required by and adopted pursuant to this section.

(12) RULEMAKING.—The board may adopt rules to implement this section. In addition, the board may adopt emergency rules, pursuant to s. 120.54, at any time, as are necessary to implement this section for the 2022-2023 fiscal year. The Legislature finds that such emergency rulemaking power is necessary in order to address a critical need in the state's problematic property insurance market. The Legislature further finds that the uniquely short timeframe needed to effectively
implement this section for the 2022-2023 fiscal year requires
that the board adopt rules as quickly as practicable. Therefore,
in adopting such emergency rules, the board need not make the
findings required by s. 120.54(4)(a). Emergency rules adopted
under this section are exempt from s. 120.54(4)(c) and shall
remain in effect until replaced by rules adopted under the
nonemergency rulemaking procedures of chapter 120, which must
occur no later than July 1, 2023.

(13) APPROPRIATION.—
(a) Within 60 days after a covered event, the board shall
submit written notice to the Executive Office of the Governor if
the board determines that funds from the RAP program coverage
established by this section will be necessary to reimburse RAP
insurers for losses associated with the covered event. The
initial notice, and any subsequent requests, must specify the
amount necessary to provide RAP reimbursements. Upon receiving
such notice, the Executive Office of the Governor shall instruct
the Chief Financial Officer to draw a warrant from the General
Revenue Fund for a transfer to the board for the RAP program in
the amount requested. The Executive Office of the Governor shall
provide written notification to the chair and vice chair of the
Legislative Budget Commission at least 3 days before the
effective date of the warrant. Cumulative transfers authorized
under this paragraph may not exceed $2 billion.
(b) If General Revenue Funds are transferred to the board for the RAP program under paragraph (a), the board shall submit written notice to the Executive Office of the Governor that funds will be necessary for the administration of the RAP program and post-event examinations for covered events that require RAP coverage. The initial notice, and any subsequent requests, must specify the amount necessary for administration of the RAP program and post-event examinations. Upon receiving such notice, the Executive Office of the Governor shall instruct the Chief Financial Officer to draw a warrant from the General Revenue Fund for a transfer to the board for the RAP program in the amount requested. The Executive Office of the Governor shall provide written notification to the chair and vice chair of the Legislative Budget Commission at least 3 days before the effective date of the warrant. Cumulative transfers authorized under this paragraph may not exceed $5 million.

(c) No later than January 31, 2023, and quarterly thereafter, the board shall submit a report to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives detailing any reimbursements of the RAP program, all loss development projections, the amount of RAP reimbursement coverage deferred until the 2023-2024 contract year, and detailed information about administrative and post-event examination expenditures.
(14) EXPIRATION DATE.—If no General Revenue Funds have been transferred to the board for the RAP program under subsection (13) by June 30, 2025, this section expires on July 1, 2025. If General Revenue Funds have been transferred to the board for the RAP program under subsection (13) by June 30, 2025, this section expires on July 1, 2029, and all unencumbered RAP program funds shall be transferred by the board back to the General Revenue Fund unallocated.

Section 2. Effective July 1, 2022, paragraphs (a) and (b) of subsection (2) and subsection (10) of section 215.5586, Florida Statutes, are amended to read:

215.5586 My Safe Florida Home Program.—There is established within the Department of Financial Services the My Safe Florida Home Program. The department shall provide fiscal accountability, contract management, and strategic leadership for the program, consistent with this section. This section does not create an entitlement for property owners or obligate the state in any way to fund the inspection or retrofitting of residential property in this state. Implementation of this program is subject to annual legislative appropriations. It is the intent of the Legislature that the My Safe Florida Home Program provide trained and certified inspectors to perform inspections for owners of site-built, single-family, residential properties and grants to eligible applicants as funding allows. The program shall develop and implement a comprehensive and
coordinated approach for hurricane damage mitigation that may include the following:

(2) MITIGATION GRANTS.—Financial grants shall be used to encourage single-family, site-built, owner-occupied, residential property owners to retrofit their properties to make them less vulnerable to hurricane damage.

(a) For a homeowner to be eligible for a grant, the following criteria must be met:

1. The homeowner must have been granted a homestead exemption on the home under chapter 196.

2. The home must be a dwelling with an insured value of $500,000 or less. Homeowners who are low-income persons, as defined in s. 420.0004(11), are exempt from this requirement.

3. The home must have undergone an acceptable hurricane mitigation inspection after May 1, 2007.

4. The home must be located in the "wind-borne debris region" as that term is defined in the Florida Building Code § 1609.2, International Building Code (2006), or as subsequently amended.

5. The building permit application for initial construction of the home must have been made before March 1, 2002.

6. The homeowner must agree to make his or her home available for inspection once a mitigation project is completed.
An application for a grant must contain a signed or electronically verified statement made under penalty of perjury that the applicant has submitted only a single application and must have attached documents demonstrating the applicant meets the requirements of this paragraph.

(b) All grants must be matched on the basis of $1 provided by the applicant for $2 provided by the state a dollar for dollar basis up to a maximum state contribution total of $10,000 toward for the actual cost of the mitigation project with the state's contribution not to exceed $5,000.

(10) REPORTS.—The department shall make an annual report on the activities of the program that shall account for the use of state funds and indicate the number of inspections requested, the number of inspections performed, the number of grant applications received, and the number and value of grants approved, and the average annual amount of insurance premium discounts and total annual amount of insurance premium discounts homeowners received from insurers as a result of mitigation funded through the program. The report shall be delivered to the President of the Senate and the Speaker of the House of Representatives by February 1 of each year.

Section 3. (1) For the 2022-2023 fiscal year, the sum of $2 billion in nonrecurring funds is appropriated from the General Revenue Fund to the Department of Financial Services for
the My Safe Florida Home Program. The funds shall be placed in reserve. The department shall submit budget amendments requesting release of the funds held in reserve pursuant to chapter 216, Florida Statutes. The budget amendments shall include a detailed spending plan.

(2) The funds shall be allocated as follows:
   (a) Twenty-five million dollars for hurricane mitigation inspections.
   (b) One hundred fifteen million dollars for mitigation grants.
   (c) Four million dollars for education and consumer awareness.
   (d) One million dollars for public outreach for contractors and real estate brokers and sales associates.
   (e) Five million dollars for administrative costs.
   (f) The remaining balance to fund the My Safe Florida Home if the fund for the program is depleted.

(3) The department may adopt emergency rules pursuant to s. 120.54, Florida Statutes, at any time, as are necessary to implement this section and s. 215.5586, Florida Statutes, as amended by this act. The Legislature finds that such emergency rulemaking authority is necessary to address a critical need in the state's problematic property insurance market. The Legislature further finds that the uniquely short timeframe needed to effectively implement this section for the 2022-2023
fiscal year requires that the department adopt rules as quickly as practicable. Therefore, in adopting such emergency rules, the department need not make the findings required by s. 120.54(4)(a), Florida Statutes. Emergency rules adopted under this section are exempt from s. 120.54(4)(c), Florida Statutes, and shall remain in effect until replaced by rules adopted under the nonemergency rulemaking procedures of chapter 120, Florida Statutes, which must occur no later than July 1, 2023.

(4) This section expires on October 1, 2024.

TITLE AMENDMENT

Remove lines 10-61 and insert:
provide certain insurance reimbursement; providing requirements for the contracts; requiring reimbursements under the program to be deposited into funds reserved for policyholders for a specified purpose; requiring insurers to submit to the board certain information; requiring the board to provide certain guidelines; providing construction; providing calculations for specified amounts of losses to determine reimbursement under the program; authorizing the board to inspect, examine, and verify insurer records; providing insurer eligibility qualifications for the program; providing for disqualification;
requiring certain insurers to notify the board under a specified circumstance; providing for deferral of coverage under the program; prohibiting premiums from being charged for participation in the program; providing that the program does not affect the claims-paying capacity of the Florida Hurricane Catastrophe Fund; requiring the program to pay reimbursements directly to the applicable state guaranty fund in the event of insolvency; specifying requirements for the Florida Hurricane Catastrophe Fund if an insurer or the Citizens Property Insurance Corporation accept assignments of unsound insurers; providing that certain violations are violations of the insurance code; authorizing the board to enforce certain requirements; authorizing the board to adopt nonemergency rules and emergency rules; providing legislative findings; specifying conditions and limitations for any emergency rules adopted; providing legislative intent; requiring the board to submit a written notice within a certain timeframe to the Executive Office of the Governor relating to the program funds, under certain circumstances; providing a requirement for the notice and subsequent requests; requiring the Executive Office of the Governor to instruct the Chief Financial Officer to draw a warrant.
for a transfer to the board for the program under
certain circumstances and to provide notification to
specified persons within a certain timeframe;
prohibiting cumulative transfers from exceeding a
specified amount; providing reporting requirements;
providing for expiration and transfer of unencumbered
funds; amending s. 215.5586, F.S.; revising homeowner
eligibility criteria for mitigation grants; specifying
matching requirements for grants; revising reporting
requirements; providing an appropriation; requiring
the Department of Financial Services to submit budget
amendments; specifying requirements for budget
amendments; authorizing