

By the Committee on Community Affairs; and Senator Martin

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1                   A bill to be entitled  
2       An act relating to property insurance; amending s.  
3       627.0629, F.S.; adding wind uplift prevention to a  
4       list of fixtures or construction techniques for which  
5       a residential property insurance rate filing must  
6       include actuarially reasonable rate differentials or  
7       appropriate deductible reductions; amending s.  
8       627.351, F.S.; revising rate change limitations for  
9       specified policies written by the Citizens Property  
10      Insurance Corporation; revising the applicability of  
11      flood coverage requirements for personal lines  
12      residential policyholders of the corporation;  
13      providing effective dates.

14  
15 Be It Enacted by the Legislature of the State of Florida:

16  
17       Section 1. Effective July 1, 2023, subsection (1) of  
18      section 627.0629, Florida Statutes, is amended to read:

19       627.0629 Residential property insurance; rate filings.—

20       (1) It is the intent of the Legislature that insurers  
21      provide savings to consumers who install or implement windstorm  
22      damage mitigation techniques, alterations, or solutions to their  
23      properties to prevent windstorm losses. A rate filing for  
24      residential property insurance must include actuarially  
25      reasonable discounts, credits, or other rate differentials, or  
26      appropriate reductions in deductibles, for properties on which  
27      fixtures or construction techniques demonstrated to reduce the  
28      amount of loss in a windstorm have been installed or  
29      implemented. The fixtures or construction techniques must

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30 include, but are not limited to, fixtures or construction  
31 techniques that enhance wind uplift prevention, roof strength,  
32 roof covering performance, roof-to-wall strength, wall-to-floor-  
33 to-foundation strength, opening protection, and window, door,  
34 and skylight strength. Credits, discounts, or other rate  
35 differentials, or appropriate reductions in deductibles, for  
36 fixtures and construction techniques that meet the minimum  
37 requirements of the Florida Building Code must be included in  
38 the rate filing. The office shall determine the discounts,  
39 credits, other rate differentials, and appropriate reductions in  
40 deductibles that reflect the full actuarial value of such  
41 revaluation, which may be used by insurers in rate filings.

42 Section 2. Paragraphs (n) and (aa) of subsection (6) of  
43 section 627.351, Florida Statutes, are amended to read:

44 627.351 Insurance risk apportionment plans.—

45 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

46 (n)1. Rates for coverage provided by the corporation must  
47 be actuarially sound pursuant to s. 627.062 and not competitive  
48 with approved rates charged in the admitted voluntary market so  
49 that the corporation functions as a residual market mechanism to  
50 provide insurance only when insurance cannot be procured in the  
51 voluntary market, except as otherwise provided in this  
52 paragraph. The office shall provide the corporation such  
53 information as would be necessary to determine whether rates are  
54 competitive. The corporation shall file its recommended rates  
55 with the office at least annually. The corporation shall provide  
56 any additional information regarding the rates which the office  
57 requires. The office shall consider the recommendations of the  
58 board and issue a final order establishing the rates for the

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59 corporation within 45 days after the recommended rates are  
60 filed. The corporation may not pursue an administrative  
61 challenge or judicial review of the final order of the office.

62 2. In addition to the rates otherwise determined pursuant  
63 to this paragraph, the corporation shall impose and collect an  
64 amount equal to the premium tax provided in s. 624.509 to  
65 augment the financial resources of the corporation.

66 3. After the public hurricane loss-projection model under  
67 s. 627.06281 has been found to be accurate and reliable by the  
68 Florida Commission on Hurricane Loss Projection Methodology, the  
69 model shall be considered when establishing the windstorm  
70 portion of the corporation's rates. The corporation may use the  
71 public model results in combination with the results of private  
72 models to calculate rates for the windstorm portion of the  
73 corporation's rates. This subparagraph does not require or allow  
74 the corporation to adopt rates lower than the rates otherwise  
75 required or allowed by this paragraph.

76 4. The corporation must make a recommended actuarially  
77 sound rate filing for each personal and commercial line of  
78 business it writes.

79 5. Notwithstanding the board's recommended rates and the  
80 office's final order regarding the corporation's filed rates  
81 under subparagraph 1., the corporation shall annually implement  
82 a rate increase which, except for sinkhole coverage, does not  
83 exceed the following for any single policy issued by the  
84 corporation, excluding coverage changes and surcharges:

- 85 a. Twelve percent for 2023.  
86 b. Thirteen percent for 2024.  
87 c. Fourteen percent for 2025.

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88 d. Fifteen percent for 2026 and all subsequent years.

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

92 7. The corporation's implementation of rates as prescribed  
93 in subparagraphs 5. and 8. shall cease for any line of business  
94 written by the corporation upon the corporation's implementation  
95 of actuarially sound rates. Thereafter, the corporation shall  
96 annually make a recommended actuarially sound rate filing that  
97 is not competitive with approved rates in the admitted voluntary  
98 market for each commercial and personal line of business the  
99 corporation writes.

100 8. The following ~~For any~~ new or renewal personal lines  
101 policies ~~policy~~ written on or after November 1, 2023, are ~~which~~  
102 ~~does not cover a primary residence, the rate to be applied in~~  
103 ~~calculating premium is not subject to the rate increase~~  
104 limitations in subparagraph 5., but ~~However, the policyholder~~  
105 ~~may not be charged more than 50 percent above, and may not be~~  
106 ~~charged less than, the established rate for the corporation~~  
107 which was in effect 1 year before the date of the application:

108 a. Policies that do not cover a primary residence; or  
109 b. Policies where coverage for the insured risk, prior to  
110 the date of application with the corporation, was last provided  
111 by an insurer determined by the office to be unsound or an  
112 insurer placed in receivership under chapter 631.

113 9. As used in this paragraph, the term "primary residence"  
114 means the dwelling that is the policyholder's primary home or is  
115 a rental property that is the primary home of the tenant, and  
116 which the policyholder or tenant occupies for more than 9 months

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117 of each year.

118 (aa) Except as otherwise provided in this paragraph, the  
119 corporation shall require the securing and maintaining of flood  
120 insurance as a condition of coverage of a personal lines  
121 residential risk. The insured or applicant must execute a form  
122 approved by the office affirming that flood insurance is not  
123 provided by the corporation and that if flood insurance is not  
124 secured by the applicant or insured from an insurer other than  
125 the corporation and in addition to coverage by the corporation,  
126 the risk will not be eligible for coverage by the corporation.  
127 The corporation may deny coverage of a personal lines  
128 residential risk to an applicant or insured who refuses to  
129 secure and maintain flood insurance. The requirement to purchase  
130 flood insurance shall be implemented as follows:

131 1. Except as provided in subparagraphs 2. and 3., all  
132 personal lines residential policyholders must have flood  
133 coverage in place for policies effective on or after:

134 a. January 1, 2024, for a structure that has a dwelling  
135 replacement cost of ~~property valued at~~ \$600,000 or more.

136 b. January 1, 2025, for a structure that has a dwelling  
137 replacement cost of ~~property valued at~~ \$500,000 or more.

138 c. January 1, 2026, for a structure that has a dwelling  
139 replacement cost of ~~property valued at~~ \$400,000 or more.

140 d. January 1, 2027, for all other personal lines  
141 residential property insured by the corporation.

142 2. All personal lines residential policyholders whose  
143 property insured by the corporation is located within the  
144 special flood hazard area defined by the Federal Emergency  
145 Management Agency must have flood coverage in place:

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146 a. At the time of initial policy issuance for all new  
147 personal lines residential policies issued by the corporation on  
148 or after April 1, 2023.

149 b. By the time of the policy renewal for all personal lines  
150 residential policies renewing on or after July 1, 2023.

151 3. Policyholders ~~whose policies issued by the corporation~~  
152 ~~do not provide coverage for the peril of wind~~ are not required  
153 to purchase flood insurance as a condition for maintaining the  
154 following their policies issued by ~~with~~ the corporation:

155 a. Policies that do not provide coverage for the peril of  
156 wind.

157 b. Policies that provide coverage under a condominium unit  
158 owners form.

159  
160 The flood insurance required under this paragraph must meet, at  
161 a minimum, the coverage available from the National Flood  
162 Insurance Program or the requirements of subparagraphs s.  
163 627.715(1)(a)1., 2., and 3.

164 Section 3. Except as otherwise expressly provided in this  
165 act, this act shall take effect upon becoming a law.