



210306

LEGISLATIVE ACTION

Senate

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House

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The Committee on Banking and Insurance (Trumbull) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

Section 1. Subsection (1) of section 624.3161, Florida Statutes, is amended to read:

624.3161 Market conduct examinations.—

(1) As often as it deems necessary, the office shall examine each licensed rating organization, each advisory organization, each group, association, carrier, as defined in s.



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11 440.02, or other organization of insurers which engages in joint  
12 underwriting or joint reinsurance, the attorney in fact of each  
13 reciprocal insurer, and each authorized insurer transacting in  
14 this state any class of insurance to which the provisions of  
15 chapter 627 are applicable. The examination shall be for the  
16 purpose of ascertaining compliance by the person examined with  
17 the applicable provisions of chapters 440, 624, 626, 627, and  
18 635.

19 Section 2. Paragraph (a) of subsection (10) of section  
20 624.424, Florida Statutes, is amended to read:

21 624.424 Annual statement and other information.-

22 (10) (a) Each insurer or insurer group doing business in  
23 this state shall file on a monthly ~~quarterly~~ basis in  
24 conjunction with financial reports required by paragraph (1) (a)  
25 a supplemental report on an individual and group basis on a form  
26 prescribed by the commission with information on personal lines  
27 and commercial lines residential property insurance policies in  
28 this state. The supplemental report shall include separate  
29 information for personal lines property policies and for  
30 commercial lines property policies and totals for each item  
31 specified, including premiums written for each of the property  
32 lines of business as described in ss. 215.555(2) (c) and  
33 627.351(6) (a). The report shall include the following  
34 information for each zip code ~~county on a monthly basis~~:

- 35 1. Total number of policies in force at the end of each
- 36 month.
- 37 2. Total number of policies canceled.
- 38 3. Total number of policies nonrenewed.
- 39 4. Number of policies canceled due to hurricane risk.



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- 40 5. Number of policies nonrenewed due to hurricane risk.
- 41 6. Number of new policies written.
- 42 7. Total dollar value of structure exposure under policies
- 43 that include wind coverage.
- 44 8. Number of policies that exclude wind coverage.
- 45 9. Number of claims open each month.
- 46 10. Number of claims closed each month.
- 47 11. Number of claims pending each month.
- 48 12. Number of claims in which either the insurer or insured
- 49 invoked any form of alternative dispute resolution, and
- 50 specifying which form of alternative dispute resolution was
- 51 used.

52 Section 3. Section 624.4305, Florida Statutes, is amended  
53 to read:

54 624.4305 Nonrenewal of residential property insurance  
55 policies.—Any insurer planning to nonrenew more than 10,000  
56 residential property insurance policies in this state within a  
57 12-month period shall give notice in writing to the Office of  
58 Insurance Regulation for informational purposes 90 days before  
59 the issuance of any notices of nonrenewal. The notice provided  
60 to the office must set forth the insurer's reasons for such  
61 action, the effective dates of nonrenewal, and any arrangements  
62 made for other insurers to offer coverage to affected  
63 policyholders. The commission may adopt rules to administer this  
64 section.

65 Section 4. Paragraph (d) of subsection (1) of section  
66 624.46226, Florida Statutes, is amended to read:

67 624.46226 Public housing authorities self-insurance funds;  
68 exemption for taxation and assessments.—



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69 (1) Notwithstanding any other provision of law, any two or  
70 more public housing authorities in the state as defined in  
71 chapter 421 may form a self-insurance fund for the purpose of  
72 pooling and spreading liabilities of its members as to any one  
73 or combination of casualty risk or real or personal property  
74 risk of every kind and every interest in such property against  
75 loss or damage from any hazard or cause and against any loss  
76 consequential to such loss or damage, provided the self-  
77 insurance fund that is created:

78 (d) Maintains a continuing program of excess insurance  
79 coverage and reinsurance ~~reserve evaluation~~ to protect the  
80 financial stability of the fund ~~in an amount and manner~~  
81 ~~determined by a qualified and independent actuary.~~ The program  
82 must, at a minimum, this program must:

83 1. Include a net retention in an amount and manner selected  
84 by the administrator, ratified by the governing body, and  
85 certified by an independent qualified actuary;

86 2. Include reinsurance or ~~Purchase~~ excess insurance from  
87 authorized insurance carriers or eligible surplus lines  
88 insurers; ~~and-~~

89 3. Be certified by a qualified and independent actuary as  
90 to the program's adequacy. This certification must be submitted  
91 simultaneously with the certifications required under paragraphs  
92 (b) and (c).

93 2. ~~Retain a per loss occurrence that does not exceed~~  
94 ~~\$350,000.~~

95  
96 A for-profit or not-for-profit corporation, limited liability  
97 company, or other similar business entity in which a public



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98 housing authority holds an ownership interest or participates in  
99 its governance under s. 421.08(8) may join a self-insurance fund  
100 formed under this section in which such public housing authority  
101 participates. Such for-profit or not-for-profit corporation,  
102 limited liability company, or other similar business entity may  
103 join the self-insurance fund solely to insure risks related to  
104 public housing.

105 Section 5. Subsection (2) of section 626.9201, Florida  
106 Statutes, is amended to read:

107 626.9201 Notice of cancellation or nonrenewal.—

108 (2) An insurer issuing a policy providing coverage for  
109 property, casualty, surety, or marine insurance must give the  
110 named insured written notice of cancellation or termination  
111 other than nonrenewal at least 45 days before the effective date  
112 of the cancellation or termination, including in the written  
113 notice the reasons for the cancellation or termination, except  
114 that:

115 (a) If cancellation is for nonpayment of premium, at least  
116 10 days' written notice of cancellation accompanied by the  
117 reason for cancellation must be given. As used in this  
118 paragraph, the term "nonpayment of premium" means the failure of  
119 the named insured to discharge when due any of his or her  
120 obligations in connection with the payment of premiums on a  
121 policy or an installment of such a premium, whether the premium  
122 or installment is payable directly to the insurer or its agent  
123 or indirectly under any plan for financing premiums or extension  
124 of credit or the failure of the named insured to maintain  
125 membership in an organization if such membership is a condition  
126 precedent to insurance coverage. The term also includes the



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127 failure of a financial institution to honor the check of an  
128 applicant for insurance which was delivered to a licensed agent  
129 for payment of a premium, even if the agent previously delivered  
130 or transferred the premium to the insurer. If a correctly  
131 dishonored check represents payment of the initial premium, the  
132 contract and all contractual obligations are void ab initio  
133 unless the nonpayment is cured within the earlier of 5 days  
134 after actual notice by certified mail is received by the  
135 applicant or 15 days after notice is sent to the applicant by  
136 certified mail or registered mail, and, if the contract is void,  
137 any premium received by the insurer from a third party must  
138 ~~shall~~ be refunded to that party in full; ~~and~~

139 (b) If cancellation or termination occurs during the first  
140 90 days during which the insurance is in force and if the  
141 insurance is canceled or terminated for reasons other than  
142 nonpayment, at least 20 days' written notice of cancellation or  
143 termination accompanied by the reason for cancellation or  
144 termination must be given, except if there has been a material  
145 misstatement or misrepresentation or failure to comply with the  
146 underwriting requirements established by the insurer; and

147 (c)1. Upon a declaration of an emergency pursuant to s.  
148 252.36 and the filing of an order by the Commissioner of  
149 Insurance Regulation, an insurer may not cancel or nonrenew a  
150 personal residential or commercial residential property  
151 insurance policy covering a dwelling or residential property  
152 located in this state which has been damaged as a result of a  
153 hurricane or wind loss that is the subject of the declaration of  
154 emergency for 90 days after the dwelling or residential property  
155 has been repaired. A dwelling or residential property is deemed



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156 to be repaired when substantially completed and restored to the  
157 extent that the dwelling or residential property is insurable by  
158 another insurer that is writing policies in this state.

159 2. However, an insurer or agent may cancel or nonrenew such  
160 a policy before the repair of the dwelling or residential  
161 property:

162 a. Upon 10 days' notice for nonpayment of premium; or

163 b. Upon 45 days' notice:

164 (I) For a material misstatement or fraud related to the  
165 claim;

166 (II) If the insurer determines that the insured has  
167 unreasonably caused a delay in the repair of the dwelling or  
168 residential property;

169 (III) If the insurer or its agent makes a reasonable  
170 written inquiry to the insured as to the status of repairs, and  
171 the insured fails within 30 calendar days to provide information  
172 that is responsive to the inquiry to either the address or e-  
173 mail account designated by the insurer; or

174 (IV) If the insurer has paid policy limits.

175 3. If the insurer elects to nonrenew a policy covering a  
176 property that has been damaged, the insurer must provide at  
177 least 90 days' notice to the insured that the insurer intends to  
178 nonrenew the policy 90 days after the dwelling or residential  
179 property has been repaired.

180 4. This paragraph does not prevent the insurer from  
181 canceling or nonrenewing the policy 90 days after the repair is  
182 completed for the same reasons the insurer would otherwise have  
183  canceled or nonrenewed the policy but for the limitations of  
184 subparagraph 1.



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185           5. The Financial Services Commission may adopt rules, and  
186 the Commissioner of Insurance Regulation may issue orders,  
187 necessary to implement this paragraph.

188           Section 6. Paragraph (j) of subsection (2) of section  
189 627.062, Florida Statutes, is amended to read:

190           627.062 Rate standards.—

191           (2) As to all such classes of insurance:

192           (j) With respect to residential property insurance rate  
193 filings, the rate filing÷

194           ~~1. must account for mitigation measures undertaken by~~  
195 ~~policyholders to reduce hurricane losses and windstorm losses.~~

196           ~~2. May use a modeling indication that is the weighted or~~  
197 ~~straight average of two or more hurricane loss projection models~~  
198 ~~found by the Florida Commission on Hurricane Loss Projection~~  
199 ~~Methodology to be accurate or reliable pursuant to s. 627.0628.~~

200

201           The provisions of this subsection do not apply to workers'  
202 compensation, employer's liability insurance, and motor vehicle  
203 insurance.

204           Section 7. Paragraph (n) of subsection (6) of section  
205 627.351, Florida Statutes, is amended to read:

206           627.351 Insurance risk apportionment plans.—

207           (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

208           (n)1. Rates for coverage provided by the corporation must  
209 be actuarially sound pursuant to s. 627.062 and not competitive  
210 with approved rates charged in the admitted voluntary market so  
211 that the corporation functions as a residual market mechanism to  
212 provide insurance only when insurance cannot be procured in the  
213 voluntary market, except as otherwise provided in this





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214 paragraph. The office shall provide the corporation such  
215 information as would be necessary to determine whether rates are  
216 competitive. The corporation shall file its recommended rates  
217 with the office at least annually. The corporation shall provide  
218 any additional information regarding the rates which the office  
219 requires. The office shall consider the recommendations of the  
220 board and issue a final order establishing the rates for the  
221 corporation within 45 days after the recommended rates are  
222 filed. The corporation may not pursue an administrative  
223 challenge or judicial review of the final order of the office.

224       2. In addition to the rates otherwise determined pursuant  
225 to this paragraph, the corporation shall impose and collect an  
226 amount equal to the premium tax provided in s. 624.509 to  
227 augment the financial resources of the corporation.

228       3. After the public hurricane loss-projection model under  
229 s. 627.06281 has been found to be accurate and reliable by the  
230 Florida Commission on Hurricane Loss Projection Methodology, the  
231 model shall be considered when establishing the windstorm  
232 portion of the corporation's rates. The corporation may use the  
233 public model results in combination with the results of private  
234 models to calculate rates for the windstorm portion of the  
235 corporation's rates. This subparagraph does not require or allow  
236 the corporation to adopt rates lower than the rates otherwise  
237 required or allowed by this paragraph.

238       4. The corporation must make a recommended actuarially  
239 sound rate filing for each personal and commercial line of  
240 business it writes.

241       5. Notwithstanding the board's recommended rates and the  
242 office's final order regarding the corporation's filed rates



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243 under subparagraph 1., the corporation shall annually implement  
244 a rate increase which, except for sinkhole coverage, does not  
245 exceed the following for any single policy issued by the  
246 corporation, excluding coverage changes and surcharges:

- 247 a. Twelve percent for 2023.
  - 248 b. Thirteen percent for 2024.
  - 249 c. Fourteen percent for 2025.
  - 250 d. Fifteen percent for 2026 and all subsequent years.
- 251 6. The corporation may also implement an increase to  
252 reflect the effect on the corporation of the cash buildup factor  
253 pursuant to s. 215.555(5)(b).

254 7. The corporation's implementation of rates as prescribed  
255 in subparagraphs 5. and 8. shall cease for any line of business  
256 written by the corporation upon the corporation's implementation  
257 of actuarially sound rates. Thereafter, the corporation shall  
258 annually make a recommended actuarially sound rate filing that  
259 is not competitive with approved rates in the admitted voluntary  
260 market for each commercial and personal line of business the  
261 corporation writes.

262 8. ~~The following~~ New or renewal personal lines policies  
263 that do not cover a primary residence written on or after  
264 ~~November 1, 2023,~~ are not subject to the rate increase  
265 limitations in subparagraph 5., but may not be charged more than  
266 50 percent above, nor less than, the prior year's established  
267 rate for the corporation.

- 268 ~~a. Policies that do not cover a primary residence;~~
- 269 ~~b. New policies under which the coverage for the insured~~  
270 ~~risk, before the date of application with the corporation, was~~  
271 ~~last provided by an insurer determined by the office to be~~



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272 ~~unsound or an insurer placed in receivership under chapter 631;~~  
273 ~~or~~

274 ~~e. Subsequent renewals of those policies, including the new~~  
275 ~~policies in sub-subparagraph b., under which the coverage for~~  
276 ~~the insured risk, before the date of application with the~~  
277 ~~corporation, was last provided by an insurer determined by the~~  
278 ~~office to be unsound or an insurer placed in receivership under~~  
279 ~~chapter 631.~~

280 9. As used in this paragraph, the term "primary residence"  
281 means the dwelling that is the policyholder's primary home or is  
282 a rental property that is the primary home of the tenant, and  
283 which the policyholder or tenant occupies for more than 9 months  
284 of each year.

285 Section 8. Section 628.011, Florida Statutes, is amended to  
286 read:

287 628.011 Scope of part.—This part applies only to domestic  
288 ~~stock~~ insurers, mutual insurers, and captive insurers, except  
289 that s. 628.341(2) applies also as to foreign and alien  
290 insurers.

291 Section 9. Section 628.061, Florida Statutes, is amended to  
292 read:

293 628.061 Investigation of proposed organization.—In  
294 connection with any proposal to organize or incorporate a  
295 domestic insurer, the office shall make an investigation of:

296 (1) The character, reputation, financial standing, and  
297 motives of the organizers, incorporators, and subscribers  
298 organizing the proposed insurer or any attorney in fact.

299 (2) The character, financial responsibility, insurance  
300 experience, and business qualifications of its proposed



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301 officers, members of its subscribers' advisory committee, or  
302 officers of its attorney in fact.

303 (3) The character, financial responsibility, business  
304 experience, and standing of the proposed stockholders and  
305 directors, including the stockholders and directors of any  
306 attorney in fact.

307 Section 10. Subsections (1), (2), and (5) of section  
308 628.801, Florida Statutes, are amended to read:

309 628.801 Insurance holding companies; registration;  
310 regulation.—

311 (1) An insurer that is authorized to do business in this  
312 state and that is a member of an insurance holding company  
313 shall, on or before April 1 of each year, register with the  
314 office and file a registration statement and be subject to  
315 regulation with respect to its relationship to the holding  
316 company as provided by law or rule. The commission shall adopt  
317 rules establishing the information and statement form required  
318 for registration and the manner in which registered insurers and  
319 their affiliates are regulated. The rules apply to domestic  
320 insurers, foreign insurers, and commercially domiciled insurers,  
321 except for foreign insurers domiciled in states that are  
322 currently accredited by the NAIC. Except to the extent of any  
323 conflict with this code, the rules must include all requirements  
324 and standards of the Insurance Holding Company System Model  
325 Regulation and ss. 4 and 5 of the Insurance Holding Company  
326 System Regulatory Act ~~and the Insurance Holding Company System~~  
327 ~~Model Regulation~~ of the NAIC, as adopted in December 2020 ~~2010~~.  
328 The commission may adopt subsequent amendments thereto if the  
329 methodology remains substantially consistent. The rules may



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330 include a prohibition on oral contracts between affiliated  
331 entities. Material transactions between an insurer and its  
332 affiliates must ~~shall~~ be filed with the office as provided by  
333 rule.

334 (2) ~~Effective January 1, 2015,~~ The ultimate controlling  
335 person of every insurer subject to registration shall also file  
336 an annual enterprise risk report on or before April 1. As used  
337 in this subsection, the term "ultimate controlling person" means  
338 a person who is not controlled by any other person. The report  
339 must, to the best of the ultimate controlling person's knowledge  
340 and belief, ~~must~~ identify the material risks within the  
341 insurance holding company system that could pose enterprise risk  
342 to the insurer. The report must ~~shall~~ be filed with the lead  
343 state office of the insurance holding company system as  
344 determined by the procedures within the Financial Analysis  
345 Handbook adopted by the NAIC and is confidential and exempt from  
346 public disclosure as provided in s. 624.4212.

347 (a) An insurer may satisfy this requirement by providing  
348 the office with the most recently filed parent corporation  
349 reports that have been filed with the Securities and Exchange  
350 Commission which provide the appropriate enterprise risk  
351 information.

352 (b) The term "enterprise risk" means an activity, a  
353 circumstance, an event, or a series of events involving one or  
354 more affiliates of an insurer which, if not remedied promptly,  
355 are likely to have a materially adverse effect upon the  
356 financial condition or liquidity of the insurer or its insurance  
357 holding company system as a whole, including anything that would  
358 cause the insurer's risk-based capital to fall into company



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359 action level as set forth in s. 624.4085 or would cause the  
360 insurer to be in a hazardous financial condition.

361 (c) The commission may adopt rules for filing the annual  
362 enterprise risk report in accordance with the Insurance Holding  
363 Company System Regulatory Act and the Insurance Holding Company  
364 System Model Regulation of the NAIC, as adopted in December  
365 2020.

366 (5) ~~Effective January 1, 2015,~~ The failure to file a  
367 registration statement, or a summary of the registration  
368 statement, or the enterprise risk filing report required by this  
369 section within the time specified for filing is a violation of  
370 this section.

371 Section 11. Section 629.011, Florida Statutes, is amended  
372 to read:

373 629.011 Definitions ~~"Reciprocal insurance" defined.~~ As used  
374 in this part, the term:

375 (1) "Affiliated person" of another person means any of the  
376 following:

377 (a) The spouse of the other person.

378 (b) The parents of the other person, and their lineal  
379 descendants, and the parents of the other person's spouse, and  
380 their lineal descendants.

381 (c) A person who directly or indirectly owns or controls,  
382 or holds with power to vote, 10 percent or more of the  
383 outstanding voting securities of the other person.

384 (d) A person who directly or indirectly owns 10 percent or  
385 more of the outstanding voting securities that are directly or  
386 indirectly owned or controlled, or held with power to vote, by  
387 the other person.



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388 (e) A person or group of persons who directly or indirectly  
389 control, are controlled by, or are under common control with the  
390 other person.

391 (f) A director, an officer, a trustee, a partner, an owner,  
392 a manager, a joint venturer, an employee, or other person  
393 performing duties similar to those of persons in such positions.

394 (g) If the other person is an investment company, any  
395 investment adviser of such company or any member of an advisory  
396 board of such company.

397 (h) If the other person is an unincorporated investment  
398 company not having a board of directors, the depositor of such  
399 company.

400 (i) A person who has entered into an agreement, written or  
401 unwritten, to act in concert with the other person in acquiring,  
402 or limiting the disposition of:

403 1. Securities of an attorney in fact or controlling company  
404 that is a stock corporation; or

405 2. An ownership interest of an attorney in fact or  
406 controlling company that is not a stock corporation.

407 (2) "Attorney in fact" or "attorney" means the attorney in  
408 fact of a reciprocal insurer. The attorney in fact may be an  
409 individual, a corporation, or another person.

410 (3) "Controlling company" means a person, a corporation, a  
411 trust, a limited liability company, an association, or another  
412 entity owning, directly or indirectly, 10 percent or more of the  
413 voting securities of one or more attorneys in fact that are  
414 stock corporations, or 10 percent or more of the ownership  
415 interest of one or more attorneys in fact that are not stock  
416 corporations.



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417           (4) "Reciprocal insurance" is that resulting from an  
418 interexchange among persons, known as "subscribers," of  
419 reciprocal agreements of indemnity, the interexchange being  
420 effectuated through an "attorney in fact" common to all such  
421 persons.

422           (5) "Reciprocal insurer" means unincorporated aggregation  
423 of subscribers operating individually and collectively through  
424 an attorney in fact to provide reciprocal insurance among  
425 themselves.

426           Section 12. Section 629.021, Florida Statutes, is repealed.

427           Section 13. Section 629.061, Florida Statutes, is repealed.

428           Section 14. Section 629.081, Florida Statutes, is amended  
429 to read:

430           629.081 Organization of reciprocal insurer.—

431           (1) Twenty-five or more persons domiciled in this state may  
432 organize a domestic reciprocal insurer by making application to  
433 the office for a permit to do so. A domestic reciprocal insurer  
434 may not be formed unless the persons so proposing have first  
435 received a permit from the office and make application to the  
436 office for a certificate of authority to transact insurance.

437           (2) The permit application, to be filed by the organizers  
438 or the proposed attorney in fact, must be in writing and made in  
439 accordance with forms prescribed by the commission. In addition  
440 to any applicable requirements of s. 628.051 or other relevant  
441 statutes, the application must include all of the following  
442 shall fulfill the requirements of and shall execute and file  
443 with the office, when applying for a certificate of authority, a  
444 declaration setting forth:

445           (a) The name of the proposed reciprocal insurer, which





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446 shall be in accordance with s. 629.051.†

447 (b) The location of the insurer's principal office, which  
448 shall be the same as that of the proposed attorney in fact and  
449 shall be maintained within this state.†

450 (c) The kinds of insurance proposed to be transacted.†

451 (d) The names and addresses of the original 25 or more  
452 subscribers.†

453 (e) The proposed designation and appointment of the  
454 proposed attorney in fact and a copy of the proposed power of  
455 attorney.†

456 (f) The names and addresses of the officers and directors  
457 of the proposed attorney in fact, if a corporation, or of its  
458 members, if other than a corporation, as well as the background  
459 information as specified in s. 629.227 for all officers,  
460 directors, and equivalent positions of the proposed attorney in  
461 fact as well as for any person with ownership interests of 10  
462 percent or more in the proposed attorney in fact.†

463 (g) The articles of incorporation and bylaws, or equivalent  
464 documents, of the proposed attorney in fact, dated within the  
465 last year and appropriately certified.

466 (h) ~~(g)~~ The proposed charter powers of the subscribers'  
467 advisory committee, and the names and terms of office of the  
468 members thereof as well as the background information as  
469 specified in s. 629.227 for each proposed member.†

470 ~~(h)~~ ~~That all moneys paid to the reciprocal shall, after~~  
471 ~~deducting therefrom any sum payable to the attorney, be held in~~  
472 ~~the name of the insurer and for the purposes specified in the~~  
473 ~~subscribers' agreement.~~†

474 (i) A copy of the proposed subscribers' agreement.†



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475 ~~(j) A statement that each of the original subscribers has~~  
476 ~~in good faith applied for insurance of a kind proposed to be~~  
477 ~~transacted, and that the insurer has received from each such~~  
478 ~~subscriber the full premium or premium deposit required for the~~  
479 ~~policy applied for, for a term of not less than 6 months at an~~  
480 ~~adequate rate theretofore filed with and approved by the office;~~

481 ~~(k) A statement of the financial condition of the insurer,~~  
482 ~~a schedule of its assets, and a statement that the surplus as~~  
483 ~~required by s. 629.071 is on hand; and~~

484 (j)(1) A copy of each policy, endorsement, and application  
485 form ~~the insurer~~ it then proposes to issue or use.

486 (3) The filing must be accompanied by the application fee  
487 required under s. 624.501(1) (a) and such other pertinent  
488 information and documents as reasonably requested by the office.

489 (4) The office shall evaluate and grant or deny the permit  
490 application in accordance with ss. 628.061, 628.071, and other  
491 relevant provisions of the code.

492  
493 ~~Such declaration shall be acknowledged by the attorney before an~~  
494 ~~officer authorized to take acknowledgments.~~

495 Section 15. Section 629.091, Florida Statutes, is amended  
496 to read:

497 629.091 Reciprocal certificate of authority.—

498 (1) A domestic reciprocal insurer may seek a certificate of  
499 authority only after obtaining a permit.

500 (2) To apply for a certificate of authority as a domestic  
501 reciprocal insurer, the attorney in fact of an applicant who has  
502 previously received a permit from the office may file an  
503 application for a certificate of authority in accordance with



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504 forms prescribed by the commission that, in addition to  
505 applicable requirements of ss. 624.404, 624.411, and 624.413 and  
506 other relevant statutes, consist of all of the following:

507 (a) Executed copies of any proposed or draft documents  
508 required as part of the permit application.

509 (b) A statement affirming that all moneys paid to the  
510 reciprocal insurer shall, after deducting therefrom any sum  
511 payable to the attorney in fact, be held in the name of the  
512 insurer and for the purposes specified in the subscribers'  
513 agreement.

514 (c) A statement that each of the original subscribers has  
515 in good faith applied for insurance of a kind proposed to be  
516 transacted, and that the insurer has received from each such  
517 subscriber the full premium or premium deposit required for the  
518 policy applied for, for a term of not less than 6 months at an  
519 adequate rate theretofore filed with and approved by the office.

520 (d) A copy of the bond required under s. 629.121.

521 (e) A statement of the financial condition of the insurer,  
522 a schedule of its assets, and a statement that the surplus as  
523 required by s. 629.071 is on hand.

524 (f) Such other pertinent information or documents as  
525 reasonably requested by the office.

526 (3) If the reciprocal insurer intends to issue  
527 nonassessable policies upon the receipt of a certificate of  
528 authority, and the office determines that the reciprocal insurer  
529 meets the legal requirements to issue nonassessable policies,  
530 including the surplus requirements, the office shall grant  
531 authorization for a certificate of authority. If the surplus of  
532 the reciprocal insurer becomes impaired, the insurer may no



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533 longer issue or renew nonassessable policies or convert  
534 assessable policies to nonassessable policies, and the  
535 provisions of s. 629.301 shall apply.

536 (4) The certificate of authority of a reciprocal insurer  
537 shall be issued to its attorney in the name of the reciprocal  
538 insurer to its attorney in fact.

539 Section 16. Section 629.094, Florida Statutes, is created  
540 to read:

541 629.094 Continued eligibility for certificate of  
542 authority.—In order to maintain its eligibility for a  
543 certificate of authority, a domestic reciprocal insurer shall  
544 continue to meet all applicable conditions required for  
545 receiving the initial permit and certificate of authority under  
546 this code and the rules adopted thereunder.

547 Section 17. Section 629.101, Florida Statutes, is amended  
548 to read:

549 629.101 Power of attorney in fact.—

550 (1) The rights and powers of the attorney of a reciprocal  
551 insurer shall be as provided in the power of attorney given it  
552 by the subscribers.

553 (2) The power of attorney must set forth all of the  
554 following:

555 (a) The powers of the attorney.†

556 (b) That the attorney is empowered to accept service of  
557 process on behalf of the insurer in actions against the insurer  
558 upon contracts exchanged.†

559 (c) The general services to be performed by the attorney.†

560 (d) That the attorney in fact has a fiduciary duty to the  
561 subscribers of the reciprocal insurer.



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562           ~~(e)-(d)~~ The maximum amount to be deducted from advance  
563 premiums or deposits to be paid to the attorney and the general  
564 items of expense in addition to losses, to be paid by the  
565 insurer, ~~and~~

566           ~~(f)-(e)~~ Except as to nonassessable policies, a provision for  
567 a contingent several liability of each subscriber in a specified  
568 amount, which amount shall be not less than 5 nor more than 10  
569 times the premium or premium deposit stated in the policy.

570           (3) The power of attorney may:

571           (a) Provide for the right of substitution of the attorney  
572 and revocation of the power of attorney and rights thereunder;

573           (b) Impose such restrictions upon the exercise of the power  
574 as are agreed upon by the subscribers;

575           (c) Provide for the exercise of any right reserved to the  
576 subscribers directly or through their advisory committee; and

577           (d) Contain other lawful provisions deemed advisable.

578           (4) The terms of any power of attorney or agreement  
579 collateral thereto shall be reasonable and equitable, and no  
580 such power or agreement shall be used or be effective in this  
581 state unless filed with the office.

582           Section 18. Section 629.225, Florida Statutes, is created  
583 to read:

584           629.225 Acquisitions.-The provisions of this section apply  
585 to domestic reciprocal insurers and the attorney in fact of  
586 domestic reciprocal insurers.

587           (1) A person may not, individually or in conjunction with  
588 any affiliated person of such person, directly or indirectly,  
589 conclude a tender offer or exchange offer for, enter into any  
590 agreement to exchange securities for, or otherwise finally



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591 acquire, 10 percent or more of the outstanding voting securities  
592 of an attorney in fact which is a stock corporation or of a  
593 controlling company of an attorney in fact which is a stock  
594 corporation; or conclude an acquisition of, or otherwise finally  
595 acquire, 10 percent or more of the ownership interest of an  
596 attorney in fact which is not a stock corporation or of a  
597 controlling company of an attorney which is not a stock  
598 corporation, unless all of the following conditions are met:

599 (a) The person or affiliated person has filed with the  
600 office and sent to the principal office of the attorney in fact,  
601 and any controlling company of the attorney in fact, the  
602 subscribers' advisory committee, and the domestic reciprocal  
603 insurer a letter of notification regarding the transaction or  
604 proposed transaction no later than 5 days after any form of  
605 tender offer or exchange offer is proposed, or no later than 5  
606 days after the acquisition of the securities or ownership  
607 interest if a tender offer or exchange offer is not involved.  
608 The notification must be provided on forms prescribed by the  
609 commission containing information determined necessary to  
610 understand the transaction and identify all purchasers and  
611 owners involved.

612 (b) The subscribers' advisory committee has provided the  
613 notification required under paragraph (a) on a form prescribed  
614 by the commission, explaining what the notification is and  
615 letting the subscribers know of the filing deadlines for  
616 objecting to the acquisition.

617 (c) The person or affiliated person has filed with the  
618 office an application signed under oath and prepared on forms  
619 prescribed by the commission which contains the information



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620 specified in subsection (4). The application must be completed  
621 and filed within 30 days after any form of tender offer or  
622 exchange offer is proposed, or after the acquisition of the  
623 securities if a tender offer or exchange offer is not involved.

624 (d) The office has approved the tender offer or exchange  
625 offer, or acquisition if a tender offer or exchange offer is not  
626 involved.

627 (2) This section does not apply to any acquisition of  
628 voting securities or ownership interest of an attorney in fact  
629 or of a controlling company by any person who is the owner of a  
630 majority of the voting securities or ownership interest with the  
631 approval of the office under this section or s. 629.091.

632 (3) The person or affiliated person filing the notice  
633 required by paragraph (1) (a) may request that the office waive  
634 the requirements of paragraph (1) (b), provided that there is no  
635 change in the ultimate controlling shareholders, and no change  
636 in the ownership percentages of the ultimate controlling  
637 shareholders, and no unaffiliated parties acquire any direct or  
638 indirect interest in the attorney in fact. The office may waive  
639 the filing required by paragraph (1) (b) if it determines that  
640 there is no change in the ultimate controlling shareholders, and  
641 no change in the ownership percentages of the ultimate  
642 controlling shareholders, and no unaffiliated parties will  
643 acquire any direct or indirect interest in the attorney in fact.

644 (4) The application to be filed with the office and  
645 furnished to the attorney in fact must contain the following  
646 information and any additional information as the office deems  
647 necessary to determine the character, experience, ability, and  
648 other qualifications of the person or affiliated person of such



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649 person for the protection of the reciprocal insurer's  
650 subscribers and of the public:

651 (a) The identity and background information specified in s.  
652 629.227 of:

653 1. Each person by whom, or on whose behalf, the acquisition  
654 is to be made; and

655 2. Any person who controls, directly or indirectly, such  
656 other person, including each director, officer, trustee,  
657 partner, owner, manager, or joint venturer, or other person  
658 performing duties similar to those of persons in such positions,  
659 for the person.

660 (b) The source and amount of the funds or other  
661 consideration used, or to be used, in making the acquisition.

662 (c) Any plans or proposals which such persons may have made  
663 to liquidate the attorney in fact or controlling company, to  
664 sell any of their assets or merge or consolidate them with any  
665 person, or to make any other major change in their business or  
666 corporate structure or management.

667 (d) The nature and the extent of the controlling interest  
668 which the person or affiliated person of such person proposes to  
669 acquire, the terms of the proposed acquisition, and the manner  
670 in which the controlling interest is to be acquired of an  
671 attorney in fact or controlling company which is not a stock  
672 corporation.

673 (e) The number of shares or other securities which the  
674 person or affiliated person of such person proposes to acquire,  
675 the terms of the proposed acquisition, and the manner in which  
676 the securities are to be acquired.

677 (f) Information as to any contract, arrangement, or





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678 understanding with any party with respect to any of the  
679 securities of the attorney in fact or controlling company,  
680 including, but not limited to, information relating to the  
681 transfer of any of the securities, option arrangements, puts or  
682 calls, or the giving or withholding of proxies, which  
683 information names the party with whom the contract, arrangement,  
684 or understanding has been entered into and gives the details  
685 thereof.

686 (g) The filing must be accompanied by the fee required  
687 under s. 624.501(1)(a).

688 (5) If any material change occurs in the facts provided in  
689 the application filed with the office pursuant to this section  
690 or the background information required under s. 629.227, an  
691 amendment specifying such changes must be filed immediately with  
692 the office, and a copy of the amendment must be sent to the  
693 principal office of the attorney in fact and to the principal  
694 office of the controlling company.

695 (6)(a) The acquisition application must be reviewed in  
696 accordance with chapter 120. The office may on its own initiate,  
697 or, if requested to do so in writing by a substantially affected  
698 person, shall conduct a proceeding to consider the  
699 appropriateness of the proposed filing. Time periods for  
700 purposes of chapter 120 shall be tolled during the pendency of  
701 the proceeding. Any written request for a proceeding must be  
702 filed with the office within 10 days after the date notice of  
703 the filing is given, or 10 days after notice of the filing is  
704 sent to the subscribers by the subscribers advisory committee,  
705 whichever is later. During the pendency of the proceeding or  
706 review period by the office, any person or affiliated person



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707 complying with the filing requirements of this section may  
708 proceed and take all steps necessary to conclude the acquisition  
709 so long as the acquisition becoming final is conditioned upon  
710 obtaining office approval. However, at any time it finds an  
711 immediate danger to the public health, safety, and welfare of  
712 the reciprocal insurer's subscribers exists, the office shall  
713 immediately order, pursuant to s. 120.569(2)(n), the proposed  
714 acquisition disapproved and any further steps to conclude the  
715 acquisition ceased.

716 (b) During the pendency of the office's review of any  
717 acquisition subject to the provisions of this section, the  
718 acquiring person may not make any material change in the  
719 operation of the attorney in fact or controlling company unless  
720 the office has specifically approved the change, nor shall the  
721 acquiring person make any material change in the management of  
722 the attorney in fact unless advance written notice of the change  
723 in management is furnished to the office. The term "material  
724 change in the operation of the attorney in fact" means a  
725 transaction that disposes of or obligates 5 percent or more of  
726 the capital and surplus of the attorney in fact or of any  
727 domestic reciprocal insurer. The term "material change in the  
728 management of the attorney in fact" means any change in  
729 management involving officers or directors of the attorney in  
730 fact or any person of the attorney or controlling company having  
731 authority to dispose of or obligate 5 percent or more of the  
732 attorney in fact's capital or surplus. The office shall approve  
733 a material change in operations if it finds the applicable  
734 provisions of subsection (7) have been met. The office may  
735 disapprove a material change in management if it finds that the



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736 applicable provisions of subsection (7) have not been met and in  
737 such case the attorney in fact shall promptly change management  
738 as acceptable to the office.

739 (c) If a request for a proceeding is filed, the proceeding  
740 must be conducted within 60 days after the date the written  
741 request for a proceeding is received by the office. A  
742 recommended order must be issued within 20 days after the date  
743 of the close of the proceedings. A final order shall be issued  
744 within 20 days after the date of the recommended order or, if  
745 exceptions to the recommended order are filed, within 20 days  
746 after the date the exceptions are filed.

747 (7) The office may disapprove any acquisition subject to  
748 this section by any person or any affiliated person of such  
749 person who:

750 (a) Willfully violates this section;

751 (b) In violation of an order of the office issued pursuant  
752 to subsection (11), fails to divest himself or herself of any  
753 stock or ownership interest obtained in violation of this  
754 section or fails to divest himself or herself of any direct or  
755 indirect control of such stock or ownership interest, within 25  
756 days after such order; or

757 (c) In violation of an order issued by the office pursuant  
758 to subsection (12), acquires an additional stock or ownership  
759 interest in an attorney in fact or controlling company or direct  
760 or indirect control of such stock or ownership interest, without  
761 complying with this section.

762 (8) The person or persons filing the application required  
763 by this section have the burden of proof. The office shall  
764 approve any such acquisition if it finds, on the basis of the



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765 record made during any proceeding or on the basis of the filed  
766 application if no proceeding is conducted, that:

767 (a) The financial condition of the acquiring person or  
768 persons will not jeopardize the financial stability of the  
769 attorney in fact or prejudice the interests of the reciprocal  
770 insurer's subscribers or the public.

771 (b) Any plan or proposal which the acquiring person has, or  
772 acquiring persons have, made:

773 1. To liquidate the attorney in fact, sell its assets, or  
774 merge or consolidate it with any person, or to make any other  
775 major change in its business or corporate structure or  
776 management is fair and free of prejudice to the reciprocal  
777 insurer's subscribers or to the public; or

778 2. To liquidate any controlling company, sell its assets,  
779 or merge or consolidate it with any person, or to make any major  
780 change in its business or corporate structure or management  
781 which would have an effect upon the attorney in fact, is fair  
782 and free of prejudice to the reciprocal insurer's subscribers or  
783 to the public.

784 (c) The competence, experience, and integrity of those  
785 persons who will control directly or indirectly the operation of  
786 the attorney in fact indicate that the acquisition is in the  
787 best interest of the reciprocal insurer's subscribers and in the  
788 public interest.

789 (d) The natural persons for whom background information is  
790 required to be furnished pursuant to this section have such  
791 backgrounds as to indicate that it is in the best interests of  
792 the reciprocal insurer's subscribers and in the public interest  
793 to permit such persons to exercise control over the attorney in



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794 fact.

795 (e) The directors and officers, if such attorney in fact or  
796 controlling company is a stock corporation, or the trustees,  
797 partners, owners, managers, joint venturers, or other persons  
798 performing duties similar to those of persons in such positions,  
799 if such attorney in fact or controlling company is not a stock  
800 corporation, to be employed after the acquisition have  
801 sufficient insurance experience and ability to assure reasonable  
802 promise of successful operation.

803 (f) The management of the attorney in fact after the  
804 acquisition will be competent, trustworthy, and will possess  
805 sufficient managerial experience so as to make the proposed  
806 operation of the attorney in fact not hazardous to the  
807 insurance-buying public.

808 (g) The management of the attorney in fact after the  
809 acquisition shall not include any person who has directly or  
810 indirectly through ownership, control, reinsurance transactions,  
811 or other insurance or business relations unlawfully manipulated  
812 the assets, accounts, finances, or books of any insurer or  
813 otherwise acted in bad faith with respect thereto.

814 (h) The acquisition is not likely to be hazardous or  
815 prejudicial to the reciprocal insurer's subscribers or to the  
816 public.

817 (i) The effect of the acquisition would not substantially  
818 lessen competition in the line of insurance for which the  
819 reciprocal insurer is licensed or certified in this state or  
820 would not tend to create a monopoly therein.

821 (9) A vote by the stockholder of record, or by any other  
822 person, of any security acquired in contravention of this



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823 section is not valid. Any acquisition contrary to this section  
824 is void. Upon the petition of the attorney in fact, any or the  
825 controlling company, or the reciprocal insurer the circuit court  
826 for the county in which the principal office of the attorney in  
827 fact is located may, without limiting the generality of its  
828 authority, order the issuance or entry of an injunction or other  
829 order to enforce this section. There shall be a private right of  
830 action in favor of the attorney in fact, or controlling company,  
831 to enforce this section. A demand upon the office that it  
832 performs its functions may not be required as a prerequisite to  
833 any suit by the attorney in fact or controlling company against  
834 any other person, and in no case shall the office be deemed a  
835 necessary party to any action by the attorney in fact or  
836 controlling company to enforce this section. Any person who  
837 makes or proposes an acquisition requiring the filing of an  
838 application pursuant to this section, or who files such an  
839 application, shall be deemed to have thereby designated the  
840 Chief Financial Officer, or his or her assistant or deputy or  
841 another person in charge of his or her office, as such person's  
842 agent for service of process under this section and shall  
843 thereby be deemed to have submitted himself or herself to the  
844 administrative jurisdiction of the office and to the  
845 jurisdiction of the circuit court.

846 (10) Any approval by the office under this section does not  
847 constitute a recommendation by the office of the tender offer or  
848 exchange offer, or acquisition, if no tender offer or exchange  
849 offer is involved. It is unlawful for a person to represent that  
850 the office's approval constitutes a recommendation. A person who  
851 violates this subsection commits a felony of the third degree,



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852 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.  
853 The statute of limitations period for the prosecution of an  
854 offense committed under this subsection is 5 years.

855 (11) A person may rebut a presumption of control by filing  
856 a disclaimer of control with the office on a form prescribed by  
857 the commission. The disclaimer must fully disclose all material  
858 relationships and bases for affiliation between the person and  
859 the attorney in fact as well as the basis for disclaiming the  
860 affiliation. In lieu of such form, a person or acquiring party  
861 may file with the office a copy of a Schedule 13G filed with the  
862 Securities and Exchange Commission pursuant to Rule 13d-1(b) or  
863 (c), 17 C.F.R. s. 240.13d-1, under the Securities Exchange Act  
864 of 1934, as amended. After a disclaimer has been filed, the  
865 attorney in fact is relieved of any duty to register or report  
866 under this section which may arise out of the attorney in fact's  
867 relationship with the person unless the office disallows the  
868 disclaimer.

869 (12) If the office determines that any person or any  
870 affiliated person of such person has acquired 10 percent or more  
871 of the outstanding voting securities of an attorney in fact or  
872 controlling company which is a stock corporation, or 10 percent  
873 or more of the ownership interest of an attorney in fact or  
874 controlling company which is not a stock corporation, without  
875 complying with this section, the office may order that the  
876 person and any affiliated person of such person cease  
877 acquisition of the attorney in fact or controlling company and,  
878 if appropriate, divest itself of any stock or ownership interest  
879 acquired in violation of this section.

880 (13) (a) The office shall, if necessary to protect the



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881 public interest, suspend or revoke the certificate of authority  
882 of the reciprocal insurer whose attorney in fact or controlling  
883 company is acquired in violation of this section.

884 (b) If any reciprocal insurer is subject to suspension or  
885 revocation pursuant to paragraph (a), any other reciprocal  
886 insurer using the same attorney in fact shall also be subject to  
887 suspension or revocation. In such case, the office may offer any  
888 affected reciprocal insurer, through its subscriber  
889 representatives, the ability to cure any suspension or  
890 revocation by procuring another attorney in fact acceptable to  
891 the office or taking any other action agreed to by the office.

892 Section 19. Section 629.227, Florida Statutes, is created  
893 to read:

894 629.227 Background information.—The information as to the  
895 background and identity of each person about whom information is  
896 required to be furnished pursuant to s. 629.081 or s. 629.225  
897 must include, but need not be limited to:

898 (1) A sworn biographical statement on forms adopted by the  
899 commission that shall include, but not be limited to, the  
900 following information:

901 (a) Occupations, positions of employment, and offices held  
902 during the past 20 years, including the principal business and  
903 address of any business, corporation, or organization where each  
904 occupation, position of employment, or office occurred.

905 (b) Whether the person was, at any time during such 10-year  
906 period, convicted of any crime other than a traffic violation.

907 (c) Whether the person has been, during such 10-year  
908 period, the subject of any proceeding for the revocation of any  
909 license and, if so, the nature of the proceeding and the





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910 disposition of the proceeding.

911 (d) Whether, during such 10-year period, the person has  
912 been the subject of any proceeding under the federal Bankruptcy  
913 Act.

914 (e) Whether, during such 10-year period, any person or  
915 other business or organization in which the person was a  
916 director, officer, trustee, partner, owner, manager, or other  
917 official has been subject of any proceeding under the federal  
918 Bankruptcy Act, either during the time of that person's tenure  
919 with the business or organization or within 12 months  
920 thereafter.

921 (f) Whether, during such 10-year period, the person has  
922 been enjoined, temporarily or permanently, by a court of  
923 competent jurisdiction from violating any federal or state law  
924 regulating the business of insurance, securities, or banking, or  
925 from carrying out any particular practice or practices in the  
926 course of the business of insurance, securities, or banking,  
927 together with details as to any such event.

928 (g) Whether, during such 20-year period, the person served  
929 as the attorney in fact, a subscribers' advisory committee  
930 member, or any other manager or officer of a reciprocal insurer  
931 or an insurer that became insolvent or had its certificate of  
932 authority suspended or revoked.

933 (2) Fingerprints of each person.

934 (3) Authority for release of information in regard to the  
935 investigation of such person's background.

936 (4) Any additional information as the office deems  
937 necessary to determine the character, experience, ability, and  
938 other qualifications of the person or affiliated person of such



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939 person for the protection of the reciprocal insurer's  
940 subscribers and of the public.

941 Section 20. Section 629.229, Florida Statutes, is created  
942 to read:

943 629.229 Attorney in fact, officers, and directors of  
944 insolvent reciprocal insurers or other insurers.—Any person who  
945 served as an attorney in fact, or as an officer, director, or  
946 manager of an attorney in fact, any member of a subscribers'  
947 advisory committee of a reciprocal insurer doing business in  
948 this state, or an officer or director of any other insurer doing  
949 business in this state, and who served in that capacity within  
950 the 2-year period before the date the insurer or reciprocal  
951 insurer became insolvent, for any insolvency that occurs on or  
952 after July 1, 2024, may not thereafter:

953 (1) Serve as an attorney in fact, or as an officer,  
954 director, or manager of an attorney in fact, or a member of a  
955 subscribers advisory committee of a reciprocal insurer doing  
956 business in this state, or an officer or director of any other  
957 insurer doing business in this state; or

958 (2) Have direct or indirect control over the selection or  
959 appointment of an attorney in fact, or of an officer, director,  
960 or manager of an attorney in fact, or a member of the  
961 subscribers committee of a reciprocal insurer doing business in  
962 this state, or an officer or director of any insurer doing  
963 business in this state, through contract, trust, or by operation  
964 of law,

965  
966 unless the individual demonstrates that his or her personal  
967 actions or omissions were not a significant contributing cause



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968 to the insolvency.

969 Section 21. Section 629.261, Florida Statutes, is amended  
970 to read:

971 629.261 Nonassessable policies.—Upon impairment of the  
972 surplus of a nonassessable reciprocal insurer, the office shall  
973 revoke the authorization issued under s. 629.291(5) or s.  
974 629.091(3).

975 ~~(1) If a reciprocal insurer has a surplus as to~~  
976 ~~policyholders required of a domestic stock insurer authorized to~~  
977 ~~transact like kinds of insurance, upon application of the~~  
978 ~~attorney and as approved by the subscribers' advisory committee~~  
979 ~~the office shall issue its certificate authorizing the insurer~~  
980 ~~to extinguish the contingent liability of subscribers under its~~  
981 ~~policies then in force in this state and to omit provisions~~  
982 ~~imposing contingent liability in all policies delivered or~~  
983 ~~issued for delivery in this state for so long as all such~~  
984 ~~surplus remains unimpaired.~~

985 ~~(2) Upon impairment of such surplus, the office shall~~  
986 ~~forthwith revoke the certificate. Such revocation does shall not~~  
987 ~~render subject to contingent liability any policy then in force~~  
988 ~~and for the remainder of the period for which the premium has~~  
989 ~~theretofore been paid; but, after such revocation, no policy~~  
990 ~~shall be issued or renewed without providing for contingent~~  
991 ~~assessment liability of the subscriber.~~

992 ~~(3) The office shall not authorize a domestic reciprocal~~  
993 ~~insurer so to extinguish the contingent liability of any of its~~  
994 ~~subscribers or in any of its policies to be issued, unless it~~  
995 ~~qualifies to and does extinguish such liability of all its~~  
996 ~~subscribers and in all such policies for all kinds of insurance~~



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997 ~~transacted by it; except that, if required by the laws of~~  
998 ~~another state in which the insurer is transacting insurance as~~  
999 ~~an authorized insurer, the insurer may issue policies providing~~  
1000 ~~for the contingent liability of such of its subscribers as may~~  
1001 ~~acquire such policies in such state, and need not extinguish the~~  
1002 ~~contingent liability applicable to policies theretofore in force~~  
1003 ~~in such state.~~

1004 Section 22. Section 629.291, Florida Statutes, is amended  
1005 to read:

1006 629.291 Merger or conversion.—

1007 (1) A ~~domestic~~ reciprocal insurer, upon affirmative vote of  
1008 not less than two-thirds of its subscribers who vote on such  
1009 merger pursuant to due notice, and subject to the approval by of  
1010 the office of the terms therefor, may merge with another  
1011 reciprocal insurer or be converted to a stock or mutual insurer,  
1012 to be thereafter governed by the applicable sections of the  
1013 insurance code. However, a domestic stock insurer may not  
1014 convert to a reciprocal insurer.

1015 (2) A plan to merge a reciprocal insurer with another  
1016 reciprocal insurer or for conversion of the reciprocal insurer  
1017 to a stock or mutual insurer shall be filed on forms adopted by  
1018 the office and contain such information as the office reasonably  
1019 requires to evaluate the transaction ~~Such a stock or mutual~~  
1020 ~~insurer shall be subject to the same capital or surplus~~  
1021 ~~requirements and shall have the same rights as a like domestic~~  
1022 ~~insurer transacting like kinds of insurance.~~

1023 (3) The office may ~~shall~~ not approve any plan for such  
1024 merger or conversion which is inequitable to subscribers or  
1025 which, if for conversion to a stock insurer, does not give each



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1026 subscriber preferential right to acquire stock of the proposed  
1027 insurer proportionate to his or her interest in the reciprocal  
1028 insurer, as determined in accordance with s. 629.281, and a  
1029 reasonable length of time within which to exercise such right.

1030 (4) Reinsurance of all or substantially all of the  
1031 insurance in force of a ~~domestic~~ reciprocal insurer in another  
1032 insurer shall be deemed to be a merger for the purposes of this  
1033 section.

1034 (5) (a) An assessable reciprocal insurer may convert to a  
1035 nonassessable reciprocal insurer if:

1036 1. The subscribers' advisory committee approves the  
1037 conversion;

1038 2. The attorney in fact submits the application for  
1039 conversion on the required application form; and

1040 3. The office finds that the application for conversion  
1041 meets the minimum statutory requirements.

1042 (b) If the office approves the application for conversion,  
1043 the assessable reciprocal insurer may convert to a nonassessable  
1044 reciprocal insurer by:

1045 1. Extinguishing the contingent liability of subscribers  
1046 under all policies then in force in this state;

1047 2. Omitting contingent liability provisions in all policies  
1048 delivered or issued in this state after the conversion; and

1049 3. Otherwise extinguishing the contingent liability of all  
1050 of its subscribers. However, if the reciprocal insurer is  
1051 transacting insurance as an authorized insurer in another state  
1052 and that state's laws require the insurer to issue policies with  
1053 contingent liability provisions, the insurer may issue  
1054 contingent liability policies in that other state.



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1055           (c) If the surplus of the reciprocal insurer becomes  
1056 impaired, the insurer may no longer issue nonassessable policies  
1057 or convert assessable policies to nonassessable policies, and  
1058 the provisions of s. 629.301 shall apply.

1059           Section 23. Section 629.525, Florida Statutes, is created  
1060 to read:

1061           629.525 Rulemaking authority.—The commission shall adopt,  
1062 amend, or repeal rules necessary to implement this chapter.

1063           Section 24. Paragraph (h) of subsection (3) of section  
1064 163.01, Florida Statutes, is amended to read:

1065           163.01 Florida Interlocal Cooperation Act of 1969.—

1066           (3) As used in this section:

1067           (h) "Local government liability pool" means a reciprocal  
1068 insurer as defined in s. 629.011 ~~s. 629.021~~ or any self-  
1069 insurance program created pursuant to s. 768.28(16), formed and  
1070 controlled by counties or municipalities of this state to  
1071 provide liability insurance coverage for counties,  
1072 municipalities, or other public agencies of this state, which  
1073 pool may contract with other parties for the purpose of  
1074 providing claims administration, processing, accounting, and  
1075 other administrative facilities.

1076           Section 25. Subsection (3) of section 626.9531, Florida  
1077 Statutes, is amended to read:

1078           626.9531 Identification of insurers, agents, and insurance  
1079 contracts.—

1080           (3) For the purposes of this section, the term "risk  
1081 bearing entity" means a reciprocal insurer as defined in s.  
1082 629.011 ~~s. 629.021~~, a commercial self-insurance fund as defined  
1083 in s. 624.462, a group self-insurance fund as defined in s.



1084 624.4621, a local government self-insurance fund as defined in  
1085 s. 624.4622, a self-insured public utility as defined in s.  
1086 624.46225, or an independent educational institution self-  
1087 insurance fund as defined in s. 624.4623. For the purposes of  
1088 this section, the term "risk bearing entity" does not include an  
1089 authorized insurer as defined in s. 624.09.

1090 Section 26. This act shall take effect July 1, 2024.

1091  
1092 ===== T I T L E A M E N D M E N T =====

1093 And the title is amended as follows:

1094 Delete everything before the enacting clause  
1095 and insert:

1096 A bill to be entitled  
1097 An act relating to insurance; amending s. 624.3161,  
1098 F.S.; revising the entities for which the Office of  
1099 Insurance Regulation is required to conduct market  
1100 conduct examinations; amending s. 624.424, F.S.;  
1101 requiring insurers and insurer groups to file a  
1102 specified supplemental report on a monthly basis;  
1103 requiring that such report include certain information  
1104 for each zip code; amending s. 624.4305, F.S.;  
1105 authorizing the Financial Services Commission to adopt  
1106 rules related to notice of nonrenewal of residential  
1107 property insurance policies; amending s. 624.46226,  
1108 F.S.; revising the requirements for public housing  
1109 authority self-insurance funds; amending s. 626.9201,  
1110 F.S.; prohibiting insurers from canceling or  
1111 nonrenewing certain insurance policies under certain  
1112 circumstances; providing exceptions; providing



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1113 construction; authorizing the commission to adopt  
1114 rules and the Commissioner of Insurance Regulation to  
1115 issue orders; amending s. 627.062, F.S.; specifying  
1116 requirements for rate filings if certain models are  
1117 used; amending s. 627.351, F.S.; revising requirements  
1118 for certain policies that are not subject to certain  
1119 rate increase limitations; amending s. 628.011, F.S.;  
1120 conforming provisions to changes made by the act;  
1121 amending s. 628.061, F.S.; conforming a provision to  
1122 changes made by the act; revising the persons that the  
1123 office is required to investigate in connection with a  
1124 proposal to organize or incorporate a domestic  
1125 insurer; amending s. 628.801, F.S.; revising  
1126 requirements for rules adopted for insurers that are  
1127 members of an insurance holding company; deleting an  
1128 obsolete date; authorizing the commission to adopt  
1129 rules; amending s. 629.011, F.S.; defining terms;  
1130 repealing s. 629.021, F.S., relating to the definition  
1131 of the term "reciprocal insurer"; repealing s.  
1132 629.061, F.S., relating to the term "attorney";  
1133 amending s. 629.081, F.S.; revising the procedure for  
1134 persons to organize as a domestic reciprocal insurer;  
1135 specifying requirements for the permit application;  
1136 requiring that the application be accompanied by a  
1137 specified fee and other pertinent information and  
1138 documents; requiring the office to evaluate and grant  
1139 or deny the permit application in accordance with  
1140 specified provisions; amending s. 629.091, F.S.;  
1141 providing that a domestic reciprocal insurer may seek





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1142 a certificate of authority only under certain  
1143 circumstances; providing requirements for an  
1144 application for a certificate of authority to operate  
1145 as a domestic reciprocal insurer; requiring the office  
1146 to grant a certificate of authority under certain  
1147 circumstances; requiring that such certificate of  
1148 authority be issued in the name of the reciprocal  
1149 insurer to its attorney in fact; creating s. 629.094,  
1150 F.S.; requiring a domestic reciprocal insurer to meet  
1151 certain requirements to maintain its eligibility for a  
1152 certificate of authority; amending s. 629.101, F.S.;  
1153 revising requirements for the power of attorney given  
1154 by subscribers of a domestic reciprocal insurer to the  
1155 attorney in fact; creating s. 629.225, F.S.; providing  
1156 applicability; prohibiting persons from concluding a  
1157 tender offer or exchange offer or acquiring securities  
1158 of certain attorneys in fact and controlling companies  
1159 of certain attorneys in fact; providing an exception;  
1160 providing applicability; authorizing certain persons  
1161 to request that the office waive certain requirements;  
1162 providing that the office may waive certain  
1163 requirements if specified determinations are made;  
1164 specifying the requirements of an application to the  
1165 office relating to certain acquisitions; requiring  
1166 that such application be accompanied by a specified  
1167 fee; requiring that amendments be filed with the  
1168 office under certain circumstances; specifying the  
1169 manner in which the acquisition application must be  
1170 reviewed; authorizing the office, and requiring the



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1171 office if a request for a proceeding is filed, to  
1172 conduct a proceeding within a specified timeframe to  
1173 consider the appropriateness of such application;  
1174 requiring that certain time periods be tolled;  
1175 requiring that written requests for a proceeding be  
1176 filed within a certain timeframe; authorizing certain  
1177 persons to take all steps to conclude the acquisition  
1178 during the pendency of the proceeding or review  
1179 period; requiring the office to order a proposed  
1180 acquisition disapproved and that actions to conclude  
1181 the acquisition be ceased under certain circumstances;  
1182 prohibiting certain persons from making certain  
1183 changes during the pendency of the office's review of  
1184 an acquisition; providing an exception; defining the  
1185 terms "material change in the operation of the  
1186 attorney in fact" and "material change in the  
1187 management of the attorney in fact"; requiring the  
1188 office to approve or disapprove certain changes upon  
1189 making certain findings; requiring that a proceeding  
1190 be conducted within a certain timeframe; requiring  
1191 that recommended orders and final orders be issued  
1192 within a certain timeframe; specifying the  
1193 circumstances under which the office may disapprove an  
1194 acquisition; specifying that certain persons have the  
1195 burden of proof; requiring the office to approve an  
1196 acquisition upon certain findings; specifying that  
1197 certain votes are not valid and that certain  
1198 acquisitions are void; specifying that certain  
1199 provisions may be enforced by an injunction; creating



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1200 a private right of action in favor of the attorney in  
1201 fact or the controlling company to enforce certain  
1202 provisions; providing that a certain demand upon the  
1203 office is not required before certain legal actions;  
1204 providing that the office is not a necessary party to  
1205 certain actions; specifying the persons who are deemed  
1206 designated for service of process and who have  
1207 submitted to the administrative jurisdiction of the  
1208 office; providing that approval by the office does not  
1209 constitute a certain recommendation; providing that  
1210 certain actions are unlawful; providing criminal  
1211 penalties; providing a statute of limitations;  
1212 authorizing a person to rebut a presumption of control  
1213 by filing certain disclaimers; specifying the contents  
1214 of such disclaimer; specifying that, after a  
1215 disclaimer is filed, the attorney in fact is relieved  
1216 of a certain duty; authorizing the office to order  
1217 certain persons to cease acquisition of the attorney  
1218 in fact or controlling company and divest themselves  
1219 of any stock or ownership interest under certain  
1220 circumstances; requiring the office to suspend or  
1221 revoke the reciprocal certificate of authority under  
1222 certain circumstances; creating s. 629.227, F.S.;  
1223 specifying the information as to the background and  
1224 identity of certain persons which must be furnished by  
1225 such persons; creating s. 629.229, F.S.; prohibiting  
1226 certain persons who served in certain capacities  
1227 before a specified date from serving in certain other  
1228 roles or having certain control over certain



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1229 selections; providing an exception; amending s.  
1230 629.261, F.S.; requiring the office to revoke certain  
1231 authorization under certain circumstances; deleting  
1232 provisions regarding the office's authority to issue a  
1233 certificate authoring the insurer to extinguish the  
1234 contingent liability of subscribers; deleting a  
1235 prohibition regarding the office's authorization to  
1236 extinguish the contingent liability of certain  
1237 subscribers; amending s. 629.291, F.S.; providing that  
1238 certain insurers that merge are governed by the  
1239 insurance code; prohibiting domestic stock insurers  
1240 from being converted to reciprocal insurers; requiring  
1241 that specified plans be filed with the office and that  
1242 such plans contain certain information; deleting a  
1243 provision regarding a stock or mutual insurer's  
1244 capital and surplus requirements and rights;  
1245 authorizing the conversion of assessable reciprocal  
1246 insurers to nonassessable reciprocal insurers under  
1247 certain circumstances; creating s. 629.525, F.S.;  
1248 requiring the commission to adopt, amend, or repeal  
1249 certain rules; amending ss. 163.01 and 626.9531, F.S.;  
1250 conforming cross-references; providing an effective  
1251 date.