

By Senator DiCeglie

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1 A bill to be entitled
2 An act relating to rates for Citizens Property
3 Insurance Corporation coverage; amending s. 627.351,
4 F.S.; providing that the limitations on the required
5 annual rate increases for Citizens Property Insurance
6 Corporation coverage do not apply to new policies
7 issued by the corporation on or after a specified date
8 and to subsequent renewals of such policies; providing
9 an exception; providing an effective date.

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11 Be It Enacted by the Legislature of the State of Florida:

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13 Section 1. Paragraph (n) of subsection (6) of section
14 627.351, Florida Statutes, is amended to read:

15 627.351 Insurance risk apportionment plans.—

16 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

17 (n)1. Rates for coverage provided by the corporation must
18 be actuarially sound pursuant to s. 627.062 and not competitive
19 with approved rates charged in the admitted voluntary market so
20 that the corporation functions as a residual market mechanism to
21 provide insurance only when insurance cannot be procured in the
22 voluntary market, except as otherwise provided in this
23 paragraph. The office shall provide the corporation such
24 information as would be necessary to determine whether rates are
25 competitive. The corporation shall file its recommended rates
26 with the office at least annually. The corporation shall provide
27 any additional information regarding the rates which the office
28 requires. The office shall consider the recommendations of the
29 board and issue a final order establishing the rates for the

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

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

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

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

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

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

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d. Fifteen percent for 2026 and all subsequent years.

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

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

8. New or renewal personal lines policies that do not cover a primary residence are not subject to the rate increase limitations in subparagraph 5., but may not be charged more than 50 percent above, nor less than, the prior year's established rate for the corporation.

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

10.a. For an order establishing the rates for the corporation issued pursuant to subparagraph 1. on or after June 1, 2026, the requirements of subparagraphs 5. and 8. do not apply to any new policy issued by the corporation, including when such policy is subsequently renewed by the corporation.

b. Sub-subparagraph a. does not apply to any new policy that covers a primary residence located in a county where the

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88 office determines there is not a reasonable degree of
89 competition.

90 Section 2. This act shall take effect upon becoming a law.