

By Senator Boyd

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1                                   A bill to be entitled  
2       An act relating to property insurance; creating s.  
3       215.5552, F.S.; creating the Florida Optional  
4       Reinsurance Assistance program (FORA), to be  
5       administered by the State Board of Administration;  
6       defining terms; authorizing eligible insurers to  
7       purchase reinsurance coverage under FORA; requiring  
8       the board to provide specified coverage layers;  
9       specifying coverage limits for each option; specifying  
10      requirements for reimbursement contracts between the  
11      board and FORA insurers; specifying the calculation of  
12      payout multiples and layer retentions; authorizing the  
13      board to inspect, examine, and verify certain records;  
14      specifying the calculation of premiums and  
15      requirements for the payment of premiums; providing  
16      construction relating to the claims-paying capacity of  
17      the Florida Hurricane Catastrophe Fund; specifying  
18      requirements and procedures if a FORA insurer becomes  
19      insolvent; providing construction relating to  
20      violations; authorizing the board to take legal  
21      actions and adopt rules, including emergency rules;  
22      providing legislative findings; specifying  
23      requirements and procedures for the appropriation of  
24      funds from the General Revenue Fund to provide  
25      reimbursements; requiring the board to submit annual  
26      reports to the Governor and the Legislature; providing  
27      for contingent expiration; amending s. 624.1551, F.S.;  
28      revising conditions that must be met for a claim for  
29      extracontractual damages in a civil remedy action

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30 against a property insurer; providing construction;  
31 amending s. 624.3161, F.S.; providing that property  
32 insurers may be subject to an additional market  
33 conduct examination by the Office of Insurance  
34 Regulation after a hurricane under certain  
35 circumstances; providing requirements for such  
36 examination; amending s. 624.418, F.S.; adding  
37 specified grounds on which the office may suspend or  
38 revoke a property insurer's certificate of authority;  
39 amending s. 624.424, F.S.; adding information required  
40 to be reported by property insurers in their quarterly  
41 supplemental reports; amending s. 626.9373, F.S.;  
42 deleting a right to attorney fees for judgments or  
43 decrees against surplus lines insurers in suits  
44 arising under residential or commercial property  
45 insurance policies; amending s. 626.9541, F.S.;  
46 revising conditions for a certain unfair claim  
47 settlement practice by a property insurer; amending s.  
48 627.351, F.S.; authorizing Citizens Property Insurance  
49 Corporation, if certain conditions are met, to  
50 consolidate its three separate accounts into a single  
51 Citizens account for all revenues, assets,  
52 liabilities, losses, and expenses of the corporation;  
53 specifying the corporation's authority, and  
54 requirements for and prohibited acts by the  
55 corporation, under the Citizens account; providing  
56 applicability; specifying requirements and procedures  
57 with respect to a deficit in the Citizens account;  
58 defining terms; providing requirements for the Florida

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59 Surplus Lines Service Office; revising requirements  
60 for the corporation's plan of operation; revising  
61 eligibility requirements for renewing coverage with  
62 the corporation for personal lines residential and  
63 commercial lines residential risks; providing  
64 construction; providing requirements relating to  
65 certain excess premium and investment income in the  
66 Citizens account; authorizing specified insurers to  
67 petition the office to qualify as limited  
68 apportionment companies; providing requirements for  
69 such companies; specifying disclosure requirements to  
70 applicants for coverage from the corporation if the  
71 Citizens account is established; providing that, for  
72 certain purposes, the corporation's rates for coverage  
73 may not be competitive with approved rates charged in  
74 the admitted voluntary market; requiring the office to  
75 provide certain information to the corporation;  
76 specifying annual rate increase limits for personal  
77 lines policies written on or after a specified date  
78 which do not cover a primary residence; defining the  
79 term "primary residence"; requiring the corporation to  
80 require the securing and maintenance of flood  
81 insurance as a condition of personal lines residential  
82 coverage; specifying requirements for such flood  
83 insurance coverage; specifying deadlines by which  
84 policyholders must secure and maintain flood  
85 insurance; revising eligibility requirements for  
86 coverage with the corporation when take-out offers are  
87 received by policyholders; specifying a burden of

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88 proof for corporation policyholders making claims for  
89 water damage; making technical changes; conforming  
90 provisions to changes made by the act; amending s.  
91 627.3511, F.S.; conforming cross-references; amending  
92 s. 627.3518, F.S.; deleting a provision construing the  
93 eligibility for coverage with the corporation for  
94 certain applicants; conforming a provision to changes  
95 made by the act; amending s. 627.410, F.S.; requiring  
96 the office to reexamine certain policy forms of a  
97 property insurer under certain circumstances;  
98 specifying actions the office may take; amending s.  
99 627.428, F.S.; deleting a right to attorney fees for  
100 judgments or decrees against insurers in suits arising  
101 under residential or commercial property insurance  
102 policies; amending s. 627.7011, F.S.; revising  
103 disclosure requirements relating to flood insurance  
104 for insurers issuing homeowners' policies; amending s.  
105 627.70131, F.S.; revising requirements for insurers  
106 relating to acknowledging communications regarding  
107 claims, investigating claims, sending estimates of  
108 losses to policyholders, recordkeeping, and paying or  
109 denying claims; authorizing insurers to use specified  
110 methods in investigating losses; authorizing insurers  
111 to void insurance policies under certain  
112 circumstances; defining the term "factors beyond the  
113 control of the insurer"; specifying circumstances  
114 under which certain requirements are tolled; providing  
115 construction; amending s. 627.70132, F.S.; revising  
116 timeframes under which notices of claims, reopened

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117 claims, and supplemental claims under property  
118 insurance policies must be given to insurers or be  
119 barred; amending s. 627.70152, F.S.; revising  
120 applicability; deleting the definition of the term  
121 "amount obtained"; providing that certain  
122 prelitigation notices and documentation are not  
123 admissible as evidence in any proceeding; deleting  
124 provisions relating to the calculation of attorney  
125 fees; creating s. 627.70154, F.S.; specifying  
126 conditions that must be met for a property insurance  
127 policy to require mandatory binding arbitration;  
128 amending s. 627.7074, F.S.; deleting the right to  
129 attorney fees payable by insurers in the alternative  
130 procedure for resolution of disputed sinkhole  
131 insurance claims; conforming a provision to changes  
132 made by the act; amending s. 627.7142, F.S.;  
133 conforming provisions to changes made by the act;  
134 amending s. 627.7152, F.S.; prohibiting policyholders  
135 from assigning post-loss insurance benefits under  
136 residential or commercial property insurance policies  
137 issued on or after a specified date; providing  
138 construction; amending s. 627.7154, F.S.; revising  
139 duties of the office's Property Insurer Stability  
140 Unit; amending s. 631.252, F.S.; providing that a  
141 coverage continuation period for policies of an  
142 insolvent property insurer may be extended by the  
143 office under specified circumstances; amending s.  
144 768.79, F.S.; authorizing a property insurer in a  
145 breach of contract action to make a joint offer of

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146 judgment or settlement that is conditioned on the  
147 mutual acceptance of all joint offerees; providing an  
148 appropriation; providing effective dates.  
149

150 Be It Enacted by the Legislature of the State of Florida:  
151

152 Section 1. Section 215.5552, Florida Statutes, is created  
153 to read:

154 215.5552 Florida Optional Reinsurance Assistance program.-

155 (1) CREATION OF THE FLORIDA OPTIONAL REINSURANCE ASSISTANCE  
156 PROGRAM.-There is created the Florida Optional Reinsurance  
157 Assistance program to be administered by the State Board of  
158 Administration.

159 (2) DEFINITIONS.-As used in this section, the term:

160 (a) "Board" means the State Board of Administration.

161 (b) "Contract year" has the same meaning as in s.  
162 215.555 (2) (o) .

163 (c) "Covered event" has the same meaning as in s.  
164 215.555 (2) (b) .

165 (d) "Covered policy" has the same meaning as in s.  
166 215.555 (2) (c) .

167 (e) "FHCF" means the Florida Hurricane Catastrophe Fund  
168 created under s. 215.555.

169 (f) "Final FORA premium" means the premium due no later  
170 than March 1, 2024, paid by a FORA insurer after the actual 2023  
171 FHCF premiums are calculated.

172 (g) "FORA" means the Florida Optional Reinsurance  
173 Assistance program created under this section.

174 (h) "FORA eligible insurer" means a FHCF participating

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175 insurer as of November 30, 2022. New FHCF participants after  
176 that date are ineligible for FORA coverage. In addition, any  
177 joint underwriting association, risk apportionment plan, or  
178 other entity created under s. 627.351 is not considered a FORA  
179 insurer and may not obtain coverage under FORA.

180 (i) "FORA insurer" means a FORA eligible insurer that  
181 executes a FORA reimbursement contract pursuant to this section.

182 (j) "FORA layer limit" means, for the 2023-2024 contract  
183 year, a FORA insurer's maximum payout for its FORA layer.

184 (k) "FORA layer retention" means the amount of losses below  
185 which a FORA insurer is not entitled to reimbursement for the  
186 selected layer under FORA.

187 (l) "FORA payout multiple" means the factors by FHCF  
188 coverage and FORA layer that are multiplied by a FORA insurer's  
189 FHCF premium to calculate the FORA insurer's FORA layer limits.

190 (m) "FORA reimbursement contract" means the reimbursement  
191 contract reflecting the obligations of a FORA insurer and the  
192 board.

193 (n) "FORA retention multiple" means the factors by FHCF  
194 coverage and FORA layer that are multiplied by a FORA insurer's  
195 FHCF premium to calculate the FORA insurer's FORA layer  
196 retentions.

197 (o) "Initial FORA premium" means the premium paid by a FORA  
198 insurer by July 1, 2023, for coverage under the FORA program.

199 (p) "Losses" has the same meaning as in s. 215.555(2)(d).

200 (q) "RAP insurer" has the same meaning as in s.  
201 215.5551(2)(h).

202 (r) "Unsound insurer" means a FORA insurer determined by  
203 the Office of Insurance Regulation to be in unsound condition as

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204 defined in s. 624.80(2) or a FORA insurer placed in receivership  
205 under chapter 631.

206 (3) COVERAGE.—

207 (a) Each FORA eligible insurer may purchase coverage under  
208 FORA. The board shall provide four optional layers below the  
209 FHCF retention prior to the third event dropdown of the FHCF  
210 retention set forth in s. 215.555(2)(e)4. Only RAP insurers  
211 required to participate in the 2022-2023 contract year may  
212 select FORA layers 1 through 3. All FORA eligible insurers may  
213 purchase FORA layer 4. If a RAP insurer required to participate  
214 in the 2022-2023 contract year chooses to purchase layer 2, 3,  
215 or 4, such layers must be purchased inclusive of the prior layer  
216 and cannot be purchased separately.

217 (b) FORA industry limits prior to FORA insurer selections  
218 are as follows:

219 1. FORA industry layer 1 limit is \$1 billion.

220 2. FORA industry layer 2 limit is \$1 billion.

221 3. FORA industry layer 3 limit is \$2 billion divided by the  
222 RAP Qualification ratio minus \$2 billion.

223 4. FORA industry layer 4 limit is \$1 billion minus the  
224 total FORA industry limit selected for FORA layers 1, 2, and 3,  
225 plus the total FORA premium collected for FORA layers 1, 2, and  
226 3.

227 (c) The maximum aggregate coverage for all selected FORA  
228 layers is \$1 billion as provided under paragraph (11)(a) plus  
229 premiums needed to fulfill the obligations of this section.

230 (4) FORA REIMBURSEMENT CONTRACTS.—

231 (a) FORA eligible insurers selecting coverage must execute  
232 a FORA reimbursement contract with the board.



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233 (b) The board must enter into a FORA reimbursement contract  
234 effective June 1, 2023, with each FORA eligible insurer electing  
235 to purchase coverage. Such contract must provide coverage  
236 pursuant to this section in exchange for premium paid.

237 (c) The FORA reimbursement contract must be executed by the  
238 FORA insurer no later than April 15, 2023, for layers 1 through  
239 3, and May 30, 2023, for layer 4.

240 (d) For the two covered events with the largest losses for  
241 the FORA insurer, the FORA reimbursement contract must contain a  
242 promise by the board to reimburse the FORA insurer for 100  
243 percent of its losses from each covered event in excess of the  
244 lowest selected FORA layer's retention. The sum of the FORA  
245 insurer's covered losses from the two covered events with the  
246 largest losses from each FORA layer may not exceed the FORA  
247 insurer's combined selected FORA layer limit or limits.

248 (e) The FORA reimbursement contract must provide that  
249 reimbursement amounts are not reduced by reinsurance paid or  
250 payable to the insurer from other sources.

251 (f) The board shall calculate and report to each FORA  
252 insurer the initial and final FORA payout multiples for each  
253 FORA layer using the source data described in paragraph (5) (a).

254 1. For FORA layer 1, the FORA payout multiple is the  
255 quotient of \$1 billion divided by the FHCF industry aggregate  
256 retention multiplied by the FHCF retention multiple for the FHCF  
257 coverage selected.

258 2. For FORA layer 2, the FORA payout multiple is the  
259 quotient of \$1 billion divided by the FHCF industry aggregate  
260 retention multiplied by the FHCF retention multiple for the FHCF  
261 coverage selected.

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262       3. For FORA layer 3, the FORA payout multiple is calculated  
263 as follows: the numerator is the quotient of \$2 billion divided  
264 by the RAP qualification ratio as defined in s. 215.5551(2)(j)  
265 minus \$2 billion. The denominator is the FHCF industry aggregate  
266 retention. The FORA multiple is the FHCF retention multiple  
267 multiplied by the numerator divided by the denominator.

268       4. The FORA layer 4 payout multiple is the total FORA  
269 industry layer 4 limit divided by the FHCF industry aggregate  
270 retention multiplied by the FHCF retention multiple for the FHCF  
271 coverage selected. For FORA layer 4, the total FORA industry  
272 layer limit is \$1 billion minus the total FORA industry limit  
273 selected for FORA layers 1, 2, and 3, plus the total FORA  
274 premium collected for FORA layers 1, 2, and 3.

275       (g) For each FORA layer, the FORA payout multiple is  
276 multiplied by the FORA insurer's FHCF premium to calculate its  
277 FORA maximum payout. FORA payout multiples are calculated for 45  
278 percent, 75 percent, and 90 percent FHCF mandatory coverage  
279 selections.

280       (h) For a FORA insurer that selects more than one layer,  
281 the FORA layer limits shall be combined to a single aggregate  
282 limit for the two covered events with the largest losses for the  
283 FORA insurer.

284       (i) FORA layer retentions are calculated as follows:

285       1. For each FORA layer, the board shall calculate and  
286 report to each FORA insurer the initial and final FORA retention  
287 multiples for each FHCF coverage selection as the FHCF retention  
288 multiple minus the FORA payout multiple using the source data  
289 described in paragraph (5)(a). The FORA retention multiple is  
290 multiplied by the FORA insurer's FHCF premium to calculate its

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291 FORA retention. FORA retention multiples are calculated for 45  
292 percent, 75 percent, and 90 percent FHCF mandatory coverage  
293 selections.

294 2. The FORA industry retention for the 2023-2024 contract  
295 year for FORA layer 1 is the FHCF's industry retention minus \$1  
296 billion. The FORA layer 2 industry retention is the FHCF  
297 industry retention minus \$2 billion. The FORA layer 3 industry  
298 retention is the FHCF's industry retention minus the quotient of  
299 \$2 billion divided by the RAP qualification ratio. The FORA  
300 layer 4 industry retention is the FORA layer 3 retention minus  
301 the FORA layer 4 limit.

302 3. A FORA insurer's initial and final FORA retentions are  
303 determined by multiplying its FHCF reimbursement premium by the  
304 FORA retention multiple for each FHCF coverage selection using  
305 the source data in paragraph (5) (a).

306 4. For a FORA insurer that selects more than one layer, the  
307 FORA combined layer retention shall be the lowest selected layer  
308 retention for each of the two covered events with the largest  
309 losses for the FORA insurer.

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

317 (5) FORA PREMIUMS.—

318 (a) Premiums shall be charged as follows:

319 1. Fifty percent Rate on Line multiplied by the FORA

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320 insurer's FORA layer 1 limit.

321 2. Fifty-five percent Rate on Line multiplied by the FORA  
322 insurer's FORA layer 2 limit.

323 3. Sixty percent Rate on Line multiplied by the FORA  
324 insurer's FORA layer 3 limit.

325 4. Sixty-five percent Rate on Line multiplied by the FORA  
326 insurer's FORA layer 4 limit.

327 (b) Initial FORA premiums shall be based on the 2023 FHCF  
328 projected industry retention, FHCF retention multiples, 2022 RAP  
329 qualification ratio, and insurers' 2022 FHCF premiums. Final  
330 FORA premiums will be adjusted after December 31, 2023, based on  
331 December 31, 2023, FHCF premiums, FHCF industry retention, the  
332 2023 RAP qualification ratio and insurers' 2023 FHCF premiums.

333 (c) Failure to pay the initial FORA premium in full by July  
334 1, 2023, shall result in disqualification as a FORA insurer. The  
335 final FORA premium will be due no later than March 1, 2024.

336 (6) CLAIMS-PAYING CAPACITY.—FORA shall not affect the  
337 claims-paying capacity of the FHCF as provided in s.  
338 215.555(4)(c)1.

339 (7) INSOLVENCY OF FORA INSURER.—

340 (a) The FORA reimbursement contract must provide that in  
341 the event of an insolvency of a FORA insurer, the board shall  
342 pay reimbursements directly to the applicable state guaranty  
343 fund for the benefit of policyholders in this state of the FORA  
344 insurer.

345 (b) If an authorized insurer or the Citizens Property  
346 Insurance Corporation accepts an assignment of an unsound  
347 insurer's FORA reimbursement contract, the board shall apply the  
348 unsound insurer's FORA reimbursement contract to such policies

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349 and treat the authorized insurer or the Citizens Property  
350 Insurance Corporation as if it were the unsound insurer for the  
351 remaining term of the FORA reimbursement contract, with all  
352 rights and duties of the unsound insurer beginning on the date  
353 it provides coverage for such policies. This paragraph may not  
354 be construed to limit the board's right to receive the premium  
355 due under the Unsound insurer's FORA reimbursement contract.

356 (8) VIOLATIONS.—Any violation of this section or of rules  
357 adopted under this section constitutes a violation of the  
358 Florida Insurance Code.

359 (9) LEGAL PROCEEDINGS.—The board may take any action  
360 necessary to enforce the rules, provisions, and requirements of  
361 the FORA reimbursement contract under this section.

362 (10) RULEMAKING.—The board may adopt rules to implement  
363 this section. In addition, the board may adopt emergency rules  
364 pursuant to s. 120.54(4) at any time as are necessary to  
365 implement this section for the 2023-2024 fiscal year. The  
366 Legislature finds that such emergency rulemaking power is  
367 necessary in order to address a critical need in the state's  
368 problematic property insurance market. The Legislature further  
369 finds that the uniquely short timeframe needed to effectively  
370 implement this section for the 2023-2024 fiscal year requires  
371 that the board adopt rules as quickly as practicable. Therefore,  
372 in adopting such emergency rules, the board need not make the  
373 findings required by s. 120.54(4) (a). Emergency rules adopted  
374 under this section are exempt from s. 120.54(4) (c) and shall  
375 remain in effect until replaced by rules adopted under the  
376 nonemergency rulemaking procedures of chapter 120, which must  
377 occur no later than December 31, 2023.

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378 (11) APPROPRIATION.—

379 (a) Within 60 days after a covered event, the board shall  
380 submit written notice to the Executive Office of the Governor if  
381 the board determines that funds from FORA coverage established  
382 by this section will be necessary to reimburse FORA insurers for  
383 losses associated with the covered event. The initial notice,  
384 and any subsequent requests, must specify the amount necessary  
385 to provide FORA reimbursements. Upon receiving such notice, the  
386 Executive Office of the Governor shall instruct the Chief  
387 Financial Officer to draw a warrant from the General Revenue  
388 Fund for a transfer to the board for FORA in the amount  
389 requested. The Executive Office of the Governor shall provide  
390 written notification to the chair and vice chair of the  
391 Legislative Budget Commission at least 3 days before the  
392 effective date of the warrant. Cumulative transfers authorized  
393 under this paragraph may not exceed \$1 billion.

394 (b) Upon this act becoming a law, the Executive Office of  
395 the Governor shall instruct the Chief Financial Officer to draw  
396 a warrant from the General Revenue Fund for a transfer of \$2  
397 million to the board for the implementation and administration  
398 of FORA and post-event examinations for covered events that  
399 require FORA coverage. If the board determines additional  
400 administrative funds are needed, the board shall submit written  
401 notice to the Executive Office of the Governor that funds will  
402 be necessary for the implementation and administration of FORA  
403 and post-event examinations for covered events that require FORA  
404 coverage. The notice must specify the amount necessary for  
405 administration of FORA and post-event examinations. Upon  
406 receiving such notice, the Executive Office of the Governor

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407 shall instruct the Chief Financial Officer to draw a warrant  
408 from the General Revenue Fund for a transfer to the board for  
409 FORA in the amount requested. The Executive Office of the  
410 Governor shall provide written notification to the chair and  
411 vice chair of the Legislative Budget Commission at least 3 days  
412 before the effective date of the warrant. Cumulative transfers  
413 authorized under this paragraph may not exceed \$6 million.

414 (c) If a covered event occurs that triggers reimbursements  
415 under FORA, no later than January 31, 2024, and quarterly  
416 thereafter, the board shall submit a report to the Executive  
417 Office of the Governor, the President of the Senate, and the  
418 Speaker of the House of Representatives detailing any  
419 reimbursements of FORA, all premiums collected, all loss  
420 development projections, and detailed information about  
421 administrative and post-event examination activities and  
422 expenditures.

423 (12) EXPIRATION DATE.—If no general revenue funds have been  
424 transferred to the board for FORA under subsection (11) by June  
425 30, 2026, this section expires on July 1, 2026. If general  
426 revenue funds have been transferred to the board for FORA under  
427 subsection (11) by June 30, 2026, this section expires on July  
428 1, 2030, and all unencumbered funds collected under this section  
429 shall be transferred by the board back to the General Revenue  
430 Fund unallocated.

431 Section 2. Section 624.1551, Florida Statutes, is amended  
432 to read:

433 624.1551 Civil remedy actions against property insurers.—  
434 Notwithstanding any provision of s. 624.155 to the contrary, in  
435 any claim for extracontractual damages under s. 624.155(1)(b),

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436 no action shall lie until a named or omnibus insured or a named  
437 beneficiary has established through an adverse adjudication by a  
438 court of law ~~a claimant must establish~~ that the property insurer  
439 breached the insurance contract and a final judgment or decree  
440 has been rendered against the insurer. Acceptance of an offer of  
441 judgment under s. 768.79 or the payment of an appraisal award  
442 does not constitute an adverse adjudication under this section.  
443 The difference between an insurer's appraiser's final estimate  
444 and the appraisal award may be evidence of bad faith ~~to prevail~~  
445 in a claim for extracontractual damages under s. 624.155(1)(b),  
446 but is not deemed an adverse adjudication under this section and  
447 does not, on its own, give rise to a cause of action.

448 Section 3. Subsection (7) is added to section 624.3161,  
449 Florida Statutes, to read:

450 624.3161 Market conduct examinations.-

451 (7) Notwithstanding subsection (1), any authorized insurer  
452 transacting property insurance business in this state may be  
453 subject to an additional market conduct examination after a  
454 hurricane if the insurer:

455 (a) Is among the top 20 percent of insurers based upon a  
456 calculation of the ratio of hurricane-related property insurance  
457 claims filed to the number of property insurance policies in  
458 force;

459 (b) Is among the top 20 percent of insurers based upon a  
460 calculation of the ratio of consumer complaints made to the  
461 department to hurricane-related claims;

462 (c) Has made significant payments to its managing general  
463 agent since the hurricane; or

464 (d) Is identified by the office as necessitating a market



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465 conduct exam for any other reason.

466

467 All relevant criteria under this section and s. 624.316 shall be

468 applied to the market conduct examination under this subsection.

469 Such an examination must be initiated within 18 months after the

470 landfall of a hurricane that results in an executive order or a

471 state of emergency issued by the Governor. An examination of an

472 insurer under this subsection must also include an examination

473 of its managing general agent as if it were the insurer.

474 Section 4. Paragraph (c) of subsection (2) of section

475 624.418, Florida Statutes, is amended to read:

476 624.418 Suspension, revocation of certificate of authority

477 for violations and special grounds.—

478 (2) The office may, in its discretion, suspend or revoke

479 the certificate of authority of an insurer if it finds that the

480 insurer:

481 (c) Has for any line, class, or combination thereof, with

482 such frequency as to indicate its general business practice in

483 this state, without just cause:

484 1. Refused to pay proper claims arising under its policies,

485 whether any such claim is in favor of an insured or is in favor

486 of a third person with respect to the liability of an insured to

487 such third person, or without just cause compels such insureds

488 or claimants to accept less than the amount due them or to

489 employ attorneys or to bring suit against the insurer or such an

490 insured to secure full payment or settlement of such claims; or

491 2. Compelled insureds to participate in appraisal under a

492 property insurance policy in order to secure full payment or

493 settlement of such claims.

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494 Section 5. Paragraph (a) of subsection (10) of section  
495 624.424, Florida Statutes, is amended to read:

496 624.424 Annual statement and other information.-

497 (10) (a) Each insurer or insurer group doing business in  
498 this state shall file on a quarterly basis in conjunction with  
499 financial reports required by paragraph (1) (a) a supplemental  
500 report on an individual and group basis on a form prescribed by  
501 the commission with information on personal lines and commercial  
502 lines residential property insurance policies in this state. The  
503 supplemental report shall include separate information for  
504 personal lines property policies and for commercial lines  
505 property policies and totals for each item specified, including  
506 premiums written for each of the property lines of business as  
507 described in ss. 215.555(2) (c) and 627.351(6) (a). The report  
508 shall include the following information for each county on a  
509 monthly basis:

- 510 1. Total number of policies in force at the end of each  
511 month.
- 512 2. Total number of policies canceled.
- 513 3. Total number of policies nonrenewed.
- 514 4. Number of policies canceled due to hurricane risk.
- 515 5. Number of policies nonrenewed due to hurricane risk.
- 516 6. Number of new policies written.
- 517 7. Total dollar value of structure exposure under policies  
518 that include wind coverage.
- 519 8. Number of policies that exclude wind coverage.
- 520 9. Number of claims open each month.
- 521 10. Number of claims closed each month.
- 522 11. Number of claims pending each month.

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523 12. Number of claims in which either the insurer or insured  
524 invoked any form of alternative dispute resolution, and  
525 specifying which form of alternative dispute resolution was  
526 used.

527 Section 6. Subsections (1) and (3) of section 626.9373,  
528 Florida Statutes, are amended to read:

529 626.9373 Attorney fees.—

530 (1) Except as provided in subsection (3), upon the  
531 rendition of a judgment or decree by any court of this state  
532 against a surplus lines insurer in favor of any named or omnibus  
533 insured or the named beneficiary under a policy or contract  
534 executed by the insurer on or after the effective date of this  
535 act, the trial court or, if the insured or beneficiary prevails  
536 on appeal, the appellate court, shall adjudge or decree against  
537 the insurer in favor of the insured or beneficiary a reasonable  
538 sum as fees or compensation for the insured's or beneficiary's  
539 attorney prosecuting the lawsuit for which recovery is awarded.  
540 ~~In a suit arising under a residential or commercial property~~  
541 ~~insurance policy, the amount of reasonable attorney fees shall~~  
542 ~~be awarded only as provided in s. 57.105 or s. 627.70152, as~~  
543 ~~applicable.~~

544 (3) In a suit arising under a residential or commercial  
545 property insurance policy, there is no ~~the~~ right to attorney  
546 fees under this section ~~may not be transferred to, assigned to,~~  
547 ~~or acquired in any other manner by anyone other than a named or~~  
548 ~~omnibus insured or a named beneficiary.~~

549 Section 7. Paragraph (i) of subsection (1) of section  
550 626.9541, Florida Statutes, is amended to read:

551 626.9541 Unfair methods of competition and unfair or

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552 deceptive acts or practices defined.—

553 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE  
554 ACTS.—The following are defined as unfair methods of competition  
555 and unfair or deceptive acts or practices:

556 (i) *Unfair claim settlement practices.*—

557 1. Attempting to settle claims on the basis of an  
558 application, when serving as a binder or intended to become a  
559 part of the policy, or any other material document which was  
560 altered without notice to, or knowledge or consent of, the  
561 insured;

562 2. A material misrepresentation made to an insured or any  
563 other person having an interest in the proceeds payable under  
564 such contract or policy, for the purpose and with the intent of  
565 effecting settlement of such claims, loss, or damage under such  
566 contract or policy on less favorable terms than those provided  
567 in, and contemplated by, such contract or policy;

568 3. Committing or performing with such frequency as to  
569 indicate a general business practice any of the following:

570 a. Failing to adopt and implement standards for the proper  
571 investigation of claims;

572 b. Misrepresenting pertinent facts or insurance policy  
573 provisions relating to coverages at issue;

574 c. Failing to acknowledge and act promptly upon  
575 communications with respect to claims;

576 d. Denying claims without conducting reasonable  
577 investigations based upon available information;

578 e. Failing to affirm or deny full or partial coverage of  
579 claims, and, as to partial coverage, the dollar amount or extent  
580 of coverage, or failing to provide a written statement that the

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581 claim is being investigated, upon the written request of the  
582 insured within 30 days after proof-of-loss statements have been  
583 completed;

584 f. Failing to promptly provide a reasonable explanation in  
585 writing to the insured of the basis in the insurance policy, in  
586 relation to the facts or applicable law, for denial of a claim  
587 or for the offer of a compromise settlement;

588 g. Failing to promptly notify the insured of any additional  
589 information necessary for the processing of a claim;

590 h. Failing to clearly explain the nature of the requested  
591 information and the reasons why such information is necessary;  
592 or

593 i. Failing to pay personal injury protection insurance  
594 claims within the time periods required by s. 627.736(4)(b). The  
595 office may order the insurer to pay restitution to a  
596 policyholder, medical provider, or other claimant, including  
597 interest at a rate consistent with the amount set forth in s.  
598 55.03(1), for the time period within which an insurer fails to  
599 pay claims as required by law. Restitution is in addition to any  
600 other penalties allowed by law, including, but not limited to,  
601 the suspension of the insurer's certificate of authority; or

602 4. Failing to pay undisputed amounts of partial or full  
603 benefits owed under first-party property insurance policies  
604 within 60 ~~90~~ days after an insurer receives notice of a  
605 residential property insurance claim, determines the amounts of  
606 partial or full benefits, and agrees to coverage, unless payment  
607 of the undisputed benefits is prevented by factors beyond the  
608 control of the insurer as defined in s. 627.70131(5) ~~an act of~~  
609 ~~God, prevented by the impossibility of performance, or due to~~

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610 ~~actions by the insured or claimant that constitute fraud, lack~~  
611 ~~of cooperation, or intentional misrepresentation regarding the~~  
612 ~~claim for which benefits are owed.~~

613 Section 8. Effective January 1, 2023, paragraphs (b), (c),  
614 (n), (o), (p), (q), (v), (w), (aa), and (ii) of subsection (6)  
615 of section 627.351, Florida Statutes, are amended, and paragraph  
616 (kk) is added to that subsection, to read:

617 627.351 Insurance risk apportionment plans.—

618 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

619 (b)1. All insurers authorized to write one or more subject  
620 lines of business in this state are subject to assessment by the  
621 corporation and, for the purposes of this subsection, are  
622 referred to collectively as "assessable insurers." Insurers  
623 writing one or more subject lines of business in this state  
624 pursuant to part VIII of chapter 626 are not assessable  
625 insurers; however, insureds who procure one or more subject  
626 lines of business in this state pursuant to part VIII of chapter  
627 626 are subject to assessment by the corporation and are  
628 referred to collectively as "assessable insureds." An insurer's  
629 assessment liability begins on the first day of the calendar  
630 year following the year in which the insurer was issued a  
631 certificate of authority to transact insurance for subject lines  
632 of business in this state and terminates 1 year after the end of  
633 the first calendar year during which the insurer no longer holds  
634 a certificate of authority to transact insurance for subject  
635 lines of business in this state.

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

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639 (I) A personal lines account for personal residential  
640 policies issued by the corporation which provides comprehensive,  
641 multiperil coverage on risks that are not located in areas  
642 eligible for coverage by the Florida Windstorm Underwriting  
643 Association as those areas were defined on January 1, 2002, and  
644 for policies that do not provide coverage for the peril of wind  
645 on risks that are located in such areas;

646 (II) A commercial lines account for commercial residential  
647 and commercial nonresidential policies issued by the corporation  
648 which provides coverage for basic property perils on risks that  
649 are not located in areas eligible for coverage by the Florida  
650 Windstorm Underwriting Association as those areas were defined  
651 on January 1, 2002, and for policies that do not provide  
652 coverage for the peril of wind on risks that are located in such  
653 areas; and

654 (III) A coastal account for personal residential policies  
655 and commercial residential and commercial nonresidential  
656 property policies issued by the corporation which provides  
657 coverage for the peril of wind on risks that are located in  
658 areas eligible for coverage by the Florida Windstorm  
659 Underwriting Association as those areas were defined on January  
660 1, 2002. The corporation may offer policies that provide  
661 multiperil coverage and shall offer policies that provide  
662 coverage only for the peril of wind for risks located in areas  
663 eligible for coverage in the coastal account. Effective July 1,  
664 2014, the corporation shall cease offering new commercial  
665 residential policies providing multiperil coverage and shall  
666 instead continue to offer commercial residential wind-only  
667 policies, and may offer commercial residential policies

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668 excluding wind. The corporation may, however, continue to renew  
669 a commercial residential multiperil policy on a building that is  
670 insured by the corporation on June 30, 2014, under a multiperil  
671 policy. In issuing multiperil coverage, the corporation may use  
672 its approved policy forms and rates for the personal lines  
673 account. An applicant or insured who is eligible to purchase a  
674 multiperil policy from the corporation may purchase a multiperil  
675 policy from an authorized insurer without prejudice to the  
676 applicant's or insured's eligibility to prospectively purchase a  
677 policy that provides coverage only for the peril of wind from  
678 the corporation. An applicant or insured who is eligible for a  
679 corporation policy that provides coverage only for the peril of  
680 wind may elect to purchase or retain such policy and also  
681 purchase or retain coverage excluding wind from an authorized  
682 insurer without prejudice to the applicant's or insured's  
683 eligibility to prospectively purchase a policy that provides  
684 multiperil coverage from the corporation. It is the goal of the  
685 Legislature that there be an overall average savings of 10  
686 percent or more for a policyholder who currently has a wind-only  
687 policy with the corporation, and an ex-wind policy with a  
688 voluntary insurer or the corporation, and who obtains a  
689 multiperil policy from the corporation. It is the intent of the  
690 Legislature that the offer of multiperil coverage in the coastal  
691 account be made and implemented in a manner that does not  
692 adversely affect the tax-exempt status of the corporation or  
693 creditworthiness of or security for currently outstanding  
694 financing obligations or credit facilities of the coastal  
695 account, the personal lines account, or the commercial lines  
696 account. The coastal account must also include quota share



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697 primary insurance under subparagraph (c)2. The area eligible for  
698 coverage under the coastal account also includes the area within  
699 Port Canaveral, which is bordered on the south by the City of  
700 Cape Canaveral, bordered on the west by the Banana River, and  
701 bordered on the north by Federal Government property.

702       b. The three separate accounts must be maintained as long  
703 as financing obligations entered into by the Florida Windstorm  
704 Underwriting Association or Residential Property and Casualty  
705 Joint Underwriting Association are outstanding, in accordance  
706 with the terms of the corresponding financing documents. If no  
707 such financing obligations remain outstanding or if the  
708 financing documents allow for combining of accounts, the  
709 corporation may consolidate the three separate accounts into a  
710 new account, to be known as the Citizens account, for all  
711 revenues, assets, liabilities, losses, and expenses of the  
712 corporation. The Citizens account, if established by the  
713 corporation, is authorized to provide coverage to the same  
714 extent as provided under each of the three separate accounts.  
715 The authority to provide coverage under the Citizens account is  
716 set forth in subparagraph 4. ~~If the financing obligations are no~~  
717 ~~longer outstanding, the corporation may use a single account for~~  
718 ~~all revenues, assets, liabilities, losses, and expenses of the~~  
719 ~~corporation.~~ Consistent with this subparagraph and prudent  
720 investment policies that minimize the cost of carrying debt, the  
721 board shall exercise its best efforts to retire existing debt or  
722 obtain the approval of necessary parties to amend the terms of  
723 existing debt, so as to structure the most efficient plan for  
724 consolidating the three separate accounts into a single account.  
725 Once the accounts are combined into one account, this

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726 subparagraph and subparagraph 3. shall be replaced in their  
727 entirety by subparagraphs 4. and 5.

728 c. Creditors of the Residential Property and Casualty Joint  
729 Underwriting Association and the accounts specified in sub-sub-  
730 subparagraphs a.(I) and (II) may have a claim against, and  
731 recourse to, those accounts and no claim against, or recourse  
732 to, the account referred to in sub-sub-subparagraph a.(III).  
733 Creditors of the Florida Windstorm Underwriting Association have  
734 a claim against, and recourse to, the account referred to in  
735 sub-sub-subparagraph a.(III) and no claim against, or recourse  
736 to, the accounts referred to in sub-sub-subparagraphs a.(I) and  
737 (II).

738 d. Revenues, assets, liabilities, losses, and expenses not  
739 attributable to particular accounts shall be prorated among the  
740 accounts.

741 e. The Legislature finds that the revenues of the  
742 corporation are revenues that are necessary to meet the  
743 requirements set forth in documents authorizing the issuance of  
744 bonds under this subsection.

745 f. The income of the corporation may not inure to the  
746 benefit of any private person.

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

748 a. After accounting for the Citizens policyholder surcharge  
749 imposed under subparagraph i., if the remaining projected  
750 deficit incurred in the coastal account in a particular calendar  
751 year:

752 (I) Is not greater than 2 percent of the aggregate  
753 statewide direct written premium for the subject lines of  
754 business for the prior calendar year, the entire deficit shall

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755 be recovered through regular assessments of assessable insurers  
756 under paragraph (q) and assessable insureds.

757 (II) Exceeds 2 percent of the aggregate statewide direct  
758 written premium for the subject lines of business for the prior  
759 calendar year, the corporation shall levy regular assessments on  
760 assessable insurers under paragraph (q) and on assessable  
761 insureds in an amount equal to the greater of 2 percent of the  
762 projected deficit or 2 percent of the aggregate statewide direct  
763 written premium for the subject lines of business for the prior  
764 calendar year. Any remaining projected deficit shall be  
765 recovered through emergency assessments under sub-subparagraph  
766 e. ~~d.~~

767 b. Each assessable insurer's share of the amount being  
768 assessed under sub-subparagraph a. must be in the proportion  
769 that the assessable insurer's direct written premium for the  
770 subject lines of business for the year preceding the assessment  
771 bears to the aggregate statewide direct written premium for the  
772 subject lines of business for that year. The assessment  
773 percentage applicable to each assessable insured is the ratio of  
774 the amount being assessed under sub-subparagraph a. to the  
775 aggregate statewide direct written premium for the subject lines  
776 of business for the prior year. Assessments levied by the  
777 corporation on assessable insurers under sub-subparagraph a.  
778 must be paid as required by the corporation's plan of operation  
779 and paragraph (q). Assessments levied by the corporation on  
780 assessable insureds under sub-subparagraph a. shall be collected  
781 by the surplus lines agent at the time the surplus lines agent  
782 collects the surplus lines tax required by s. 626.932, and paid  
783 to the Florida Surplus Lines Service Office at the time the

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784 surplus lines agent pays the surplus lines tax to that office.  
785 Upon receipt of regular assessments from surplus lines agents,  
786 the Florida Surplus Lines Service Office shall transfer the  
787 assessments directly to the corporation as determined by the  
788 corporation.

789 c. The corporation may not levy regular assessments under  
790 paragraph (q) pursuant to sub-subparagraph a. or sub-  
791 subparagraph b. if the three separate accounts in sub-sub-  
792 subparagraphs 2.a.(I)-(III) have been consolidated into the  
793 Citizens account pursuant to sub-subparagraph 2.b. However, the  
794 outstanding balance of any regular assessment levied by the  
795 corporation before establishment of the Citizens account remains  
796 payable to the corporation.

797 d. After accounting for the Citizens policyholder surcharge  
798 imposed under sub-subparagraph j. ~~i.~~, the remaining projected  
799 deficits in the personal lines account and in the commercial  
800 lines account in a particular calendar year shall be recovered  
801 through emergency assessments under sub-subparagraph e. ~~d.~~

802 e. ~~d.~~ Upon a determination by the board of governors that a  
803 projected deficit in an account exceeds the amount that is  
804 expected to be recovered through regular assessments under sub-  
805 paragraph a., plus the amount that is expected to be  
806 recovered through surcharges under sub-subparagraph j. ~~i.~~, the  
807 board, after verification by the office, shall levy emergency  
808 assessments for as many years as necessary to cover the  
809 deficits, to be collected by assessable insurers and the  
810 corporation and collected from assessable insureds upon issuance  
811 or renewal of policies for subject lines of business, excluding  
812 National Flood Insurance policies. The amount collected in a

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813 particular year must be a uniform percentage of that year's  
814 direct written premium for subject lines of business and all  
815 accounts of the corporation, excluding National Flood Insurance  
816 Program policy premiums, as annually determined by the board and  
817 verified by the office. The office shall verify the arithmetic  
818 calculations involved in the board's determination within 30  
819 days after receipt of the information on which the determination  
820 was based. The office shall notify assessable insurers and the  
821 Florida Surplus Lines Service Office of the date on which  
822 assessable insurers shall begin to collect and assessable  
823 insureds shall begin to pay such assessment. The date must be at  
824 least 90 days after the date the corporation levies emergency  
825 assessments pursuant to this sub-subparagraph. Notwithstanding  
826 any other provision of law, the corporation and each assessable  
827 insurer that writes subject lines of business shall collect  
828 emergency assessments from its policyholders without such  
829 obligation being affected by any credit, limitation, exemption,  
830 or deferment. Emergency assessments levied by the corporation on  
831 assessable insureds shall be collected by the surplus lines  
832 agent at the time the surplus lines agent collects the surplus  
833 lines tax required by s. 626.932 and paid to the Florida Surplus  
834 Lines Service Office at the time the surplus lines agent pays  
835 the surplus lines tax to that office. The emergency assessments  
836 collected shall be transferred directly to the corporation on a  
837 periodic basis as determined by the corporation and held by the  
838 corporation solely in the applicable account. The aggregate  
839 amount of emergency assessments levied for an account in any  
840 calendar year may be less than but may not exceed the greater of  
841 10 percent of the amount needed to cover the deficit, plus

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842 interest, fees, commissions, required reserves, and other costs  
843 associated with financing the original deficit, or 10 percent of  
844 the aggregate statewide direct written premium for subject lines  
845 of business and all accounts of the corporation for the prior  
846 year, plus interest, fees, commissions, required reserves, and  
847 other costs associated with financing the deficit.

848 f.e. The corporation may pledge the proceeds of  
849 assessments, projected recoveries from the Florida Hurricane  
850 Catastrophe Fund, other insurance and reinsurance recoverables,  
851 policyholder surcharges and other surcharges, and other funds  
852 available to the corporation as the source of revenue for and to  
853 secure bonds issued under paragraph (q), bonds or other  
854 indebtedness issued under subparagraph (c)3., or lines of credit  
855 or other financing mechanisms issued or created under this  
856 subsection, or to retire any other debt incurred as a result of  
857 deficits or events giving rise to deficits, or in any other way  
858 that the board determines will efficiently recover such  
859 deficits. The purpose of the lines of credit or other financing  
860 mechanisms is to provide additional resources to assist the  
861 corporation in covering claims and expenses attributable to a  
862 catastrophe. As used in this subsection, the term "assessments"  
863 includes regular assessments under sub-subparagraph a. or  
864 subparagraph (q)1. and emergency assessments under sub-  
865 subparagraph e. ~~d.~~ Emergency assessments collected under sub-  
866 subparagraph e. ~~d.~~ are not part of an insurer's rates, are not  
867 premium, and are not subject to premium tax, fees, or  
868 commissions; however, failure to pay the emergency assessment  
869 shall be treated as failure to pay premium. The emergency  
870 assessments shall continue as long as any bonds issued or other

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871 indebtedness incurred with respect to a deficit for which the  
872 assessment was imposed remain outstanding, unless adequate  
873 provision has been made for the payment of such bonds or other  
874 indebtedness pursuant to the documents governing such bonds or  
875 indebtedness.

876 ~~g.f.~~ As used in this subsection for purposes of any deficit  
877 incurred on or after January 25, 2007, the term "subject lines  
878 of business" means insurance written by assessable insurers or  
879 procured by assessable insureds for all property and casualty  
880 lines of business in this state, but not including workers'  
881 compensation or medical malpractice. As used in this sub-  
882 subparagraph, the term "property and casualty lines of business"  
883 includes all lines of business identified on Form 2, Exhibit of  
884 Premiums and Losses, in the annual statement required of  
885 authorized insurers under s. 624.424 and any rule adopted under  
886 this section, except for those lines identified as accident and  
887 health insurance and except for policies written under the  
888 National Flood Insurance Program or the Federal Crop Insurance  
889 Program. For purposes of this sub-subparagraph, the term  
890 "workers' compensation" includes both workers' compensation  
891 insurance and excess workers' compensation insurance.

892 ~~h.g.~~ The Florida Surplus Lines Service Office shall  
893 determine annually the aggregate statewide written premium in  
894 subject lines of business procured by assessable insureds and  
895 report that information to the corporation in a form and at a  
896 time the corporation specifies to ensure that the corporation  
897 can meet the requirements of this subsection and the  
898 corporation's financing obligations.

899 ~~i.h.~~ The Florida Surplus Lines Service Office shall verify

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900 the proper application by surplus lines agents of assessment  
901 percentages for regular assessments and emergency assessments  
902 levied under this subparagraph on assessable insureds and assist  
903 the corporation in ensuring the accurate, timely collection and  
904 payment of assessments by surplus lines agents as required by  
905 the corporation.

906 j.~~i.~~ Upon determination by the board of governors that an  
907 account has a projected deficit, the board shall levy a Citizens  
908 policyholder surcharge against all policyholders of the  
909 corporation.

910 (I) The surcharge shall be levied as a uniform percentage  
911 of the premium for the policy of up to 15 percent of such  
912 premium, which funds shall be used to offset the deficit.

913 (II) The surcharge is payable upon cancellation or  
914 termination of the policy, upon renewal of the policy, or upon  
915 issuance of a new policy by the corporation within the first 12  
916 months after the date of the levy or the period of time  
917 necessary to fully collect the surcharge amount.

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

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

926 k.~~j.~~ If the amount of any assessments or surcharges  
927 collected from corporation policyholders, assessable insurers or  
928 their policyholders, or assessable insureds exceeds the amount



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929 of the deficits, such excess amounts shall be remitted to and  
930 retained by the corporation in a reserve to be used by the  
931 corporation, as determined by the board of governors and  
932 approved by the office, to pay claims or reduce any past,  
933 present, or future plan-year deficits or to reduce outstanding  
934 debt.

935 4. The Citizens account, if established by the corporation  
936 pursuant to sub-subparagraph 2.b., is authorized to provide:

937 a. Personal residential policies that provide  
938 comprehensive, multiperil coverage on risks that are not located  
939 in areas eligible for coverage by the Florida Windstorm  
940 Underwriting Association, as those areas were defined on January  
941 1, 2002, and for policies that do not provide coverage for the  
942 peril of wind on risks that are located in such areas;

943 b. Commercial residential and commercial nonresidential  
944 policies that provide coverage for basic property perils on  
945 risks that are not located in areas eligible for coverage by the  
946 Florida Windstorm Underwriting Association, as those areas were  
947 defined on January 1, 2002, and for policies that do not provide  
948 coverage for the peril of wind on risks that are located in such  
949 areas; and

950 c. Personal residential policies and commercial residential  
951 and commercial nonresidential property policies that provide  
952 coverage for the peril of wind on risks that are located in  
953 areas eligible for coverage by the Florida Windstorm  
954 Underwriting Association, as those areas were defined on January  
955 1, 2002. The corporation may offer policies that provide  
956 multiperil coverage and shall offer policies that provide  
957 coverage only for the peril of wind for risks located in areas

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958 eligible for coverage by the Florida Windstorm Underwriting  
959 Association, as those areas were defined on January 1, 2002. The  
960 corporation may not offer new commercial residential policies  
961 providing multiperil coverage, but shall continue to offer  
962 commercial residential wind-only policies, and may offer  
963 commercial residential policies excluding wind. However, the  
964 corporation may continue to renew a commercial residential  
965 multiperil policy on a building that was insured by the  
966 corporation on June 30, 2014, under a multiperil policy. In  
967 issuing multiperil coverage under this sub-subparagraph, the  
968 corporation may use its approved policy forms and rates for  
969 risks located in areas not eligible for coverage by the Florida  
970 Windstorm Underwriting Association as those areas were defined  
971 on January 1, 2002, and for policies that do not provide  
972 coverage for the peril of wind on risks that are located in such  
973 areas. An applicant or insured who is eligible to purchase a  
974 multiperil policy from the corporation may purchase a multiperil  
975 policy from an authorized insurer without prejudice to the  
976 applicant's or insured's eligibility to prospectively purchase a  
977 policy that provides coverage only for the peril of wind from  
978 the corporation. An applicant or insured who is eligible for a  
979 corporation policy that provides coverage only for the peril of  
980 wind may elect to purchase or retain such policy and also  
981 purchase or retain coverage excluding wind from an authorized  
982 insurer without prejudice to the applicant's or insured's  
983 eligibility to prospectively purchase a policy that provides  
984 multiperil coverage from the corporation. The following  
985 policies, which provide coverage only for the peril of wind,  
986 must also include quota share primary insurance under

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987 subparagraph (c)2.: Personal residential policies and commercial  
988 residential and commercial nonresidential property policies that  
989 provide coverage for the peril of wind on risks that are located  
990 in areas eligible for coverage by the Florida Windstorm  
991 Underwriting Association, as those areas were defined on January  
992 1, 2002; policies that provide multiperil coverage, if offered  
993 by the corporation, and policies that provide coverage only for  
994 the peril of wind for risks located in areas eligible for  
995 coverage by the Florida Windstorm Underwriting Association, as  
996 those areas were defined on January 1, 2002; commercial  
997 residential wind-only policies; commercial residential policies  
998 excluding wind, if offered by the corporation; and commercial  
999 residential multiperil policies on a building that was insured  
1000 by the corporation on June 30, 2014. The area eligible for  
1001 coverage with the corporation under this sub-subparagraph  
1002 includes the area within Port Canaveral, which is bordered on  
1003 the south by the City of Cape Canaveral, bordered on the west by  
1004 the Banana River, and bordered on the north by Federal  
1005 Government property.

1006 5. With respect to a deficit in the Citizens account:

1007 a. Upon a determination by the board of governors that the  
1008 Citizens account has a projected deficit, the board shall levy a  
1009 Citizens policyholder surcharge against all policyholders of the  
1010 corporation.

1011 (I) The surcharge shall be levied as a uniform percentage  
1012 of the premium for the policy of up to 15 percent of such  
1013 premium, which funds shall be used to offset the deficit.

1014 (II) The surcharge is payable upon cancellation or  
1015 termination of the policy, upon renewal of the policy, or upon

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1016 issuance of a new policy by the corporation within the first 12  
1017 months after the date of the levy or the period of time  
1018 necessary to fully collect the surcharge amount.

1019 (III) The surcharge is not considered premium and is not  
1020 subject to commissions, fees, or premium taxes. However, failure  
1021 to pay the surcharge shall be treated as failure to pay premium.

1022 b. After accounting for the Citizens policyholder surcharge  
1023 imposed under sub-subparagraph a., the remaining projected  
1024 deficit incurred in the Citizens account in a particular  
1025 calendar year shall be recovered through emergency assessments  
1026 under sub-subparagraph c.

1027 c. Upon a determination by the board of governors that a  
1028 projected deficit in the Citizens account exceeds the amount  
1029 that is expected to be recovered through surcharges under sub-  
1030 subparagraph a., the board, after verification by the office,  
1031 shall levy emergency assessments for as many years as necessary  
1032 to cover the deficits, to be collected by assessable insurers  
1033 and the corporation and collected from assessable insureds upon  
1034 issuance or renewal of policies for subject lines of business,  
1035 excluding National Flood Insurance Program policies. The amount  
1036 collected in a particular year must be a uniform percentage of  
1037 that year's direct written premium for subject lines of business  
1038 and the Citizens account, National Flood Insurance Program  
1039 policy premiums, as annually determined by the board and  
1040 verified by the office. The office shall verify the arithmetic  
1041 calculations involved in the board's determination within 30  
1042 days after receipt of the information on which the determination  
1043 was based. The office shall notify assessable insurers and the  
1044 Florida Surplus Lines Service Office of the date on which

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1045 assessable insurers shall begin to collect and assessable  
1046 insureds shall begin to pay such assessment. The date must be at  
1047 least 90 days after the date the corporation levies emergency  
1048 assessments pursuant to this sub-subparagraph. Notwithstanding  
1049 any other law, the corporation and each assessable insurer that  
1050 writes subject lines of business shall collect emergency  
1051 assessments from its policyholders without such obligation being  
1052 affected by any credit, limitation, exemption, or deferment.  
1053 Emergency assessments levied by the corporation on assessable  
1054 insureds shall be collected by the surplus lines agent at the  
1055 time the surplus lines agent collects the surplus lines tax  
1056 required by s. 626.932 and paid to the Florida Surplus Lines  
1057 Service Office at the time the surplus lines agent pays the  
1058 surplus lines tax to that office. The emergency assessments  
1059 collected shall be transferred directly to the corporation on a  
1060 periodic basis as determined by the corporation and held by the  
1061 corporation solely in the Citizens account. The aggregate amount  
1062 of emergency assessments levied for the Citizens account in any  
1063 calendar year may be less than, but may not exceed the greater  
1064 of, 10 percent of the amount needed to cover the deficit, plus  
1065 interest, fees, commissions, required reserves, and other costs  
1066 associated with financing the original deficit or 10 percent of  
1067 the aggregate statewide direct written premium for subject lines  
1068 of business and the Citizens accounts for the prior year, plus  
1069 interest, fees, commissions, required reserves, and other costs  
1070 associated with financing the deficit.

1071 d. The corporation may pledge the proceeds of assessments,  
1072 projected recoveries from the Florida Hurricane Catastrophe  
1073 Fund, other insurance and reinsurance recoverables, policyholder

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1074 surcharges and other surcharges, and other funds available to  
1075 the corporation as the source of revenue for and to secure bonds  
1076 issued under paragraph (q), bonds or other indebtedness issued  
1077 under subparagraph (c)3., or lines of credit or other financing  
1078 mechanisms issued or created under this subsection; or to retire  
1079 any other debt incurred as a result of deficits or events giving  
1080 rise to deficits, or in any other way that the board determines  
1081 will efficiently recover such deficits. The purpose of the lines  
1082 of credit or other financing mechanisms is to provide additional  
1083 resources to assist the corporation in covering claims and  
1084 expenses attributable to a catastrophe. As used in this  
1085 subsection, the term "assessments" includes emergency  
1086 assessments under sub-subparagraph c. Emergency assessments  
1087 collected under sub-subparagraph c. are not part of an insurer's  
1088 rates, are not premium, and are not subject to premium tax,  
1089 fees, or commissions; however, failure to pay the emergency  
1090 assessment shall be treated as failure to pay premium. The  
1091 emergency assessments shall continue as long as any bonds issued  
1092 or other indebtedness incurred with respect to a deficit for  
1093 which the assessment was imposed remain outstanding, unless  
1094 adequate provision has been made for the payment of such bonds  
1095 or other indebtedness pursuant to the documents governing such  
1096 bonds or indebtedness.

1097 e. As used in this subsection and for purposes of any  
1098 deficit incurred on or after January 25, 2007, the term "subject  
1099 lines of business" means insurance written by assessable  
1100 insurers or procured by assessable insureds for all property and  
1101 casualty lines of business in this state, but not including  
1102 workers' compensation or medical malpractice. As used in this

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1103 sub-subparagraph, the term "property and casualty lines of  
1104 business" includes all lines of business identified on Form 2,  
1105 Exhibit of Premiums and Losses, in the annual statement required  
1106 of authorized insurers under s. 624.424 and any rule adopted  
1107 under this section, except for those lines identified as  
1108 accident and health insurance and except for policies written  
1109 under the National Flood Insurance Program or the Federal Crop  
1110 Insurance Program. For purposes of this sub-subparagraph, the  
1111 term "workers' compensation" includes both workers' compensation  
1112 insurance and excess workers' compensation insurance.

1113 f. The Florida Surplus Lines Service Office shall annually  
1114 determine the aggregate statewide written premium in subject  
1115 lines of business procured by assessable insureds and report  
1116 that information to the corporation in a form and at a time the  
1117 corporation specifies to ensure that the corporation can meet  
1118 the requirements of this subsection and the corporation's  
1119 financing obligations.

1120 g. The Florida Surplus Lines Service Office shall verify  
1121 the proper application by surplus lines agents of assessment  
1122 percentages for emergency assessments levied under this  
1123 subparagraph on assessable insureds and assist the corporation  
1124 in ensuring the accurate, timely collection and payment of  
1125 assessments by surplus lines agents as required by the  
1126 corporation.

1127 h. If the amount of any assessments or surcharges collected  
1128 from corporation policyholders, assessable insurers or their  
1129 policyholders, or assessable insureds exceeds the amount of the  
1130 deficits, such excess amounts shall be remitted to and retained  
1131 by the corporation in a reserve to be used by the corporation,

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1132 as determined by the board of governors and approved by the  
1133 office, to pay claims or reduce any past, present, or future  
1134 plan-year deficits or to reduce outstanding debt.

1135 (c) The corporation's plan of operation:

1136 1. Must provide for adoption of residential property and  
1137 casualty insurance policy forms and commercial residential and  
1138 nonresidential property insurance forms, which must be approved  
1139 by the office before use. The corporation shall adopt the  
1140 following policy forms:

1141 a. Standard personal lines policy forms that are  
1142 comprehensive multiperil policies providing full coverage of a  
1143 residential property equivalent to the coverage provided in the  
1144 private insurance market under an HO-3, HO-4, or HO-6 policy.

1145 b. Basic personal lines policy forms that are policies  
1146 similar to an HO-8 policy or a dwelling fire policy that provide  
1147 coverage meeting the requirements of the secondary mortgage  
1148 market, but which is more limited than the coverage under a  
1149 standard policy.

1150 c. Commercial lines residential and nonresidential policy  
1151 forms that are generally similar to the basic perils of full  
1152 coverage obtainable for commercial residential structures and  
1153 commercial nonresidential structures in the admitted voluntary  
1154 market.

1155 d. Personal lines and commercial lines residential property  
1156 insurance forms that cover the peril of wind only. The forms are  
1157 applicable only to residential properties located in areas  
1158 eligible for coverage by the Florida Windstorm Underwriting  
1159 Association, as those areas were defined on January 1, 2002  
1160 ~~under the coastal account referred to in sub-subparagraph~~



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1161 ~~(b)2.a.~~

1162 e. Commercial lines nonresidential property insurance forms  
1163 that cover the peril of wind only. The forms are applicable only  
1164 to nonresidential properties located in areas eligible for  
1165 coverage by the Florida Windstorm Underwriting Association, as  
1166 those areas were defined on January 1, 2002 ~~under the coastal~~  
1167 ~~account referred to in sub-subparagraph (b)2.a.~~

1168 f. The corporation may adopt variations of the policy forms  
1169 listed in sub-subparagraphs a.-e. which contain more restrictive  
1170 coverage.

1171 g. ~~Effective January 1, 2013,~~ The corporation shall offer a  
1172 basic personal lines policy similar to an HO-8 policy with  
1173 dwelling repair based on common construction materials and  
1174 methods.

1175 2. Must provide that the corporation adopt a program in  
1176 which the corporation and authorized insurers enter into quota  
1177 share primary insurance agreements for hurricane coverage, as  
1178 defined in s. 627.4025(2)(a), for eligible risks, and adopt  
1179 property insurance forms for eligible risks which cover the  
1180 peril of wind only.

1181 a. As used in this subsection, the term:

1182 (I) "Quota share primary insurance" means an arrangement in  
1183 which the primary hurricane coverage of an eligible risk is  
1184 provided in specified percentages by the corporation and an  
1185 authorized insurer. The corporation and authorized insurer are  
1186 each solely responsible for a specified percentage of hurricane  
1187 coverage of an eligible risk as set forth in a quota share  
1188 primary insurance agreement between the corporation and an  
1189 authorized insurer and the insurance contract. The

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1190 responsibility of the corporation or authorized insurer to pay  
1191 its specified percentage of hurricane losses of an eligible  
1192 risk, as set forth in the agreement, may not be altered by the  
1193 inability of the other party to pay its specified percentage of  
1194 losses. Eligible risks that are provided hurricane coverage  
1195 through a quota share primary insurance arrangement must be  
1196 provided policy forms that set forth the obligations of the  
1197 corporation and authorized insurer under the arrangement,  
1198 clearly specify the percentages of quota share primary insurance  
1199 provided by the corporation and authorized insurer, and  
1200 conspicuously and clearly state that the authorized insurer and  
1201 the corporation may not be held responsible beyond their  
1202 specified percentage of coverage of hurricane losses.

1203 (II) "Eligible risks" means personal lines residential and  
1204 commercial lines residential risks that meet the underwriting  
1205 criteria of the corporation and are located in areas that were  
1206 eligible for coverage by the Florida Windstorm Underwriting  
1207 Association on January 1, 2002.

1208 b. The corporation may enter into quota share primary  
1209 insurance agreements with authorized insurers at corporation  
1210 coverage levels of 90 percent and 50 percent.

1211 c. If the corporation determines that additional coverage  
1212 levels are necessary to maximize participation in quota share  
1213 primary insurance agreements by authorized insurers, the  
1214 corporation may establish additional coverage levels. However,  
1215 the corporation's quota share primary insurance coverage level  
1216 may not exceed 90 percent.

1217 d. Any quota share primary insurance agreement entered into  
1218 between an authorized insurer and the corporation must provide

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1219 for a uniform specified percentage of coverage of hurricane  
1220 losses, by county or territory as set forth by the corporation  
1221 board, for all eligible risks of the authorized insurer covered  
1222 under the agreement.

1223 e. Any quota share primary insurance agreement entered into  
1224 between an authorized insurer and the corporation is subject to  
1225 review and approval by the office. However, such agreement shall  
1226 be authorized only as to insurance contracts entered into  
1227 between an authorized insurer and an insured who is already  
1228 insured by the corporation for wind coverage.

1229 f. For all eligible risks covered under quota share primary  
1230 insurance agreements, the exposure and coverage levels for both  
1231 the corporation and authorized insurers shall be reported by the  
1232 corporation to the Florida Hurricane Catastrophe Fund. For all  
1233 policies of eligible risks covered under such agreements, the  
1234 corporation and the authorized insurer must maintain complete  
1235 and accurate records for the purpose of exposure and loss  
1236 reimbursement audits as required by fund rules. The corporation  
1237 and the authorized insurer shall each maintain duplicate copies  
1238 of policy declaration pages and supporting claims documents.

1239 g. The corporation board shall establish in its plan of  
1240 operation standards for quota share agreements which ensure that  
1241 there is no discriminatory application among insurers as to the  
1242 terms of the agreements, pricing of the agreements, incentive  
1243 provisions if any, and consideration paid for servicing policies  
1244 or adjusting claims.

1245 h. The quota share primary insurance agreement between the  
1246 corporation and an authorized insurer must set forth the  
1247 specific terms under which coverage is provided, including, but

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1248 not limited to, the sale and servicing of policies issued under  
1249 the agreement by the insurance agent of the authorized insurer  
1250 producing the business, the reporting of information concerning  
1251 eligible risks, the payment of premium to the corporation, and  
1252 arrangements for the adjustment and payment of hurricane claims  
1253 incurred on eligible risks by the claims adjuster and personnel  
1254 of the authorized insurer. Entering into a quota sharing  
1255 insurance agreement between the corporation and an authorized  
1256 insurer is voluntary and at the discretion of the authorized  
1257 insurer.

1258       3. May provide that the corporation may employ or otherwise  
1259 contract with individuals or other entities to provide  
1260 administrative or professional services that may be appropriate  
1261 to effectuate the plan. The corporation may borrow funds by  
1262 issuing bonds or by incurring other indebtedness, and shall have  
1263 other powers reasonably necessary to effectuate the requirements  
1264 of this subsection, including, without limitation, the power to  
1265 issue bonds and incur other indebtedness in order to refinance  
1266 outstanding bonds or other indebtedness. The corporation may  
1267 seek judicial validation of its bonds or other indebtedness  
1268 under chapter 75. The corporation may issue bonds or incur other  
1269 indebtedness, or have bonds issued on its behalf by a unit of  
1270 local government pursuant to subparagraph (q)2. in the absence  
1271 of a hurricane or other weather-related event, upon a  
1272 determination by the corporation, subject to approval by the  
1273 office, that such action would enable it to efficiently meet the  
1274 financial obligations of the corporation and that such  
1275 financings are reasonably necessary to effectuate the  
1276 requirements of this subsection. The corporation may take all

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1277 actions needed to facilitate tax-free status for such bonds or  
1278 indebtedness, including formation of trusts or other affiliated  
1279 entities. The corporation may pledge assessments, projected  
1280 recoveries from the Florida Hurricane Catastrophe Fund, other  
1281 reinsurance recoverables, policyholder surcharges and other  
1282 surcharges, and other funds available to the corporation as  
1283 security for bonds or other indebtedness. In recognition of s.  
1284 10, Art. I of the State Constitution, prohibiting the impairment  
1285 of obligations of contracts, it is the intent of the Legislature  
1286 that no action be taken whose purpose is to impair any bond  
1287 indenture or financing agreement or any revenue source committed  
1288 by contract to such bond or other indebtedness.

1289 4. Must require that the corporation operate subject to the  
1290 supervision and approval of a board of governors consisting of  
1291 nine individuals who are residents of this state and who are  
1292 from different geographical areas of the state, one of whom is  
1293 appointed by the Governor and serves solely to advocate on  
1294 behalf of the consumer. The appointment of a consumer  
1295 representative by the Governor is deemed to be within the scope  
1296 of the exemption provided in s. 112.313(7)(b) and is in addition  
1297 to the appointments authorized under sub-subparagraph a.

1298 a. The Governor, the Chief Financial Officer, the President  
1299 of the Senate, and the Speaker of the House of Representatives  
1300 shall each appoint two members of the board. At least one of the  
1301 two members appointed by each appointing officer must have  
1302 demonstrated expertise in insurance and be deemed to be within  
1303 the scope of the exemption provided in s. 112.313(7)(b). The  
1304 Chief Financial Officer shall designate one of the appointees as  
1305 chair. All board members serve at the pleasure of the appointing

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1306 officer. All members of the board are subject to removal at will  
1307 by the officers who appointed them. All board members, including  
1308 the chair, must be appointed to serve for 3-year terms beginning  
1309 annually on a date designated by the plan. However, for the  
1310 first term beginning on or after July 1, 2009, each appointing  
1311 officer shall appoint one member of the board for a 2-year term  
1312 and one member for a 3-year term. A board vacancy shall be  
1313 filled for the unexpired term by the appointing officer. The  
1314 Chief Financial Officer shall appoint a technical advisory group  
1315 to provide information and advice to the board in connection  
1316 with the board's duties under this subsection. The executive  
1317 director and senior managers of the corporation shall be engaged  
1318 by the board and serve at the pleasure of the board. Any  
1319 executive director appointed on or after July 1, 2006, is  
1320 subject to confirmation by the Senate. The executive director is  
1321 responsible for employing other staff as the corporation may  
1322 require, subject to review and concurrence by the board.

1323       b. The board shall create a Market Accountability Advisory  
1324 Committee to assist the corporation in developing awareness of  
1325 its rates and its customer and agent service levels in  
1326 relationship to the voluntary market insurers writing similar  
1327 coverage.

1328       (I) The members of the advisory committee consist of the  
1329 following 11 persons, one of whom must be elected chair by the  
1330 members of the committee: four representatives, one appointed by  
1331 the Florida Association of Insurance Agents, one by the Florida  
1332 Association of Insurance and Financial Advisors, one by the  
1333 Professional Insurance Agents of Florida, and one by the Latin  
1334 American Association of Insurance Agencies; three

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1335 representatives appointed by the insurers with the three highest  
1336 voluntary market share of residential property insurance  
1337 business in the state; one representative from the Office of  
1338 Insurance Regulation; one consumer appointed by the board who is  
1339 insured by the corporation at the time of appointment to the  
1340 committee; one representative appointed by the Florida  
1341 Association of Realtors; and one representative appointed by the  
1342 Florida Bankers Association. All members shall be appointed to  
1343 3-year terms and may serve for consecutive terms.

1344 (II) The committee shall report to the corporation at each  
1345 board meeting on insurance market issues which may include rates  
1346 and rate competition with the voluntary market; service,  
1347 including policy issuance, claims processing, and general  
1348 responsiveness to policyholders, applicants, and agents; and  
1349 matters relating to depopulation.

1350 5. Must provide a procedure for determining the eligibility  
1351 of a risk for coverage, as follows:

1352 a. Subject to s. 627.3517, with respect to personal lines  
1353 residential risks, if the risk is offered coverage from an  
1354 authorized insurer at the insurer's approved rate under a  
1355 standard policy including wind coverage or, if consistent with  
1356 the insurer's underwriting rules as filed with the office, a  
1357 basic policy including wind coverage, for a new application to  
1358 the corporation for coverage, the risk is not eligible for any  
1359 policy issued by the corporation unless the premium for coverage  
1360 from the authorized insurer is more than 20 percent greater than  
1361 the premium for comparable coverage from the corporation.  
1362 Whenever an offer of coverage for a personal lines residential  
1363 risk is received for a policyholder of the corporation at

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1364 renewal from an authorized insurer, if the offer is equal to or  
1365 less than the corporation's renewal premium for comparable  
1366 coverage, the risk is not eligible for coverage with the  
1367 corporation for policies that renew before April 1, 2023; for  
1368 policies that renew on or after that date, the risk is not  
1369 eligible for coverage with the corporation unless the premium  
1370 for coverage from the authorized insurer is more than 20 percent  
1371 greater than the corporation's renewal premium for comparable  
1372 coverage. If the risk is not able to obtain such offer, the risk  
1373 is eligible for a standard policy including wind coverage or a  
1374 basic policy including wind coverage issued by the corporation;  
1375 however, if the risk could not be insured under a standard  
1376 policy including wind coverage regardless of market conditions,  
1377 the risk is eligible for a basic policy including wind coverage  
1378 unless rejected under subparagraph 8. ~~However, a policyholder~~  
1379 ~~removed from the corporation through an assumption agreement~~  
1380 ~~remains eligible for coverage from the corporation until the end~~  
1381 ~~of the assumption period~~. The corporation shall determine the  
1382 type of policy to be provided on the basis of objective  
1383 standards specified in the underwriting manual and based on  
1384 generally accepted underwriting practices. A policyholder  
1385 removed from the corporation through an assumption agreement  
1386 does not remain eligible for coverage from the corporation after  
1387 the end of the policy term. However, any policy removed from the  
1388 corporation through an assumption agreement remains on the  
1389 corporation's policy forms through the end of the policy term.

1390 (I) If the risk accepts an offer of coverage through the  
1391 market assistance plan or through a mechanism established by the  
1392 corporation other than a plan established by s. 627.3518, before



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1393 a policy is issued to the risk by the corporation or during the  
1394 first 30 days of coverage by the corporation, and the producing  
1395 agent who submitted the application to the plan or to the  
1396 corporation is not currently appointed by the insurer, the  
1397 insurer shall:

1398 (A) Pay to the producing agent of record of the policy for  
1399 the first year, an amount that is the greater of the insurer's  
1400 usual and customary commission for the type of policy written or  
1401 a fee equal to the usual and customary commission of the  
1402 corporation; or

1403 (B) Offer to allow the producing agent of record of the  
1404 policy to continue servicing the policy for at least 1 year and  
1405 offer to pay the agent the greater of the insurer's or the  
1406 corporation's usual and customary commission for the type of  
1407 policy written.

1408  
1409 If the producing agent is unwilling or unable to accept  
1410 appointment, the new insurer shall pay the agent in accordance  
1411 with sub-sub-sub-subparagraph (A).

1412 (II) If the corporation enters into a contractual agreement  
1413 for a take-out plan, the producing agent of record of the  
1414 corporation policy is entitled to retain any unearned commission  
1415 on the policy, and the insurer shall:

1416 (A) Pay to the producing agent of record, for the first  
1417 year, an amount that is the greater of the insurer's usual and  
1418 customary commission for the type of policy written or a fee  
1419 equal to the usual and customary commission of the corporation;  
1420 or

1421 (B) Offer to allow the producing agent of record to

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1422 continue servicing the policy for at least 1 year and offer to  
1423 pay the agent the greater of the insurer's or the corporation's  
1424 usual and customary commission for the type of policy written.  
1425

1426 If the producing agent is unwilling or unable to accept  
1427 appointment, the new insurer shall pay the agent in accordance  
1428 with sub-sub-sub-subparagraph (A).

1429       b. With respect to commercial lines residential risks, for  
1430 a new application to the corporation for coverage, if the risk  
1431 is offered coverage under a policy including wind coverage from  
1432 an authorized insurer at its approved rate, the risk is not  
1433 eligible for a policy issued by the corporation unless the  
1434 premium for coverage from the authorized insurer is more than 20  
1435 ~~15~~ percent greater than the premium for comparable coverage from  
1436 the corporation. Whenever an offer of coverage for a commercial  
1437 lines residential risk is received for a policyholder of the  
1438 corporation at renewal from an authorized insurer, ~~if the offer~~  
1439 ~~is equal to or less than the corporation's renewal premium for~~  
1440 ~~comparable coverage,~~ the risk is not eligible for coverage with  
1441 the corporation unless the premium for coverage from the  
1442 authorized insurer is more than 20 percent greater than the  
1443 corporation's renewal premium for comparable coverage. If the  
1444 risk is not able to obtain any such offer, the risk is eligible  
1445 for a policy including wind coverage issued by the corporation.  
1446 ~~However,~~ A policyholder removed from the corporation through an  
1447 assumption agreement remains eligible for coverage from the  
1448 corporation until the end of the policy term. ~~However,~~ any  
1449 policy removed from the corporation through an assumption  
1450 agreement remains on the corporation's policy forms through the

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1451 end of the policy term ~~assumption period~~.

1452 (I) If the risk accepts an offer of coverage through the  
1453 market assistance plan or through a mechanism established by the  
1454 corporation other than a plan established by s. 627.3518, before  
1455 a policy is issued to the risk by the corporation or during the  
1456 first 30 days of coverage by the corporation, and the producing  
1457 agent who submitted the application to the plan or the  
1458 corporation is not currently appointed by the insurer, the  
1459 insurer shall:

1460 (A) Pay to the producing agent of record of the policy, for  
1461 the first year, an amount that is the greater of the insurer's  
1462 usual and customary commission for the type of policy written or  
1463 a fee equal to the usual and customary commission of the  
1464 corporation; or

1465 (B) Offer to allow the producing agent of record of the  
1466 policy to continue servicing the policy for at least 1 year and  
1467 offer to pay the agent the greater of the insurer's or the  
1468 corporation's usual and customary commission for the type of  
1469 policy written.

1470

1471 If the producing agent is unwilling or unable to accept  
1472 appointment, the new insurer shall pay the agent in accordance  
1473 with sub-sub-sub-subparagraph (A).

1474 (II) If the corporation enters into a contractual agreement  
1475 for a take-out plan, the producing agent of record of the  
1476 corporation policy is entitled to retain any unearned commission  
1477 on the policy, and the insurer shall:

1478 (A) Pay to the producing agent of record, for the first  
1479 year, an amount that is the greater of the insurer's usual and

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1480 customary commission for the type of policy written or a fee  
1481 equal to the usual and customary commission of the corporation;  
1482 or

1483 (B) Offer to allow the producing agent of record to  
1484 continue servicing the policy for at least 1 year and offer to  
1485 pay the agent the greater of the insurer's or the corporation's  
1486 usual and customary commission for the type of policy written.

1487  
1488 If the producing agent is unwilling or unable to accept  
1489 appointment, the new insurer shall pay the agent in accordance  
1490 with sub-sub-sub-subparagraph (A).

1491 c. For purposes of determining comparable coverage under  
1492 sub-subparagraphs a. and b., the comparison must be based on  
1493 those forms and coverages that are reasonably comparable. The  
1494 corporation may rely on a determination of comparable coverage  
1495 and premium made by the producing agent who submits the  
1496 application to the corporation, made in the agent's capacity as  
1497 the corporation's agent. For purposes of comparing the premium  
1498 for comparable coverage under sub-subparagraphs a. and b.,  
1499 premium includes any surcharge or assessment that is actually  
1500 applied to such policy. A comparison may be made solely of the  
1501 premium with respect to the main building or structure only on  
1502 the following basis: the same coverage A or other building  
1503 limits; the same percentage hurricane deductible that applies on  
1504 an annual basis or that applies to each hurricane for commercial  
1505 residential property; the same percentage of ordinance and law  
1506 coverage, if the same limit is offered by both the corporation  
1507 and the authorized insurer; the same mitigation credits, to the  
1508 extent the same types of credits are offered both by the

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1509 corporation and the authorized insurer; the same method for loss  
1510 payment, such as replacement cost or actual cash value, if the  
1511 same method is offered both by the corporation and the  
1512 authorized insurer in accordance with underwriting rules; and  
1513 any other form or coverage that is reasonably comparable as  
1514 determined by the board. If an application is submitted to the  
1515 corporation for wind-only coverage on a risk that is located in  
1516 an area eligible for coverage by the Florida Windstorm  
1517 Underwriting Association, as that area was defined on January 1,  
1518 2002 in the coastal account, the premium for the corporation's  
1519 wind-only policy plus the premium for the ex-wind policy that is  
1520 offered by an authorized insurer to the applicant must be  
1521 compared to the premium for multiperil coverage offered by an  
1522 authorized insurer, subject to the standards for comparison  
1523 specified in this subparagraph. If the corporation or the  
1524 applicant requests from the authorized insurer a breakdown of  
1525 the premium of the offer by types of coverage so that a  
1526 comparison may be made by the corporation or its agent and the  
1527 authorized insurer refuses or is unable to provide such  
1528 information, the corporation may treat the offer as not being an  
1529 offer of coverage from an authorized insurer at the insurer's  
1530 approved rate.

1531 6. Must include rules for classifications of risks and  
1532 rates.

1533 7. Must provide that if premium and investment income:

1534 a. For an account attributable to a particular calendar  
1535 year are in excess of projected losses and expenses for the  
1536 account attributable to that year, such excess shall be held in  
1537 surplus in the account. Such surplus must be available to defray

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1538 deficits in that account as to future years and used for that  
1539 purpose before assessing assessable insurers and assessable  
1540 insureds as to any calendar year; or

1541 b. For the Citizens account, if established by the  
1542 corporation, which are attributable to a particular calendar  
1543 year are in excess of projected losses and expenses for the  
1544 Citizens account attributable to that year, such excess shall be  
1545 held in surplus in the Citizens account. Such surplus must be  
1546 available to defray deficits in the Citizens account as to  
1547 future years and used for that purpose before assessing  
1548 assessable insurers and assessable insureds as to any calendar  
1549 year.

1550 8. Must provide objective criteria and procedures to be  
1551 uniformly applied to all applicants in determining whether an  
1552 individual risk is so hazardous as to be uninsurable. In making  
1553 this determination and in establishing the criteria and  
1554 procedures, the following must be considered:

1555 a. Whether the likelihood of a loss for the individual risk  
1556 is substantially higher than for other risks of the same class;  
1557 and

1558 b. Whether the uncertainty associated with the individual  
1559 risk is such that an appropriate premium cannot be determined.

1560  
1561 The acceptance or rejection of a risk by the corporation shall  
1562 be construed as the private placement of insurance, and the  
1563 provisions of chapter 120 do not apply.

1564 9. Must provide that the corporation make its best efforts  
1565 to procure catastrophe reinsurance at reasonable rates, to cover  
1566 its projected 100-year probable maximum loss as determined by

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1567 the board of governors. If catastrophe reinsurance is not  
1568 available at reasonable rates, the corporation need not purchase  
1569 it, but the corporation shall include the costs of reinsurance  
1570 to cover its projected 100-year probable maximum loss in its  
1571 rate calculations even if it does not purchase catastrophe  
1572 reinsurance.

1573       10. The policies issued by the corporation must provide  
1574 that if the corporation or the market assistance plan obtains an  
1575 offer from an authorized insurer to cover the risk at its  
1576 approved rates, the risk is no longer eligible for renewal  
1577 through the corporation, except as otherwise provided in this  
1578 subsection.

1579       11. Corporation policies and applications must include a  
1580 notice that the corporation policy could, under this section, be  
1581 replaced with a policy issued by an authorized insurer which  
1582 does not provide coverage identical to the coverage provided by  
1583 the corporation. The notice must also specify that acceptance of  
1584 corporation coverage creates a conclusive presumption that the  
1585 applicant or policyholder is aware of this potential.

1586       12. May establish, subject to approval by the office,  
1587 different eligibility requirements and operational procedures  
1588 for any line or type of coverage for any specified county or  
1589 area if the board determines that such changes are justified due  
1590 to the voluntary market being sufficiently stable and  
1591 competitive in such area or for such line or type of coverage  
1592 and that consumers who, in good faith, are unable to obtain  
1593 insurance through the voluntary market through ordinary methods  
1594 continue to have access to coverage from the corporation. If  
1595 coverage is sought in connection with a real property transfer,

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1596 the requirements and procedures may not provide an effective  
1597 date of coverage later than the date of the closing of the  
1598 transfer as established by the transferor, the transferee, and,  
1599 if applicable, the lender.

1600 13. Must provide that:7

1601 a. With respect to the coastal account, any assessable  
1602 insurer with a surplus as to policyholders of \$25 million or  
1603 less writing 25 percent or more of its total countrywide  
1604 property insurance premiums in this state may petition the  
1605 office, within the first 90 days of each calendar year, to  
1606 qualify as a limited apportionment company. A regular assessment  
1607 levied by the corporation on a limited apportionment company for  
1608 a deficit incurred by the corporation for the coastal account  
1609 may be paid to the corporation on a monthly basis as the  
1610 assessments are collected by the limited apportionment company  
1611 from its insureds, but a limited apportionment company must  
1612 begin collecting the regular assessments not later than 90 days  
1613 after the regular assessments are levied by the corporation, and  
1614 the regular assessments must be paid in full within 15 months  
1615 after being levied by the corporation. A limited apportionment  
1616 company shall collect from its policyholders any emergency  
1617 assessment imposed under sub-subparagraph (b)3.e. ~~(b)3.d.~~ The  
1618 plan must provide that, if the office determines that any  
1619 regular assessment will result in an impairment of the surplus  
1620 of a limited apportionment company, the office may direct that  
1621 all or part of such assessment be deferred as provided in  
1622 subparagraph (q)4. However, an emergency assessment to be  
1623 collected from policyholders under sub-subparagraph (b)3.e.  
1624 ~~(b)3.d.~~ may not be limited or deferred; or



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1625        b. With respect to the Citizens account, if established by  
1626 the corporation pursuant to sub-subparagraph (b)2.b., any  
1627 assessable insurer with a surplus as to policyholders of \$25  
1628 million or less and writing 25 percent or more of its total  
1629 countrywide property insurance premiums in this state may  
1630 petition the office, within the first 90 days of each calendar  
1631 year, to qualify as a limited apportionment company. A limited  
1632 apportionment company shall collect from its policyholders any  
1633 emergency assessment imposed under sub-subparagraph (b)5.c. An  
1634 emergency assessment to be collected from policyholders under  
1635 sub-subparagraph (b)5.c. may not be limited or deferred.

1636        14. Must provide that the corporation appoint as its  
1637 licensed agents only those agents who throughout such  
1638 appointments also hold an appointment as defined in s. 626.015  
1639 by an insurer who is authorized to write and is actually writing  
1640 or renewing personal lines residential property coverage,  
1641 commercial residential property coverage, or commercial  
1642 nonresidential property coverage within the state.

1643        15. Must provide a premium payment plan option to its  
1644 policyholders which, at a minimum, allows for quarterly and  
1645 semiannual payment of premiums. A monthly payment plan may, but  
1646 is not required to, be offered.

1647        16. Must limit coverage on mobile homes or manufactured  
1648 homes built before 1994 to actual cash value of the dwelling  
1649 rather than replacement costs of the dwelling.

1650        17. Must provide coverage for manufactured or mobile home  
1651 dwellings. Such coverage must also include the following  
1652 attached structures:

1653        a. Screened enclosures that are aluminum framed or screened

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1654 enclosures that are not covered by the same or substantially the  
1655 same materials as those of the primary dwelling;

1656 b. Carports that are aluminum or carports that are not  
1657 covered by the same or substantially the same materials as those  
1658 of the primary dwelling; and

1659 c. Patios that have a roof covering that is constructed of  
1660 materials that are not the same or substantially the same  
1661 materials as those of the primary dwelling.

1662

1663 The corporation shall make available a policy for mobile homes  
1664 or manufactured homes for a minimum insured value of at least  
1665 \$3,000.

1666 18. May provide such limits of coverage as the board  
1667 determines, consistent with the requirements of this subsection.

1668 19. May require commercial property to meet specified  
1669 hurricane mitigation construction features as a condition of  
1670 eligibility for coverage.

1671 20. Must provide that new or renewal policies issued by the  
1672 corporation on or after January 1, 2012, which cover sinkhole  
1673 loss do not include coverage for any loss to appurtenant  
1674 structures, driveways, sidewalks, decks, or patios that are  
1675 directly or indirectly caused by sinkhole activity. The  
1676 corporation shall exclude such coverage using a notice of  
1677 coverage change, which may be included with the policy renewal,  
1678 and not by issuance of a notice of nonrenewal of the excluded  
1679 coverage upon renewal of the current policy.

1680 21.a. As of January 1, 2012, unless the Citizens account  
1681 has been established pursuant to sub-subparagraph (b)2.b., must  
1682 require that the agent obtain from an applicant for coverage

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1683 from the corporation an acknowledgment signed by the applicant,  
1684 which includes, at a minimum, the following statement:

1685

1686 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE

1687 AND ASSESSMENT LIABILITY:

1688

1689 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
1690 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
1691 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
1692 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
1693 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE  
1694 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT  
1695 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
1696 LEGISLATURE.

1697 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER  
1698 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,  
1699 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO  
1700 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN  
1701 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE  
1702 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES  
1703 ARE REGULATED AND APPROVED BY THE STATE.

1704 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
1705 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
1706 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
1707 FLORIDA LEGISLATURE.

1708 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE  
1709 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
1710 STATE OF FLORIDA.

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1712        b. The corporation must require, if it has established the  
1713 Citizens account pursuant to sub-subparagraph (b)2.b., that the  
1714 agent obtain from an applicant for coverage from the corporation  
1715 the following acknowledgment signed by the applicant, which  
1716 includes, at a minimum, the following statement:

1717  
1718                    ACKNOWLEDGMENT OF POTENTIAL SURCHARGE  
1719                    AND ASSESSMENT LIABILITY:

1720  
1721        1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
1722 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
1723 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
1724 MY POLICY COULD BE SUBJECT TO SURCHARGES AND ASSESSMENTS, WHICH  
1725 WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR  
1726 TERMINATION OF THE POLICY, AND THAT THE SURCHARGES AND  
1727 ASSESSMENTS COULD BE AS HIGH AS 25 PERCENT OF MY PREMIUM, OR A  
1728 DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.

1729        2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER  
1730 SURCHARGE, WHICH COULD BE AS HIGH AS 15 PERCENT OF MY PREMIUM,  
1731 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO  
1732 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN  
1733 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE  
1734 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES  
1735 ARE REGULATED AND APPROVED BY THE STATE.

1736        3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
1737 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
1738 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
1739 FLORIDA LEGISLATURE.

1740        4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE

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1741 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
1742 STATE OF FLORIDA.

1743  
1744 c.a. The corporation shall maintain, in electronic format  
1745 or otherwise, a copy of the applicant's signed acknowledgment  
1746 and provide a copy of the statement to the policyholder as part  
1747 of the first renewal after the effective date of sub-  
1748 subparagraph a. or sub-subparagraph b., as applicable ~~this~~  
1749 ~~subparagraph.~~

1750 d.b. The signed acknowledgment form creates a conclusive  
1751 presumption that the policyholder understood and accepted his or  
1752 her potential surcharge and assessment liability as a  
1753 policyholder of the corporation.

1754 (n)1. Rates for coverage provided by the corporation must  
1755 be actuarially sound pursuant ~~and subject~~ to s. 627.062 and not  
1756 competitive with approved rates charged in the admitted  
1757 voluntary market so that the corporation functions as a residual  
1758 market mechanism to provide insurance only when insurance cannot  
1759 be procured in the voluntary market, except as otherwise  
1760 provided in this paragraph. The office shall provide the  
1761 corporation such information as would be necessary to determine  
1762 whether rates are competitive. The corporation shall file its  
1763 recommended rates with the office at least annually. The  
1764 corporation shall provide any additional information regarding  
1765 the rates which the office requires. The office shall consider  
1766 the recommendations of the board and issue a final order  
1767 establishing the rates for the corporation within 45 days after  
1768 the recommended rates are filed. The corporation may not pursue  
1769 an administrative challenge or judicial review of the final

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1770 order of the office.

1771 2. In addition to the rates otherwise determined pursuant  
1772 to this paragraph, the corporation shall impose and collect an  
1773 amount equal to the premium tax provided in s. 624.509 to  
1774 augment the financial resources of the corporation.

1775 3. After the public hurricane loss-projection model under  
1776 s. 627.06281 has been found to be accurate and reliable by the  
1777 Florida Commission on Hurricane Loss Projection Methodology, the  
1778 model shall be considered when establishing the windstorm  
1779 portion of the corporation's rates. The corporation may use the  
1780 public model results in combination with the results of private  
1781 models to calculate rates for the windstorm portion of the  
1782 corporation's rates. This subparagraph does not require or allow  
1783 the corporation to adopt rates lower than the rates otherwise  
1784 required or allowed by this paragraph.

1785 4. The corporation must make a recommended actuarially  
1786 sound rate filing for each personal and commercial line of  
1787 business it writes.

1788 5. Notwithstanding the board's recommended rates and the  
1789 office's final order regarding the corporation's filed rates  
1790 under subparagraph 1., the corporation shall annually implement  
1791 a rate increase which, except for sinkhole coverage, does not  
1792 exceed the following for any single policy issued by the  
1793 corporation, excluding coverage changes and surcharges:

- 1794 a. ~~Eleven percent for 2022.~~  
1795 ~~b.~~ Twelve percent for 2023.  
1796 ~~b.e.~~ Thirteen percent for 2024.  
1797 ~~c.d.~~ Fourteen percent for 2025.  
1798 ~~d.e.~~ Fifteen percent for 2026 and all subsequent years.

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1799           6. The corporation may also implement an increase to  
1800 reflect the effect on the corporation of the cash buildup factor  
1801 pursuant to s. 215.555(5)(b).

1802           7. The corporation's implementation of rates as prescribed  
1803 in subparagraphs 5. and 8. ~~subparagraph 5.~~ shall cease for any  
1804 line of business written by the corporation upon the  
1805 corporation's implementation of actuarially sound rates.  
1806 Thereafter, the corporation shall annually make a recommended  
1807 actuarially sound rate filing that is not competitive with  
1808 approved rates in the admitted voluntary market for each  
1809 commercial and personal line of business the corporation writes.

1810           8. For any new or renewal personal lines policy written on  
1811 or after November 1, 2023, which does not cover a primary  
1812 residence, the rate to be applied in calculating premium is not  
1813 subject to the rate increase limitations in subparagraph 5.  
1814 However, the policyholder may not be charged more than 50  
1815 percent above, and may not be charged less than, the established  
1816 rate for the corporation which was in effect 1 year before the  
1817 date of the application.

1818           9. As used in this paragraph, the term "primary residence"  
1819 means the dwelling that is the policyholder's primary home or is  
1820 a rental property that is the primary home of the tenant, and  
1821 which the policyholder or tenant occupies for more than 9 months  
1822 of each year.

1823           (o) If coverage in an account, or the Citizens account if  
1824 established by the corporation, is deactivated pursuant to  
1825 paragraph (p), coverage through the corporation shall be  
1826 reactivated by order of the office only under one of the  
1827 following circumstances:

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1828           1. If the market assistance plan receives a minimum of 100  
1829 applications for coverage within a 3-month period, or 200  
1830 applications for coverage within a 1-year period or less for  
1831 residential coverage, unless the market assistance plan provides  
1832 a quotation from admitted carriers at their filed rates for at  
1833 least 90 percent of such applicants. Any market assistance plan  
1834 application that is rejected because an individual risk is so  
1835 hazardous as to be uninsurable using the criteria specified in  
1836 subparagraph (c)8. shall not be included in the minimum  
1837 percentage calculation provided herein. In the event that there  
1838 is a legal or administrative challenge to a determination by the  
1839 office that the conditions of this subparagraph have been met  
1840 for eligibility for coverage in the corporation, any eligible  
1841 risk may obtain coverage during the pendency of such challenge.

1842           2. In response to a state of emergency declared by the  
1843 Governor under s. 252.36, the office may activate coverage by  
1844 order for the period of the emergency upon a finding by the  
1845 office that the emergency significantly affects the availability  
1846 of residential property insurance.

1847           (p)1. The corporation shall file with the office quarterly  
1848 statements of financial condition, an annual statement of  
1849 financial condition, and audited financial statements in the  
1850 manner prescribed by law. In addition, the corporation shall  
1851 report to the office monthly on the types, premium, exposure,  
1852 and distribution by county of its policies in force, and shall  
1853 submit other reports as the office requires to carry out its  
1854 oversight of the corporation.

1855           2. The activities of the corporation shall be reviewed at  
1856 least annually by the office to determine whether coverage shall



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1857 be deactivated in an account, or in the Citizens account if  
1858 established by the corporation, on the basis that the conditions  
1859 giving rise to its activation no longer exist.

1860 (q)1. The corporation shall certify to the office its needs  
1861 for annual assessments as to a particular calendar year, and for  
1862 any interim assessments that it deems to be necessary to sustain  
1863 operations as to a particular year pending the receipt of annual  
1864 assessments. Upon verification, the office shall approve such  
1865 certification, and the corporation shall levy such annual or  
1866 interim assessments. Such assessments shall be prorated, if  
1867 authority to levy exists, as provided in paragraph (b). The  
1868 corporation shall take all reasonable and prudent steps  
1869 necessary to collect the amount of assessments due from each  
1870 assessable insurer, including, if prudent, filing suit to  
1871 collect the assessments, and the office may provide such  
1872 assistance to the corporation it deems appropriate. If the  
1873 corporation is unable to collect an assessment from any  
1874 assessable insurer, the uncollected assessments shall be levied  
1875 as an additional assessment against the assessable insurers and  
1876 any assessable insurer required to pay an additional assessment  
1877 as a result of such failure to pay shall have a cause of action  
1878 against such nonpaying assessable insurer. Assessments shall be  
1879 included as an appropriate factor in the making of rates. The  
1880 failure of a surplus lines agent to collect and remit any  
1881 regular or emergency assessment levied by the corporation is  
1882 considered to be a violation of s. 626.936 and subjects the  
1883 surplus lines agent to the penalties provided in that section.

1884 2. The governing body of any unit of local government, any  
1885 residents of which are insured by the corporation, may issue

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1886 bonds as defined in s. 125.013 or s. 166.101 from time to time  
1887 to fund an assistance program, in conjunction with the  
1888 corporation, for the purpose of defraying deficits of the  
1889 corporation. In order to avoid needless and indiscriminate  
1890 proliferation, duplication, and fragmentation of such assistance  
1891 programs, any unit of local government, any residents of which  
1892 are insured by the corporation, may provide for the payment of  
1893 losses, regardless of whether or not the losses occurred within  
1894 or outside of the territorial jurisdiction of the local  
1895 government. Revenue bonds under this subparagraph may not be  
1896 issued until validated pursuant to chapter 75, unless a state of  
1897 emergency is declared by executive order or proclamation of the  
1898 Governor pursuant to s. 252.36 making such findings as are  
1899 necessary to determine that it is in the best interests of, and  
1900 necessary for, the protection of the public health, safety, and  
1901 general welfare of residents of this state and declaring it an  
1902 essential public purpose to permit certain municipalities or  
1903 counties to issue such bonds as will permit relief to claimants  
1904 and policyholders of the corporation. Any such unit of local  
1905 government may enter into such contracts with the corporation  
1906 and with any other entity created pursuant to this subsection as  
1907 are necessary to carry out this paragraph. Any bonds issued  
1908 under this subparagraph shall be payable from and secured by  
1909 moneys received by the corporation from emergency assessments  
1910 under sub-subparagraph (b)3.e. ~~(b)3.d.~~, and assigned and pledged  
1911 to or on behalf of the unit of local government for the benefit  
1912 of the holders of such bonds. The funds, credit, property, and  
1913 taxing power of the state or of the unit of local government  
1914 shall not be pledged for the payment of such bonds.

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1915           3.a. The corporation shall adopt one or more programs  
1916 subject to approval by the office for the reduction of both new  
1917 and renewal writings in the corporation. Beginning January 1,  
1918 2008, any program the corporation adopts for the payment of  
1919 bonuses to an insurer for each risk the insurer removes from the  
1920 corporation shall comply with s. 627.3511(2) and may not exceed  
1921 the amount referenced in s. 627.3511(2) for each risk removed.  
1922 The corporation may consider any prudent and not unfairly  
1923 discriminatory approach to reducing corporation writings, and  
1924 may adopt a credit against assessment liability or other  
1925 liability that provides an incentive for insurers to take risks  
1926 out of the corporation and to keep risks out of the corporation  
1927 by maintaining or increasing voluntary writings in counties or  
1928 areas in which corporation risks are highly concentrated and a  
1929 program to provide a formula under which an insurer voluntarily  
1930 taking risks out of the corporation by maintaining or increasing  
1931 voluntary writings will be relieved wholly or partially from  
1932 assessments under sub-subparagraph (b)3.a. However, any "take-  
1933 out bonus" or payment to an insurer must be conditioned on the  
1934 property being insured for at least 5 years by the insurer,  
1935 unless canceled or nonrenewed by the policyholder. If the policy  
1936 is canceled or nonrenewed by the policyholder before the end of  
1937 the 5-year period, the amount of the take-out bonus must be  
1938 prorated for the time period the policy was insured. When the  
1939 corporation enters into a contractual agreement for a take-out  
1940 plan, the producing agent of record of the corporation policy is  
1941 entitled to retain any unearned commission on such policy, and  
1942 the insurer shall either:

1943           (I) Pay to the producing agent of record of the policy, for

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1944 the first year, an amount which is the greater of the insurer's  
1945 usual and customary commission for the type of policy written or  
1946 a policy fee equal to the usual and customary commission of the  
1947 corporation; or

1948 (II) Offer to allow the producing agent of record of the  
1949 policy to continue servicing the policy for a period of not less  
1950 than 1 year and offer to pay the agent the insurer's usual and  
1951 customary commission for the type of policy written. If the  
1952 producing agent is unwilling or unable to accept appointment by  
1953 the new insurer, the new insurer shall pay the agent in  
1954 accordance with sub-sub-subparagraph (I).

1955 b. Any credit or exemption from regular assessments adopted  
1956 under this subparagraph shall last no longer than the 3 years  
1957 following the cancellation or expiration of the policy by the  
1958 corporation. With the approval of the office, the board may  
1959 extend such credits for an additional year if the insurer  
1960 guarantees an additional year of renewability for all policies  
1961 removed from the corporation, or for 2 additional years if the  
1962 insurer guarantees 2 additional years of renewability for all  
1963 policies so removed.

1964 c. There shall be no credit, limitation, exemption, or  
1965 deferment from emergency assessments to be collected from  
1966 policyholders pursuant to sub-subparagraph (b)3.e. or sub-  
1967 subparagraph (b)5.c. ~~(b)3.d.~~

1968 4. The plan shall provide for the deferment, in whole or in  
1969 part, of the assessment of an assessable insurer, other than an  
1970 emergency assessment collected from policyholders pursuant to  
1971 sub-subparagraph (b)3.e. or sub-subparagraph (b)5.c. ~~(b)3.d.~~, if  
1972 the office finds that payment of the assessment would endanger

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1973 or impair the solvency of the insurer. In the event an  
1974 assessment against an assessable insurer is deferred in whole or  
1975 in part, the amount by which such assessment is deferred may be  
1976 assessed against the other assessable insurers in a manner  
1977 consistent with the basis for assessments set forth in paragraph  
1978 (b).

1979       5. Effective July 1, 2007, in order to evaluate the costs  
1980 and benefits of approved take-out plans, if the corporation pays  
1981 a bonus or other payment to an insurer for an approved take-out  
1982 plan, it shall maintain a record of the address or such other  
1983 identifying information on the property or risk removed in order  
1984 to track if and when the property or risk is later insured by  
1985 the corporation.

1986       6. Any policy taken out, assumed, or removed from the  
1987 corporation is, as of the effective date of the take-out,  
1988 assumption, or removal, direct insurance issued by the insurer  
1989 and not by the corporation, even if the corporation continues to  
1990 service the policies. This subparagraph applies to policies of  
1991 the corporation and not policies taken out, assumed, or removed  
1992 from any other entity.

1993       7. For a policy taken out, assumed, or removed from the  
1994 corporation, the insurer may, for a period of no more than 3  
1995 years, continue to use any of the corporation's policy forms or  
1996 endorsements that apply to the policy taken out, removed, or  
1997 assumed without obtaining approval from the office for use of  
1998 such policy form or endorsement.

1999       (v)1. Effective July 1, 2002, policies of the Residential  
2000 Property and Casualty Joint Underwriting Association become  
2001 policies of the corporation. All obligations, rights, assets and

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2002 liabilities of the association, including bonds, note and debt  
2003 obligations, and the financing documents pertaining to them  
2004 become those of the corporation as of July 1, 2002. The  
2005 corporation is not required to issue endorsements or  
2006 certificates of assumption to insureds during the remaining term  
2007 of in-force transferred policies.

2008       2. Effective July 1, 2002, policies of the Florida  
2009 Windstorm Underwriting Association are transferred to the  
2010 corporation and become policies of the corporation. All  
2011 obligations, rights, assets, and liabilities of the association,  
2012 including bonds, note and debt obligations, and the financing  
2013 documents pertaining to them are transferred to and assumed by  
2014 the corporation on July 1, 2002. The corporation is not required  
2015 to issue endorsements or certificates of assumption to insureds  
2016 during the remaining term of in-force transferred policies.

2017       3. The Florida Windstorm Underwriting Association and the  
2018 Residential Property and Casualty Joint Underwriting Association  
2019 shall take all actions necessary to further evidence the  
2020 transfers and provide the documents and instruments of further  
2021 assurance as may reasonably be requested by the corporation for  
2022 that purpose. The corporation shall execute assumptions and  
2023 instruments as the trustees or other parties to the financing  
2024 documents of the Florida Windstorm Underwriting Association or  
2025 the Residential Property and Casualty Joint Underwriting  
2026 Association may reasonably request to further evidence the  
2027 transfers and assumptions, which transfers and assumptions,  
2028 however, are effective on the date provided under this paragraph  
2029 whether or not, and regardless of the date on which, the  
2030 assumptions or instruments are executed by the corporation.

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2031 Subject to the relevant financing documents pertaining to their  
2032 outstanding bonds, notes, indebtedness, or other financing  
2033 obligations, the moneys, investments, receivables, choses in  
2034 action, and other intangibles of the Florida Windstorm  
2035 Underwriting Association shall be credited to the coastal  
2036 account of the corporation, and those of the personal lines  
2037 residential coverage account and the commercial lines  
2038 residential coverage account of the Residential Property and  
2039 Casualty Joint Underwriting Association shall be credited to the  
2040 personal lines account and the commercial lines account,  
2041 respectively, of the corporation.

2042 4. Effective July 1, 2002, a new applicant for property  
2043 insurance coverage who would otherwise have been eligible for  
2044 coverage in the Florida Windstorm Underwriting Association is  
2045 eligible for coverage from the corporation as provided in this  
2046 subsection.

2047 5. The transfer of all policies, obligations, rights,  
2048 assets, and liabilities from the Florida Windstorm Underwriting  
2049 Association to the corporation and the renaming of the  
2050 Residential Property and Casualty Joint Underwriting Association  
2051 as the corporation does not affect the coverage with respect to  
2052 covered policies as defined in s. 215.555(2)(c) provided to  
2053 these entities by the Florida Hurricane Catastrophe Fund. The  
2054 coverage provided by the fund to the Florida Windstorm  
2055 Underwriting Association based on its exposures as of June 30,  
2056 2002, and each June 30 thereafter, unless the corporation has  
2057 established the Citizens account, shall be redesignated as  
2058 coverage for the coastal account of the corporation.  
2059 Notwithstanding any other provision of law, the coverage

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2060 provided by the fund to the Residential Property and Casualty  
2061 Joint Underwriting Association based on its exposures as of June  
2062 30, 2002, and each June 30 thereafter, unless the corporation  
2063 has established the Citizens account, shall be transferred to  
2064 the personal lines account and the commercial lines account of  
2065 the corporation. Notwithstanding any other provision of law, the  
2066 coastal account, unless the corporation has established the  
2067 Citizens account, shall be treated, for all Florida Hurricane  
2068 Catastrophe Fund purposes, as if it were a separate  
2069 participating insurer with its own exposures, reimbursement  
2070 premium, and loss reimbursement. Likewise, the personal lines  
2071 and commercial lines accounts, unless the corporation has  
2072 established the Citizens account, shall be viewed together, for  
2073 all fund purposes, as if the two accounts were one and represent  
2074 a single, separate participating insurer with its own exposures,  
2075 reimbursement premium, and loss reimbursement. The coverage  
2076 provided by the fund to the corporation shall constitute and  
2077 operate as a full transfer of coverage from the Florida  
2078 Windstorm Underwriting Association and Residential Property and  
2079 Casualty Joint Underwriting Association to the corporation.

2080 (w) Notwithstanding any other provision of law:

2081 1. The pledge or sale of, the lien upon, and the security  
2082 interest in any rights, revenues, or other assets of the  
2083 corporation created or purported to be created pursuant to any  
2084 financing documents to secure any bonds or other indebtedness of  
2085 the corporation shall be and remain valid and enforceable,  
2086 notwithstanding the commencement of and during the continuation  
2087 of, and after, any rehabilitation, insolvency, liquidation,  
2088 bankruptcy, receivership, conservatorship, reorganization, or



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2089 similar proceeding against the corporation under the laws of  
2090 this state.

2091 2. The proceeding does not relieve the corporation of its  
2092 obligation, or otherwise affect its ability to perform its  
2093 obligation, to continue to collect, or levy and collect,  
2094 assessments, policyholder surcharges or other surcharges under  
2095 sub-subparagraph (b)3.j. ~~(b)3.i.~~, or any other rights, revenues,  
2096 or other assets of the corporation pledged pursuant to any  
2097 financing documents.

2098 3. Each such pledge or sale of, lien upon, and security  
2099 interest in, including the priority of such pledge, lien, or  
2100 security interest, any such assessments, policyholder surcharges  
2101 or other surcharges, or other rights, revenues, or other assets  
2102 which are collected, or levied and collected, after the  
2103 commencement of and during the pendency of, or after, any such  
2104 proceeding shall continue unaffected by such proceeding. As used  
2105 in this subsection, the term "financing documents" means any  
2106 agreement or agreements, instrument or instruments, or other  
2107 document or documents now existing or hereafter created  
2108 evidencing any bonds or other indebtedness of the corporation or  
2109 pursuant to which any such bonds or other indebtedness has been  
2110 or may be issued and pursuant to which any rights, revenues, or  
2111 other assets of the corporation are pledged or sold to secure  
2112 the repayment of such bonds or indebtedness, together with the  
2113 payment of interest on such bonds or such indebtedness, or the  
2114 payment of any other obligation or financial product, as defined  
2115 in the plan of operation of the corporation related to such  
2116 bonds or indebtedness.

2117 4. Any such pledge or sale of assessments, revenues,

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2118 contract rights, or other rights or assets of the corporation  
2119 shall constitute a lien and security interest, or sale, as the  
2120 case may be, that is immediately effective and attaches to such  
2121 assessments, revenues, or contract rights or other rights or  
2122 assets, whether or not imposed or collected at the time the  
2123 pledge or sale is made. Any such pledge or sale is effective,  
2124 valid, binding, and enforceable against the corporation or other  
2125 entity making such pledge or sale, and valid and binding against  
2126 and superior to any competing claims or obligations owed to any  
2127 other person or entity, including policyholders in this state,  
2128 asserting rights in any such assessments, revenues, or contract  
2129 rights or other rights or assets to the extent set forth in and  
2130 in accordance with the terms of the pledge or sale contained in  
2131 the applicable financing documents, whether or not any such  
2132 person or entity has notice of such pledge or sale and without  
2133 the need for any physical delivery, recordation, filing, or  
2134 other action.

2135         5. As long as the corporation has any bonds outstanding,  
2136 the corporation may not file a voluntary petition under chapter  
2137 9 of the federal Bankruptcy Code or such corresponding chapter  
2138 or sections as may be in effect, from time to time, and a public  
2139 officer or any organization, entity, or other person may not  
2140 authorize the corporation to be or become a debtor under chapter  
2141 9 of the federal Bankruptcy Code or such corresponding chapter  
2142 or sections as may be in effect, from time to time, during any  
2143 such period.

2144         6. If ordered by a court of competent jurisdiction, the  
2145 corporation may assume policies or otherwise provide coverage  
2146 for policyholders of an insurer placed in liquidation under

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2147 chapter 631, under such forms, rates, terms, and conditions as  
2148 the corporation deems appropriate, subject to approval by the  
2149 office.

2150 (aa) Except as otherwise provided in this paragraph, the  
2151 corporation shall ~~not~~ require the securing and maintaining of  
2152 flood insurance as a condition of coverage of a personal lines  
2153 residential risk. ~~if~~ The insured or applicant must execute  
2154 ~~executes~~ a form approved by the office affirming that flood  
2155 insurance is not provided by the corporation and that if flood  
2156 insurance is not secured by the applicant or insured from an  
2157 insurer other than the corporation and in addition to coverage  
2158 by the corporation, the risk will not be eligible for coverage  
2159 by the corporation covered for flood damage. ~~A corporation~~  
2160 ~~policyholder electing not to secure flood insurance and~~  
2161 ~~executing a form as provided herein making a claim for water~~  
2162 ~~damage against the corporation shall have the burden of proving~~  
2163 ~~the damage was not caused by flooding. Notwithstanding other~~  
2164 ~~provisions of this subsection,~~ The corporation may deny coverage  
2165 of a personal lines residential risk to an applicant or insured  
2166 who refuses to secure and maintain flood insurance ~~execute the~~  
2167 ~~form described herein.~~ The requirement to purchase flood  
2168 insurance shall be implemented as follows:

2169 1. Except as provided in subparagraphs 2. and 3., all  
2170 personal lines residential policyholders must have flood  
2171 coverage in place for policies effective on or after:

2172 a. January 1, 2024, for property valued at \$600,000 or  
2173 more.

2174 b. January 1, 2025, for property valued at \$500,000 or  
2175 more.

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2176 c. January 1, 2026, for property valued at \$400,000 or  
2177 more.

2178 d. January 1, 2027, for all other personal lines  
2179 residential property insured by the corporation.

2180 2. All personal lines residential policyholders whose  
2181 property insured by the corporation is located within the  
2182 special flood hazard area defined by the Federal Emergency  
2183 Management Agency must have flood coverage in place:

2184 a. At the time of initial policy issuance for all new  
2185 personal lines residential policies issued by the corporation on  
2186 or after April 1, 2023.

2187 b. By the time of the policy renewal for all personal lines  
2188 residential policies renewing on or after July 1, 2023.

2189 3. Policyholders whose policies issued by the corporation  
2190 do not provide coverage for the peril of wind are not required  
2191 to purchase flood insurance as a condition for maintaining their  
2192 policies with the corporation.

2193  
2194 The flood insurance required under this paragraph must meet, at  
2195 a minimum, the coverage available from the National Flood  
2196 Insurance Program or the requirements of subparagraphs s.  
2197 627.715(1)(a)1., 2., and 3.

2198 (ii) The corporation shall revise the programs adopted  
2199 pursuant to sub-subparagraph (q)3.a. for personal lines  
2200 residential policies to maximize policyholder options and  
2201 encourage increased participation by insurers and agents. After  
2202 January 1, 2017, a policy may not be taken out of the  
2203 corporation unless the provisions of this paragraph are met.

2204 1. The corporation must publish a periodic schedule of

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2205 cycles during which an insurer may identify, and notify the  
2206 corporation of, policies that the insurer is requesting to take  
2207 out. A request must include a description of the coverage  
2208 offered and an estimated premium and must be submitted to the  
2209 corporation in a form and manner prescribed by the corporation.

2210 2. The corporation must maintain and make available to the  
2211 agent of record a consolidated list of all insurers requesting  
2212 to take out a policy. The list must include a description of the  
2213 coverage offered and the estimated premium for each take-out  
2214 request.

2215 3. If a policyholder receives a take-out offer from an  
2216 authorized insurer, the risk is no longer eligible for coverage  
2217 with the corporation unless the premium for coverage from the  
2218 authorized insurer is more 20 percent greater than the renewal  
2219 premium for comparable coverage from the corporation pursuant to  
2220 sub-subparagraph (c)5.c. This subparagraph applies to take-out  
2221 offers that are part of an application to participate in  
2222 depopulation submitted to the office on or after January 1,  
2223 2023.

2224 4. The corporation must provide written notice to the  
2225 policyholder and the agent of record regarding all insurers  
2226 requesting to take out the policy ~~and regarding the~~  
2227 ~~policyholder's option to accept a take-out offer or to reject~~  
2228 ~~all take-out offers and to remain with the corporation.~~ The  
2229 notice must be in a format prescribed by the corporation and  
2230 include, for each take-out offer:

- 2231 a. The amount of the estimated premium;  
2232 b. A description of the coverage; and  
2233 c. A comparison of the estimated premium and coverage

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2234 offered by the insurer to the estimated premium and coverage  
2235 provided by the corporation.

2236 (kk) A corporation policyholder making a claim for water  
2237 damage against the corporation has the burden of proving that  
2238 the damage was not caused by flooding.

2239 Section 9. Paragraph (s) of subsection (6) of section  
2240 627.351, Florida Statutes, is amended to read:

2241 627.351 Insurance risk apportionment plans.—

2242 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

2243 (s)1. There shall be no liability on the part of, and no  
2244 cause of action of any nature shall arise against, any  
2245 assessable insurer or its agents or employees, the corporation  
2246 or its agents or employees, members of the board of governors or  
2247 their respective designees at a board meeting, corporation  
2248 committee members, or the office or its representatives, for any  
2249 action taken by them in the performance of their duties or  
2250 responsibilities under this subsection. Such immunity does not  
2251 apply to:

2252 a. Any of the foregoing persons or entities for any willful  
2253 tort;

2254 b. The corporation or its producing agents for breach of  
2255 any contract or agreement pertaining to insurance coverage;

2256 c. The corporation with respect to issuance or payment of  
2257 debt;

2258 d. Any assessable insurer with respect to any action to  
2259 enforce an assessable insurer's obligations to the corporation  
2260 under this subsection; or

2261 e. The corporation in any pending or future action for  
2262 breach of contract or for benefits under a policy issued by the

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2263 corporation; ~~in any such action, the corporation shall be liable~~  
2264 ~~to the policyholders and beneficiaries for attorney's fees under~~  
2265 ~~s. 627.428.~~

2266 2. The corporation shall manage its claim employees,  
2267 independent adjusters, and others who handle claims to ensure  
2268 they carry out the corporation's duty to its policyholders to  
2269 handle claims carefully, timely, diligently, and in good faith,  
2270 balanced against the corporation's duty to the state to manage  
2271 its assets responsibly to minimize its assessment potential.

2272 Section 10. Paragraphs (b) and (c) of subsection (3) and  
2273 paragraphs (d), (e), and (f) of subsection (6) of section  
2274 627.3511, Florida Statutes, are amended to read:

2275 627.3511 Depopulation of Citizens Property Insurance  
2276 Corporation.—

2277 (3) EXEMPTION FROM DEFICIT ASSESSMENTS.—

2278 (b) An insurer that first wrote personal lines residential  
2279 property coverage in this state on or after July 1, 1994, is  
2280 exempt from regular deficit assessments imposed pursuant to s.  
2281 627.351(6)(b)3.a., but not emergency assessments collected from  
2282 policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~

2283 ~~627.351(6)(b)3.d.~~, of the Citizens Property Insurance  
2284 Corporation until the earlier of the following:

2285 1. The end of the calendar year in which it first wrote 0.5  
2286 percent or more of the statewide aggregate direct written  
2287 premium for any line of residential property coverage; or

2288 2. December 31, 1997, or December 31 of the third year in  
2289 which it wrote such coverage in this state, whichever is later.

2290 (c) Other than an insurer that is exempt under paragraph  
2291 (b), an insurer that in any calendar year increases its total

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2292 structure exposure subject to wind coverage by 25 percent or  
2293 more over its exposure for the preceding calendar year is, with  
2294 respect to that year, exempt from deficit assessments imposed  
2295 pursuant to s. 627.351(6)(b)3.a., but not emergency assessments  
2296 collected from policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~  
2297 ~~627.351(6)(b)3.d.~~, of the Citizens Property Insurance  
2298 Corporation attributable to such increase in exposure.

2299 (6) COMMERCIAL RESIDENTIAL TAKE-OUT PLANS.—

2300 (d) The calculation of an insurer's regular assessment  
2301 liability under s. 627.351(6)(b)3.a., but not emergency  
2302 assessments collected from policyholders pursuant to s.  
2303 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, shall, with respect to  
2304 commercial residential policies removed from the corporation  
2305 under an approved take-out plan, exclude such removed policies  
2306 for the succeeding 3 years, as follows:

2307 1. In the first year following removal of the policies, the  
2308 policies are excluded from the calculation to the extent of 100  
2309 percent.

2310 2. In the second year following removal of the policies,  
2311 the policies are excluded from the calculation to the extent of  
2312 75 percent.

2313 3. In the third year following removal of the policies, the  
2314 policies are excluded from the calculation to the extent of 50  
2315 percent.

2316 (e) An insurer that first wrote commercial residential  
2317 property coverage in this state on or after June 1, 1996, is  
2318 exempt from regular assessments under s. 627.351(6)(b)3.a., but  
2319 not emergency assessments collected from policyholders pursuant  
2320 to s. 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, with respect to



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2321 commercial residential policies until the earlier of:

2322 1. The end of the calendar year in which such insurer first  
2323 wrote 0.5 percent or more of the statewide aggregate direct  
2324 written premium for commercial residential property coverage; or

2325 2. December 31 of the third year in which such insurer  
2326 wrote commercial residential property coverage in this state.

2327 (f) An insurer that is not otherwise exempt from regular  
2328 assessments under s. 627.351(6)(b)3.a. with respect to  
2329 commercial residential policies is, for any calendar year in  
2330 which such insurer increased its total commercial residential  
2331 hurricane exposure by 25 percent or more over its exposure for  
2332 the preceding calendar year, exempt from regular assessments  
2333 under s. 627.351(6)(b)3.a., but not emergency assessments  
2334 collected from policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~  
2335 ~~627.351(6)(b)3.d.~~, attributable to such increased exposure.

2336 Section 11. Effective January 1, 2023, subsection (5) of  
2337 section 627.3518, Florida Statutes, is amended to read:

2338 627.3518 Citizens Property Insurance Corporation  
2339 policyholder eligibility clearinghouse program.—The purpose of  
2340 this section is to provide a framework for the corporation to  
2341 implement a clearinghouse program by January 1, 2014.

2342 (5) Notwithstanding s. 627.3517, any applicant for new  
2343 coverage from the corporation is not eligible for coverage from  
2344 the corporation if provided an offer of coverage from an  
2345 authorized insurer through the program at a premium that is at  
2346 or below the eligibility threshold for applicants for new  
2347 coverage established in s. 627.351(6)(c)5.a. Whenever an offer  
2348 of coverage for a personal lines risk is received for a  
2349 policyholder of the corporation at renewal from an authorized

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2350 insurer through the program which is at or below the eligibility  
2351 threshold for policyholders of the corporation established in s.  
2352 627.351(6)(c)5.a., if the offer is equal to or less than the  
2353 corporation's renewal premium for comparable coverage, the risk  
2354 is not eligible for coverage with the corporation. In the event  
2355 an offer of coverage for a new applicant is received from an  
2356 authorized insurer through the program, and the premium offered  
2357 exceeds the eligibility threshold for applicants for new  
2358 coverage established ~~contained~~ in s. 627.351(6)(c)5.a., the  
2359 applicant or insured may elect to accept such coverage, or may  
2360 elect to accept or continue coverage with the corporation. In  
2361 the event an offer of coverage for a personal lines risk is  
2362 received from an authorized insurer at renewal through the  
2363 program, and the premium offered exceeds the eligibility  
2364 threshold for policyholders of the corporation established in s.  
2365 627.351(6)(c)5.a. is more than the corporation's renewal premium  
2366 for comparable coverage, the insured may elect to accept such  
2367 coverage, or may elect to accept or continue coverage with the  
2368 corporation. Section 627.351(6)(c)5.a.(I) does not apply to an  
2369 offer of coverage from an authorized insurer obtained through  
2370 the program. ~~An applicant for coverage from the corporation who~~  
2371 ~~was declared ineligible for coverage at renewal by the~~  
2372 ~~corporation in the previous 36 months due to an offer of~~  
2373 ~~coverage pursuant to this subsection shall be considered a~~  
2374 ~~renewal under this section if the corporation determines that~~  
2375 ~~the authorized insurer making the offer of coverage pursuant to~~  
2376 ~~this subsection continues to insure the applicant and increased~~  
2377 ~~the rate on the policy in excess of the increase allowed for the~~  
2378 ~~corporation under s. 627.351(6)(n)5.~~

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2379 Section 12. Subsection (3) of section 627.410, Florida  
2380 Statutes, is amended to read:

2381 627.410 Filing, approval of forms.—

2382 (3) The office may, for cause, withdraw a previous  
2383 approval. No insurer shall issue or use any form disapproved by  
2384 the office, or as to which the office has withdrawn approval,  
2385 after the effective date of the order of the office. Based on a  
2386 finding from a market conduct examination of a property insurer  
2387 that the insurer has exhibited a pattern or practice of one or  
2388 more willful unfair insurance trade practice violations with  
2389 regard to its use of appraisal, the office shall reexamine the  
2390 insurer's property insurance policy forms that contain an  
2391 appraisal clause, and the office may:

2392 (a) Withdraw approval of the forms, if warranted by the  
2393 Florida Insurance Code.

2394 (b) In addition to any regulatory action under ss. 624.418  
2395 and 624.4211, issue an order prohibiting the insurer from  
2396 invoking appraisal for up to 2 years.

2397 Section 13. Subsections (1) and (4) of section 627.428,  
2398 Florida Statutes, are amended to read:

2399 627.428 Attorney fees.—

2400 (1) Except as provided in subsection (4), upon the  
2401 rendition of a judgment or decree by any of the courts of this  
2402 state against an insurer and in favor of any named or omnibus  
2403 insured or the named beneficiary under a policy or contract  
2404 executed by the insurer, the trial court or, in the event of an  
2405 appeal in which the insured or beneficiary prevails, the  
2406 appellate court shall adjudge or decree against the insurer and  
2407 in favor of the insured or beneficiary a reasonable sum as fees

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2408 or compensation for the insured's or beneficiary's attorney  
2409 prosecuting the suit in which the recovery is had. ~~In a suit~~  
2410 ~~arising under a residential or commercial property insurance~~  
2411 ~~policy, the amount of reasonable attorney fees shall be awarded~~  
2412 ~~only as provided in s. 57.105 or s. 627.70152, as applicable.~~

2413 (4) In a suit arising under a residential or commercial  
2414 property insurance policy, there is no ~~the~~ right to attorney  
2415 fees under this section ~~may not be transferred to, assigned to,~~  
2416 ~~or acquired in any other manner by anyone other than a named or~~  
2417 ~~omnibus insured or a named beneficiary.~~

2418 Section 14. Paragraph (b) of subsection (4) of section  
2419 627.7011, Florida Statutes, is amended to read:

2420 627.7011 Homeowners' policies; offer of replacement cost  
2421 coverage and law and ordinance coverage.—

2422 (4)

2423 (b) An insurer that issues a homeowner's insurance policy  
2424 that does not provide flood insurance coverage must include on  
2425 the policy declarations page ~~with the policy documents~~ at  
2426 initial issuance and every renewal, in bold type no smaller than  
2427 18 points, the following statement:

2428  
2429 "FLOOD INSURANCE: YOU SHOULD ~~MAY ALSO NEED TO~~ CONSIDER  
2430 THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER'S  
2431 INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE  
2432 RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN  
2433 CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD  
2434 INSURANCE COVERAGE, YOUR ~~YOU MAY HAVE~~ UNCOVERED LOSSES  
2435 CAUSED BY FLOOD ARE NOT COVERED. PLEASE DISCUSS THE  
2436 NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE

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2437 WITH YOUR INSURANCE AGENT.”

2438

2439 Section 15. Effective March 1, 2023, present subsection (8)

2440 of section 627.70131, Florida Statutes, is redesignated as

2441 subsection (9), a new subsection (8) is added to that section,

2442 and paragraph (a) of subsection (1), subsections (3), (4), and

2443 (5), and paragraph (a) of subsection (7) of that section are

2444 amended, to read:

2445 627.70131 Insurer's duty to acknowledge communications

2446 regarding claims; investigation.-

2447 (1) (a) Upon an insurer's receiving a communication with

2448 respect to a claim, the insurer shall, within 7 ~~14~~ calendar

2449 days, review and acknowledge receipt of such communication

2450 unless payment is made within that period of time or unless the

2451 failure to acknowledge is caused by factors beyond the control

2452 of the insurer ~~which reasonably prevent such acknowledgment~~. If

2453 the acknowledgment is not in writing, a notification indicating

2454 acknowledgment shall be made in the insurer's claim file and

2455 dated. A communication made to or by a representative of an

2456 insurer with respect to a claim shall constitute communication

2457 to or by the insurer.

2458 (3) (a) Unless otherwise provided by the policy of insurance

2459 or by law, within 7 ~~14~~ days after an insurer receives proof-of-

2460 loss statements, the insurer shall begin such investigation as

2461 is reasonably necessary unless the failure to begin such

2462 investigation is caused by factors beyond the control of the

2463 insurer ~~which reasonably prevent the commencement of such~~

2464 ~~investigation~~.

2465 (b) If such investigation involves a physical inspection of

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2466 the property, the licensed adjuster assigned by the insurer must  
2467 provide the policyholder with a printed or electronic document  
2468 containing his or her name and state adjuster license number.

2469 ~~For claims other than those subject to a hurricane deductible,~~  
2470 An insurer must conduct any such physical inspection within 30  
2471 ~~45~~ days after its receipt of the proof-of-loss statements.

2472 (c) Any subsequent communication with the policyholder  
2473 regarding the claim must also include the name and license  
2474 number of the adjuster communicating about the claim.

2475 Communication of the adjuster's name and license number may be  
2476 included with other information provided to the policyholder.

2477 (d) An insurer may use electronic methods to investigate  
2478 the loss. Such electronic methods may include any method that  
2479 provides the insurer with clear, color pictures or video  
2480 documenting the loss, including, but not limited to, electronic  
2481 photographs or video recordings of the loss, video conferencing  
2482 between the adjuster and the policyholder which includes video  
2483 recording of the loss, and video recordings or photographs of  
2484 the loss using a drone, driverless vehicle, or other machine  
2485 that can move independently or through remote control. The  
2486 insurer also may allow the policyholder to use such methods to  
2487 assist in the investigation of the loss. An insurer may void the  
2488 insurance policy if the policyholder or any other person at the  
2489 direction of the policyholder, with intent to injure, defraud,  
2490 or deceive any insurer, commits insurance fraud by providing  
2491 false, incomplete, or misleading information concerning any fact  
2492 or thing material to a claim using electronic methods. The use  
2493 of electronic methods to investigate the loss does not prohibit  
2494 an insurer from assigning a licensed adjuster to physically

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2495 inspect the property.

2496 ~~(e) Within 7 days after the insurer's assignment of an~~  
2497 ~~adjuster to the claim,~~ The insurer must send ~~notify~~ the  
2498 policyholder ~~that he or she may request~~ a copy of any detailed  
2499 estimate of the amount of the loss within 7 days after the  
2500 estimate is generated by an insurer's adjuster. ~~After receiving~~  
2501 ~~such a request from the policyholder, the insurer must send any~~  
2502 ~~such detailed estimate to the policyholder within the later of 7~~  
2503 ~~days after the insurer received the request or 7 days after the~~  
2504 ~~detailed estimate of the amount of the loss is completed.~~ This  
2505 paragraph does not require that an insurer create a detailed  
2506 estimate of the amount of the loss if such estimate is not  
2507 reasonably necessary as part of the claim investigation.

2508 (4) An insurer shall maintain:

2509 (a) A record or log of each adjuster who communicates with  
2510 the policyholder as provided in paragraphs (3)(b) and (c) and  
2511 provide a list of such adjusters to the insured, office, or  
2512 department upon request.

2513 (b) Claim records, including dates, of:

2514 1. Any claim-related communication made between the insurer  
2515 and the policyholder or the policyholder's representative;

2516 2. The insurer's receipt of the policyholder's proof of  
2517 loss statement;

2518 3. Any claim-related request for information made by the  
2519 insurer to the policyholder or the policyholder's  
2520 representative;

2521 4. Any claim-related inspections of the property made by  
2522 the insurer, including physical inspections and inspections made  
2523 by electronic means;

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2524       5. Any detailed estimate of the amount of the loss  
2525 generated by the insurer's adjuster;

2526       6. The beginning and end of any tolling period provided for  
2527 in subsection (8); and

2528       7. The insurer's payment or denial of the claim.

2529       (5) For purposes of this section, the term:

2530       (a) "Factors beyond the control of the insurer" means:

2531       1. Any of the following events that is the basis for the  
2532 office issuing an order finding that such event renders all or  
2533 specified residential property insurers reasonably unable to  
2534 meet the requirements of this section in specified locations and  
2535 ordering that such insurer or insurers may have additional time  
2536 as specified by the office to comply with the requirements of  
2537 this section: a state of emergency declared by the Governor  
2538 under s. 252.36, a breach of security that must be reported  
2539 under s. 501.171(3), or an information technology issue. The  
2540 office may not extend the period for payment or denial of a  
2541 claim for more than 30 additional days.

2542       2. Actions by the policyholder or the policyholder's  
2543 representative which constitute fraud, lack of cooperation, or  
2544 intentional misrepresentation regarding the claim for which  
2545 benefits are owed when such actions reasonably prevent the  
2546 insurer from complying with any requirement of this section.

2547       (b) "Insurer" means any residential property insurer.

2548       (7) (a) Within 60 ~~90~~ days after an insurer receives notice  
2549 of an initial, reopened, or supplemental property insurance  
2550 claim from a policyholder, the insurer shall pay or deny such  
2551 claim or a portion of the claim unless the failure to pay is  
2552 caused by factors beyond the control of the insurer ~~which~~



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2553 ~~reasonably prevent such payment.~~ The insurer shall provide a  
2554 reasonable explanation in writing to the policyholder of the  
2555 basis in the insurance policy, in relation to the facts or  
2556 applicable law, for the payment, denial, or partial denial of a  
2557 claim. If the insurer's claim payment is less than specified in  
2558 any insurer's detailed estimate of the amount of the loss, the  
2559 insurer must provide a reasonable explanation in writing of the  
2560 difference to the policyholder. Any payment of an initial or  
2561 supplemental claim or portion of such claim made 60 ~~90~~ days  
2562 after the insurer receives notice of the claim, or made ~~more~~  
2563 ~~than 15 days~~ after the expiration of any additional timeframe  
2564 provided to pay or deny a claim or a portion of a claim made  
2565 pursuant to an order of the office finding ~~there are no longer~~  
2566 factors beyond the control of the insurer ~~which reasonably~~  
2567 ~~prevented such payment,~~ whichever is later, bears interest at  
2568 the rate set forth in s. 55.03. Interest begins to accrue from  
2569 the date the insurer receives notice of the claim. The  
2570 provisions of this subsection may not be waived, voided, or  
2571 nullified by the terms of the insurance policy. If there is a  
2572 right to prejudgment interest, the insured must select whether  
2573 to receive prejudgment interest or interest under this  
2574 subsection. Interest is payable when the claim or portion of the  
2575 claim is paid. Failure to comply with this subsection  
2576 constitutes a violation of this code. However, failure to comply  
2577 with this subsection does not form the sole basis for a private  
2578 cause of action.

2579 (8) The requirements of this section are tolled:

2580 (a) During the pendency of any mediation proceeding under  
2581 s. 627.7015 or any alternative dispute resolution proceeding

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2582 provided for in the insurance contract. The tolling period ends  
2583 upon the end of the mediation or alternative dispute resolution  
2584 proceeding.

2585 (b) Upon the failure of a policyholder or a representative  
2586 of the policyholder to provide material claims information  
2587 requested by the insurer within 10 days after the request was  
2588 received. The tolling period ends upon the insurer's receipt of  
2589 the requested information. Tolling under this paragraph applies  
2590 only to requests sent by the insurer to the policyholder or a  
2591 representative of the policyholder at least 15 days before the  
2592 insurer is required to pay or deny the claim or a portion of the  
2593 claim under subsection (7).

2594 Section 16. Subsection (2) of section 627.70132, Florida  
2595 Statutes, is amended to read:

2596 627.70132 Notice of property insurance claim.—

2597 (2) A claim or reopened claim, but not a supplemental  
2598 claim, under an insurance policy that provides property  
2599 insurance, as defined in s. 624.604, including a property  
2600 insurance policy issued by an eligible surplus lines insurer,  
2601 for loss or damage caused by any peril is barred unless notice  
2602 of the claim was given to the insurer in accordance with the  
2603 terms of the policy within 1 year ~~2 years~~ after the date of  
2604 loss. A supplemental claim is barred unless notice of the  
2605 supplemental claim was given to the insurer in accordance with  
2606 the terms of the policy within 18 months ~~3 years~~ after the date  
2607 of loss.

2608 Section 17. Subsections (1), (2), (6), and (8) of section  
2609 627.70152, Florida Statutes, are amended to read:

2610 627.70152 Suits arising under a property insurance policy.—

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2611 (1) APPLICATION.—This section applies exclusively to all  
2612 suits ~~not brought by an assignee~~ arising under a residential or  
2613 commercial property insurance policy, including a residential or  
2614 commercial property insurance policy issued by an eligible  
2615 surplus lines insurer.

2616 (2) DEFINITIONS.—As used in this section, the term:

2617 (a) ~~“Amount obtained” means damages recovered, if any, but~~  
2618 ~~the term does not include any amount awarded for attorney fees,~~  
2619 ~~costs, or interest.~~

2620 ~~(b)~~ “Claimant” means an insured who is filing suit under a  
2621 residential or commercial property insurance policy.

2622 (b) ~~(e)~~ “Disputed amount” means the difference between the  
2623 claimant’s presuit settlement demand, not including attorney  
2624 fees and costs listed in the demand, and the insurer’s presuit  
2625 settlement offer, not including attorney fees and costs, if part  
2626 of the offer.

2627 (c) ~~(d)~~ “Presuit settlement demand” means the demand made by  
2628 the claimant in the written notice of intent to initiate  
2629 litigation as required by paragraph (3) (a). The demand must  
2630 include the amount of reasonable and necessary attorney fees and  
2631 costs incurred by the claimant, to be calculated by multiplying  
2632 the number of hours actually worked on the claim by the  
2633 claimant’s attorney as of the date of the notice by a reasonable  
2634 hourly rate.

2635 (d) ~~(e)~~ “Presuit settlement offer” means the offer made by  
2636 the insurer in its written response to the notice as required by  
2637 subsection (3).

2638 (6) ADMISSIBILITY OF NOTICE AND RESPONSE.—The notice  
2639 provided pursuant to subsection (3) and, if applicable, the

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2640 documentation to support the information provided in the notice:

2641 (a) Are not admissible as evidence ~~only~~ in any a proceeding  
2642 regarding ~~attorney fees~~.

2643 (b) ~~Do not limit the evidence of attorney fees or costs,~~  
2644 ~~damages, or loss which may be offered at trial.~~

2645 (c) ~~Do not relieve any obligation that an insured or~~  
2646 ~~assignee has to give notice under any other provision of law.~~

2647 (8) ~~ATTORNEY FEES.~~

2648 (a) ~~In a suit arising under a residential or commercial~~  
2649 ~~property insurance policy not brought by an assignee, the amount~~  
2650 ~~of reasonable attorney fees and costs under s. 626.9373(1) or s.~~  
2651 ~~627.428(1) shall be calculated and awarded as follows:~~

2652 1. ~~If the difference between the amount obtained by the~~  
2653 ~~claimant and the presuit settlement offer, excluding reasonable~~  
2654 ~~attorney fees and costs, is less than 20 percent of the disputed~~  
2655 ~~amount, each party pays its own attorney fees and costs and a~~  
2656 ~~claimant may not be awarded attorney fees under s. 626.9373(1)~~  
2657 ~~or s. 627.428(1).~~

2658 2. ~~If the difference between the amount obtained by the~~  
2659 ~~claimant and the presuit settlement offer, excluding reasonable~~  
2660 ~~attorney fees and costs, is at least 20 percent but less than 50~~  
2661 ~~percent of the disputed amount, the insurer pays the claimant's~~  
2662 ~~attorney fees and costs under s. 626.9373(1) or s. 627.428(1)~~  
2663 ~~equal to the percentage of the disputed amount obtained times~~  
2664 ~~the total attorney fees and costs.~~

2665 3. ~~If the difference between the amount obtained by the~~  
2666 ~~claimant and the presuit settlement offer, excluding reasonable~~  
2667 ~~attorney fees and costs, is at least 50 percent of the disputed~~  
2668 ~~amount, the insurer pays the claimant's full attorney fees and~~

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2669 ~~costs under s. 626.9373(1) or s. 627.428(1).~~

2670 ~~(b) In a suit arising under a residential or commercial~~  
2671 ~~property insurance policy not brought by an assignee, if a court~~  
2672 ~~dismisses a claimant's suit pursuant to subsection (5), the~~  
2673 ~~court may not award to the claimant any incurred attorney fees~~  
2674 ~~for services rendered before the dismissal of the suit. When a~~  
2675 ~~claimant's suit is dismissed pursuant to subsection (5), the~~  
2676 ~~court may award to the insurer reasonable attorney fees and~~  
2677 ~~costs associated with securing the dismissal.~~

2678 ~~(c) In awarding attorney fees under this subsection, a~~  
2679 ~~strong presumption is created that a lodestar fee is sufficient~~  
2680 ~~and reasonable. Such presumption may be rebutted only in a rare~~  
2681 ~~and exceptional circumstance with evidence that competent~~  
2682 ~~counsel could not be retained in a reasonable manner.~~

2683 Section 18. Section 627.70154, Florida Statutes, is created  
2684 to read:

2685 627.70154 Mandatory binding arbitration.—A property  
2686 insurance policy issued in this state may not require that a  
2687 policyholder participate in mandatory binding arbitration unless  
2688 all of the following apply:

2689 (1) The mandatory binding arbitration requirements are  
2690 contained in a separate endorsement attached to the property  
2691 insurance policy.

2692 (2) The premium that a policyholder is charged for the  
2693 policy includes an actuarially sound credit or premium discount  
2694 for the mandatory binding arbitration endorsement.

2695 (3) The policyholder signs a form electing to accept  
2696 mandatory binding arbitration. The form must notify the  
2697 policyholder of the rights given up in exchange for the credit

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2698 or premium discount, including, but not limited to, the right to  
2699 a trial by jury.

2700 (4) The endorsement establishes that an insurer will comply  
2701 with the mediation provisions set forth in s. 627.7015 before  
2702 the initiation of arbitration.

2703 (5) The insurer also offers the policyholder a policy that  
2704 does not require that the policyholder participate in mandatory  
2705 binding arbitration.

2706 Section 19. Subsections (9), (14), and (15) of section  
2707 627.7074, Florida Statutes, are amended to read:

2708 627.7074 Alternative procedure for resolution of disputed  
2709 sinkhole insurance claims.—

2710 (9) Evidence of an offer to settle a claim during the  
2711 neutral evaluation process, as well as any relevant conduct or  
2712 statements made in negotiations concerning the offer to settle a  
2713 claim, is inadmissible to prove liability or absence of  
2714 liability for the claim or its value, ~~except as provided in~~  
2715 ~~subsection (14).~~

2716 ~~(14) If the neutral evaluator verifies the existence of a~~  
2717 ~~sinkhole that caused structural damage and recommends the need~~  
2718 ~~for and estimates costs of stabilizing the land and any covered~~  
2719 ~~buildings and other appropriate remediation or building repairs~~  
2720 ~~which exceed the amount that the insurer has offered to pay the~~  
2721 ~~policyholder, the insurer is liable to the policyholder for up~~  
2722 ~~to \$2,500 in attorney's fees for the attorney's participation in~~  
2723 ~~the neutral evaluation process. For purposes of this subsection,~~  
2724 ~~the term "offer to pay" means a written offer signed by the~~  
2725 ~~insurer or its legal representative and delivered to the~~  
2726 ~~policyholder within 10 days after the insurer receives notice~~

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2727 ~~that a request for neutral evaluation has been made under this~~  
2728 ~~section.~~

2729 ~~(15)~~ If the insurer timely agrees in writing to comply and  
2730 timely complies with the recommendation of the neutral  
2731 evaluator, but the policyholder declines to resolve the matter  
2732 in accordance with the recommendation of the neutral evaluator  
2733 pursuant to this section:

2734 (a) The insurer is not liable for extracontractual damages  
2735 related to a claim for a sinkhole loss but only as related to  
2736 the issues determined by the neutral evaluation process. This  
2737 section does not affect or impair claims for extracontractual  
2738 damages unrelated to the issues determined by the neutral  
2739 evaluation process contained in this section; and

2740 (b) The actions of the insurer are not a confession of  
2741 judgment or admission of liability, ~~and the insurer is not~~  
2742 ~~liable for attorney's fees under s. 627.428 or other provisions~~  
2743 ~~of the insurance code unless the policyholder obtains a judgment~~  
2744 ~~that is more favorable than the recommendation of the neutral~~  
2745 ~~evaluator.~~

2746 Section 20. Effective March 1, 2023, section 627.7142,  
2747 Florida Statutes, is amended to read:

2748 627.7142 Homeowner Claims Bill of Rights.—An insurer  
2749 issuing a personal lines residential property insurance policy  
2750 in this state must provide a Homeowner Claims Bill of Rights to  
2751 a policyholder within 14 days after receiving an initial  
2752 communication with respect to a claim. The purpose of the bill  
2753 of rights is to summarize, in simple, nontechnical terms,  
2754 existing Florida law regarding the rights of a personal lines  
2755 residential property insurance policyholder who files a claim of

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2756 loss. The Homeowner Claims Bill of Rights is specific to the  
2757 claims process and does not represent all of a policyholder's  
2758 rights under Florida law regarding the insurance policy. The  
2759 Homeowner Claims Bill of Rights does not create a civil cause of  
2760 action by any individual policyholder or class of policyholders  
2761 against an insurer or insurers. The failure of an insurer to  
2762 properly deliver the Homeowner Claims Bill of Rights is subject  
2763 to administrative enforcement by the office but is not  
2764 admissible as evidence in a civil action against an insurer. The  
2765 Homeowner Claims Bill of Rights does not enlarge, modify, or  
2766 contravene statutory requirements, including, but not limited  
2767 to, ss. 626.854, 626.9541, 627.70131, 627.7015, and 627.7074,  
2768 and does not prohibit an insurer from exercising its right to  
2769 repair damaged property in compliance with the terms of an  
2770 applicable policy or ss. 627.7011(6)(e) and 627.702(7). The  
2771 Homeowner Claims Bill of Rights must state:

2772

## 2773 HOMEOWNER CLAIMS

## 2774 BILL OF RIGHTS

2775 This Bill of Rights is specific to the claims process  
2776 and does not represent all of your rights under  
2777 Florida law regarding your policy. There are also  
2778 exceptions to the stated timelines when conditions are  
2779 beyond your insurance company's control. This document  
2780 does not create a civil cause of action by an  
2781 individual policyholder, or a class of policyholders,  
2782 against an insurer or insurers and does not prohibit  
2783 an insurer from exercising its right to repair damaged  
2784 property in compliance with the terms of an applicable



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2785 policy.

2786

2787 YOU HAVE THE RIGHT TO:

2788 1. Receive from your insurance company an  
2789 acknowledgment of your reported claim within 7 ~~14~~ days  
2790 after the time you communicated the claim.

2791 2. Upon written request, receive from your  
2792 insurance company within 30 days after you have  
2793 submitted a complete proof-of-loss statement to your  
2794 insurance company, confirmation that your claim is  
2795 covered in full, partially covered, or denied, or  
2796 receive a written statement that your claim is being  
2797 investigated.

2798 3. Receive from your insurance company a copy of  
2799 any detailed estimate of the amount of the loss within  
2800 7 days after the estimate is generated by the  
2801 insurance company's adjuster.

2802 4. Within 60 ~~90~~ days, subject to any dual  
2803 interest noted in the policy, receive full settlement  
2804 payment for your claim or payment of the undisputed  
2805 portion of your claim, or your insurance company's  
2806 denial of your claim.

2807 ~~5.4.~~ Receive payment of interest, as provided in  
2808 s. 627.70131, Florida Statutes, from your insurance  
2809 company, which begins accruing from the date your  
2810 claim is filed if your insurance company does not pay  
2811 full settlement of your initial, reopened, or  
2812 supplemental claim or the undisputed portion of your  
2813 claim or does not deny your claim within 60 ~~90~~ days

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2814 after your claim is filed. The interest, if  
2815 applicable, must be paid when your claim or the  
2816 undisputed portion of your claim is paid.

2817 ~~6.5.~~ Free mediation of your disputed claim by the  
2818 Florida Department of Financial Services, Division of  
2819 Consumer Services, under most circumstances and  
2820 subject to certain restrictions.

2821 ~~7.6.~~ Neutral evaluation of your disputed claim,  
2822 if your claim is for damage caused by a sinkhole and  
2823 is covered by your policy.

2824 ~~8.7.~~ Contact the Florida Department of Financial  
2825 Services, Division of Consumer Services' toll-free  
2826 helpline for assistance with any insurance claim or  
2827 questions pertaining to the handling of your claim.  
2828 You can reach the Helpline by phone at ...(toll-free  
2829 phone number)..., or you can seek assistance online at  
2830 the Florida Department of Financial Services, Division  
2831 of Consumer Services' website at ...(website  
2832 address)....

2833

2834 YOU ARE ADVISED TO:

2835 1. File all claims directly with your insurance  
2836 company.

2837 2. Contact your insurance company before entering  
2838 into any contract for repairs to confirm any managed  
2839 repair policy provisions or optional preferred  
2840 vendors.

2841 3. Make and document emergency repairs that are  
2842 necessary to prevent further damage. Keep the damaged

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2843 property, if feasible, keep all receipts, and take  
2844 photographs or video of damage before and after any  
2845 repairs to provide to your insurer.

2846 4. Carefully read any contract that requires you  
2847 to pay out-of-pocket expenses or a fee that is based  
2848 on a percentage of the insurance proceeds that you  
2849 will receive for repairing or replacing your property.

2850 5. Confirm that the contractor you choose is  
2851 licensed to do business in Florida. You can verify a  
2852 contractor's license and check to see if there are any  
2853 complaints against him or her by calling the Florida  
2854 Department of Business and Professional Regulation.  
2855 You should also ask the contractor for references from  
2856 previous work.

2857 6. Require all contractors to provide proof of  
2858 insurance before beginning repairs.

2859 7. Take precautions if the damage requires you to  
2860 leave your home, including securing your property and  
2861 turning off your gas, water, and electricity, and  
2862 contacting your insurance company and provide a phone  
2863 number where you can be reached.

2864 Section 21. Paragraphs (a) and (b) of subsection (2) and  
2865 subsection (13) of section 627.7152, Florida Statutes, are  
2866 amended to read:

2867 627.7152 Assignment agreements.—

2868 (2) (a) An assignment agreement must:

2869 1. Be executed under a residential property insurance  
2870 policy or under a commercial property insurance policy as that  
2871 term is defined in s. 627.0625(1), issued on or after July 1,

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2872 2019, and before January 1, 2023.

2873 2. Be in writing and executed by and between the assignor  
2874 and the assignee.

2875 ~~3.2.~~ Contain a provision that allows the assignor to  
2876 rescind the assignment agreement without a penalty or fee by  
2877 submitting a written notice of rescission signed by the assignor  
2878 to the assignee within 14 days after the execution of the  
2879 agreement, at least 30 days after the date work on the property  
2880 is scheduled to commence if the assignee has not substantially  
2881 performed, or at least 30 days after the execution of the  
2882 agreement if the agreement does not contain a commencement date  
2883 and the assignee has not begun substantial work on the property.

2884 ~~4.3.~~ Contain a provision requiring the assignee to provide  
2885 a copy of the executed assignment agreement to the insurer  
2886 within 3 business days after the date on which the assignment  
2887 agreement is executed or the date on which work begins,  
2888 whichever is earlier. Delivery of the copy of the assignment  
2889 agreement to the insurer may be made:

2890 a. By personal service, overnight delivery, or electronic  
2891 transmission, with evidence of delivery in the form of a receipt  
2892 or other paper or electronic acknowledgment by the insurer; or

2893 b. To the location designated for receipt of such  
2894 agreements as specified in the policy.

2895 ~~5.4.~~ Contain a written, itemized, per-unit cost estimate of  
2896 the services to be performed by the assignee.

2897 ~~6.5.~~ Relate only to work to be performed by the assignee  
2898 for services to protect, repair, restore, or replace a dwelling  
2899 or structure or to mitigate against further damage to such  
2900 property.

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2901       ~~7.6.~~ Contain the following notice in 18-point uppercase and  
2902 boldfaced type:

2903

2904           YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE  
2905 UNDER YOUR INSURANCE POLICY TO A THIRD PARTY, WHICH  
2906 MAY RESULT IN LITIGATION AGAINST YOUR INSURER. PLEASE  
2907 READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING IT.  
2908 YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT WITHOUT  
2909 PENALTY WITHIN 14 DAYS AFTER THE DATE THIS AGREEMENT  
2910 IS EXECUTED, AT LEAST 30 DAYS AFTER THE DATE WORK ON  
2911 THE PROPERTY IS SCHEDULED TO COMMENCE IF THE ASSIGNEE  
2912 HAS NOT SUBSTANTIALLY PERFORMED, OR AT LEAST 30 DAYS  
2913 AFTER THE EXECUTION OF THE AGREEMENT IF THE AGREEMENT  
2914 DOES NOT CONTAIN A COMMENCEMENT DATE AND THE ASSIGNEE  
2915 HAS NOT BEGUN SUBSTANTIAL WORK ON THE PROPERTY.  
2916 HOWEVER, YOU ARE OBLIGATED FOR PAYMENT OF ANY  
2917 CONTRACTED WORK PERFORMED BEFORE THE AGREEMENT IS  
2918 RESCINDED. THIS AGREEMENT DOES NOT CHANGE YOUR  
2919 OBLIGATION TO PERFORM THE DUTIES REQUIRED UNDER YOUR  
2920 PROPERTY INSURANCE POLICY.

2921

2922       ~~8.7.~~ Contain a provision requiring the assignee to  
2923 indemnify and hold harmless the assignor from all liabilities,  
2924 damages, losses, and costs, including, but not limited to,  
2925 attorney fees.

2926           (b) An assignment agreement may not contain:

2927           1. A penalty or fee for rescission under subparagraph (a)3.

2928 ~~(a)2.~~;

2929           2. A check or mortgage processing fee;

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2930 3. A penalty or fee for cancellation of the agreement; or  
2931 4. An administrative fee.

2932 (13) Except as provided in subsection (11), a policyholder  
2933 may not assign, in whole or in part, any post-loss insurance  
2934 benefit under any residential property insurance policy or under  
2935 any commercial property insurance policy as that term is defined  
2936 in s. 627.0625(1), issued on or after January 1, 2023. An  
2937 attempt to assign post-loss property insurance benefits under  
2938 such a policy is void, invalid, and unenforceable ~~This section~~  
2939 ~~applies to an assignment agreement executed on or after July 1,~~  
2940 ~~2019.~~

2941 Section 22. Paragraph (f) of subsection (3) of section  
2942 627.7154, Florida Statutes, is amended, and paragraph (g) is  
2943 added to that subsection, to read:

2944 627.7154 Property Insurer Stability Unit; duties and  
2945 required reports.-

2946 (3) The insurer stability unit shall, at a minimum:

2947 (f) On January 1 and July 1 of each year, provide a report  
2948 on the status of the homeowners' and condominium unit owners'  
2949 insurance market to the Governor, the President of the Senate,  
2950 the Speaker of the House of Representatives, the Minority Leader  
2951 of the Senate, the Minority Leader of the House of  
2952 Representatives, and the chairs of the legislative committees  
2953 with jurisdiction over matters of insurance showing:

2954 1. Litigation practices and outcomes of insurance  
2955 companies.

2956 2. Percentage of homeowners and condominium unit owners who  
2957 obtain insurance in the voluntary market.

2958 3. Percentage of homeowners and condominium unit owners who

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2959 obtain insurance from the Citizens Property Insurance  
2960 Corporation.

2961 4. Profitability of the homeowners' and condominium unit  
2962 owners' lines of insurance in this state, including a comparison  
2963 with similar lines of insurance in other hurricane-prone states  
2964 and with the national average.

2965 5. Average premiums charged for homeowners' and condominium  
2966 unit owners' insurance in each of the 67 counties in this state.

2967 6. Results of the latest annual catastrophe stress tests of  
2968 all domestic insurers and insurers that are commercially  
2969 domiciled in this state.

2970 7. The availability of reinsurance in the personal lines  
2971 insurance market.

2972 8. The number of property and casualty insurance carriers  
2973 referred to the insurer stability unit for enhanced monitoring,  
2974 including the reason for the referral.

2975 9. The number of referrals to the insurer stability unit  
2976 which were deemed appropriate for enhanced monitoring, including  
2977 the reason for the monitoring.

2978 10. The name of any insurer against which delinquency  
2979 proceedings were instituted, including the grounds for  
2980 rehabilitation pursuant to s. 631.051 and the date that each  
2981 insurer was deemed impaired of capital or surplus, as the terms  
2982 impairment of capital and impairment of surplus are defined in  
2983 s. 631.011, or insolvent, as the term insolvency is defined in  
2984 s. 631.011; a concise statement of the circumstances that led to  
2985 the insurer's delinquency; and a summary of the actions taken by  
2986 the insurer and the office to avoid delinquency.

2987 11. The name of any insurer that is the subject of a market

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2988 conduct examination that found the insurer exhibited a pattern  
2989 or practice of one or more willful unfair insurance trade  
2990 practice violations with regard to its use of appraisal,  
2991 including, but not limited to, compelling insureds to  
2992 participate in appraisal under a property insurance policy in  
2993 order to secure full payment or settlement of claims, and a  
2994 summary of the findings of such market conduct examination.

2995 12. Recommendations for improvements to the regulation of  
2996 the homeowners' and condominium unit owners' insurance market  
2997 and an indication of whether such improvements require any  
2998 change to existing laws or rules.

2999 13.12. Identification of any trends that may warrant  
3000 attention in the future.

3001 (g) Publish on the office's website a list of all insurers  
3002 referenced in subparagraph (f)11. and a link to the market  
3003 conduct reports regarding such insurers.

3004 Section 23. Subsection (3) of section 631.252, Florida  
3005 Statutes, is amended to read:

3006 631.252 Continuation of coverage.—

3007 (3) The 30-day coverage continuation period provided in  
3008 paragraph (1) (a) may not in no event be extended unless the  
3009 office determines, based on a reasonable belief, that market  
3010 conditions are such that policies of residential property  
3011 insurance coverage cannot be placed with an authorized insurer  
3012 within 30 days and that an additional 15 days is needed to place  
3013 such coverage; and failure of actual notice to the policyholder  
3014 of the insolvency of the insurer, of commencement of a  
3015 delinquency proceeding, or of expiration of the extension period  
3016 does not affect such expiration.



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3017 Section 24. Present subsections (6) through (8) of section  
3018 768.79, Florida Statutes, are redesignated as subsections (7)  
3019 through (9), respectively, and a new subsection (6) is added to  
3020 that section, to read:

3021 768.79 Offer of judgment and demand for judgment.—

3022 (6) For a breach of contract action, a property insurer may  
3023 make a joint offer of judgment or settlement that is conditioned  
3024 on the mutual acceptance of all the joint offerees.

3025 Section 25. For the 2022-2023 fiscal year, the sum of  
3026 \$1,757,982 in recurring funds is appropriated from the Insurance  
3027 Regulatory Trust Fund to the Office of Insurance Regulation with  
3028 associated salary rate of 844,464. From these funds, \$1,356,615  
3029 is appropriated in the Salaries and Benefits appropriation  
3030 category, \$400,000 is appropriated in the Other Personal  
3031 Services appropriation category, and \$1,367 is appropriated in  
3032 the Transfer to Department of Management Services - Human  
3033 Resources Services Purchased Per Statewide Contract  
3034 appropriation category. The funds shall be utilized for the  
3035 recruitment and retention of personnel within the office to  
3036 ensure the ongoing monitoring of insurance company products and  
3037 services, as well as the financial condition of licensed  
3038 insurance companies. The funds shall be used to implement this  
3039 act.

3040 Section 26. Except as otherwise expressly provided in this  
3041 act, this act shall take effect upon becoming a law.