

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

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  
156 ASSISTANCE PROGRAM.—There is created the Florida Optional  
157 Reinsurance Assistance program to be administered by the State  
158 Board of 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  
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  
185 below which a FORA insurer is not entitled to reimbursement for  
186 the 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  
198 FORA insurer by July 1, 2023, for coverage under the FORA  
199 program.

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



201        (q) "RAP insurer" has the same meaning as in s.  
 202        215.5551(2)(h).

203        (r) "Unsound insurer" means a FORA insurer determined by  
 204        the Office of Insurance Regulation to be in unsound condition as  
 205        defined in s. 624.80(2) or a FORA insurer placed in receivership  
 206        under chapter 631.

207        (3) COVERAGE.—

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

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

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

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

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

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

226 plus the total FORA premium collected for FORA layers 1, 2, and  
 227 3.

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

231 (4) FORA REIMBURSEMENT CONTRACTS.—

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

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

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

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

249 (e) The FORA reimbursement contract must provide that  
 250 reimbursement amounts are not reduced by reinsurance paid or

251 payable to the insurer from other sources.

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

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

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

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

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

276 premium collected for FORA layers 1, 2, and 3.

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

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

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

287 1. For each FORA layer, the board shall calculate and  
288 report to each FORA insurer the initial and final FORA retention  
289 multiples for each FHCF coverage selection as the FHCF retention  
290 multiple minus the FORA payout multiple using the source data  
291 described in paragraph (5)(a). The FORA retention multiple is  
292 multiplied by the FORA insurer's FHCF premium to calculate its  
293 FORA retention. FORA retention multiples are calculated for 45  
294 percent, 75 percent, and 90 percent FHCF mandatory coverage  
295 selections.

296 2. The FORA industry retention for the 2023-2024 contract  
297 year for FORA layer 1 is the FHCF's industry retention minus \$1  
298 billion. The FORA layer 2 industry retention is the FHCF  
299 industry retention minus \$2 billion. The FORA layer 3 industry  
300 retention is the FHCF's industry retention minus the quotient of

301 \$2 billion divided by the RAP qualification ratio. The FORA  
 302 layer 4 industry retention is the FORA layer 3 retention minus  
 303 the FORA layer 4 limit.

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

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

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

319 (5) FORA PREMIUMS.—

320 (a) Premiums shall be charged as follows:

321 1. Fifty percent Rate on Line multiplied by the FORA  
 322 insurer's FORA layer 1 limit.

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

325 3. Sixty percent Rate on Line multiplied by the FORA

326 insurer's FORA layer 3 limit.

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

329 (b) Initial FORA premiums shall be based on the 2023 FHCF  
 330 projected industry retention, FHCF retention multiples, 2022 RAP  
 331 qualification ratio, and insurers' 2022 FHCF premiums. Final  
 332 FORA premiums will be adjusted after December 31, 2023, based on  
 333 December 31, 2023, FHCF premiums, FHCF industry retention, the  
 334 2023 RAP qualification ratio and insurers' 2023 FHCF premiums.

335 (c) Failure to pay the initial FORA premium in full by  
 336 July 1, 2023, shall result in disqualification as a FORA  
 337 insurer. The final FORA premium will be due no later than March  
 338 1, 2024.

339 (6) CLAIMS-PAYING CAPACITY.—FORA shall not affect the  
 340 claims-paying capacity of the FHCF as provided in s.  
 341 215.555(4)(c)1.

342 (7) INSOLVENCY OF FORA INSURER.—

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

348 (b) If an authorized insurer or the Citizens Property  
 349 Insurance Corporation accepts an assignment of an unsound  
 350 insurer's FORA reimbursement contract, the board shall apply the

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

359 (8) VIOLATIONS.—Any violation of this section or of rules  
360 adopted under this section constitutes a violation of the  
361 Florida Insurance Code.

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

365 (10) RULEMAKING.—The board may adopt rules to implement  
366 this section. In addition, the board may adopt emergency rules  
367 pursuant to s. 120.54(4) at any time as are necessary to  
368 implement this section for the 2023-2024 fiscal year. The  
369 Legislature finds that such emergency rulemaking power is  
370 necessary in order to address a critical need in the state's  
371 problematic property insurance market. The Legislature further  
372 finds that the uniquely short timeframe needed to effectively  
373 implement this section for the 2023-2024 fiscal year requires  
374 that the board adopt rules as quickly as practicable. Therefore,  
375 in adopting such emergency rules, the board need not make the

376 findings required by s. 120.54(4)(a). Emergency rules adopted  
377 under this section are exempt from s. 120.54(4)(c) and shall  
378 remain in effect until replaced by rules adopted under the  
379 nonemergency rulemaking procedures of chapter 120, which must  
380 occur no later than December 31, 2023.

381 (11) APPROPRIATION.—

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

397 (b) Upon this act becoming a law, the Executive Office of  
398 the Governor shall instruct the Chief Financial Officer to draw  
399 a warrant from the General Revenue Fund for a transfer of \$2  
400 million to the board for the implementation and administration



401 of FORA and post-event examinations for covered events that  
402 require FORA coverage. If the board determines additional  
403 administrative funds are needed, the board shall submit written  
404 notice to the Executive Office of the Governor that funds will  
405 be necessary for the implementation and administration of FORA  
406 and post-event examinations for covered events that require FORA  
407 coverage. The notice must specify the amount necessary for  
408 administration of FORA and post-event examinations. Upon  
409 receiving such notice, the Executive Office of the Governor  
410 shall instruct the Chief Financial Officer to draw a warrant  
411 from the General Revenue Fund for a transfer to the board for  
412 FORA in the amount requested. The Executive Office of the  
413 Governor shall provide written notification to the chair and  
414 vice chair of the Legislative Budget Commission at least 3 days  
415 before the effective date of the warrant. Cumulative transfers  
416 authorized under this paragraph may not exceed \$6 million.

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

426        (12) EXPIRATION DATE.—If no general revenue funds have  
427 been transferred to the board for FORA under subsection (11) by  
428 June 30, 2026, this section expires on July 1, 2026. If general  
429 revenue funds have been transferred to the board for FORA under  
430 subsection (11) by June 30, 2026, this section expires on July  
431 1, 2030, and all unencumbered funds collected under this section  
432 shall be transferred by the board back to the General Revenue  
433 Fund unallocated.

434        Section 2. Section 624.1551, Florida Statutes, is amended  
435 to read:

436        624.1551 Civil remedy actions against property insurers.—  
437 Notwithstanding any provision of s. 624.155 to the contrary, in  
438 any claim for extracontractual damages under s. 624.155(1)(b),  
439 no action shall lie until a named or omnibus insured or a named  
440 beneficiary has established through an adverse adjudication by a  
441 court of law a claimant must establish that the property insurer  
442 breached the insurance contract and a final judgment or decree  
443 has been rendered against the insurer. Acceptance of an offer of  
444 judgment under s. 768.79 or the payment of an appraisal award  
445 does not constitute an adverse adjudication under this section.  
446 The difference between an insurer's appraiser's final estimate  
447 and the appraisal award may be evidence of bad faith ~~to prevail~~  
448 in a claim for extracontractual damages under s. 624.155(1)(b),  
449 but is not deemed an adverse adjudication under this section and  
450 does not, on its own, give rise to a cause of action.

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

453 624.3161 Market conduct examinations.—

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

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

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

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

467 (d) Is identified by the office as necessitating a market  
 468 conduct exam for any other reason.

469  
 470 All relevant criteria under this section and s. 624.316 shall be  
 471 applied to the market conduct examination under this subsection.  
 472 Such an examination must be initiated within 18 months after the  
 473 landfall of a hurricane that results in an executive order or a  
 474 state of emergency issued by the Governor. An examination of an  
 475 insurer under this subsection must also include an examination

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

477 Section 4. Paragraph (c) of subsection (2) of section  
478 624.418, Florida Statutes, is amended to read:

479 624.418 Suspension, revocation of certificate of authority  
480 for violations and special grounds.—

481 (2) The office may, in its discretion, suspend or revoke  
482 the certificate of authority of an insurer if it finds that the  
483 insurer:

484 (c) Has for any line, class, or combination thereof, with  
485 such frequency as to indicate its general business practice in  
486 this state, without just cause:

487 1. Refused to pay proper claims arising under its  
488 policies, whether any such claim is in favor of an insured or is  
489 in favor of a third person with respect to the liability of an  
490 insured to such third person, or without just cause compels such  
491 insureds or claimants to accept less than the amount due them or  
492 to employ attorneys or to bring suit against the insurer or such  
493 an insured to secure full payment or settlement of such claims;  
494 or

495 2. Compelled insureds to participate in appraisal under a  
496 property insurance policy in order to secure full payment or  
497 settlement of such claims.

498 Section 5. Paragraph (a) of subsection (10) of section  
499 624.424, Florida Statutes, is amended to read:

500 624.424 Annual statement and other information.—

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

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

526 11. Number of claims pending each month.

527 12. Number of claims in which either the insurer or  
 528 insured invoked any form of alternative dispute resolution, and  
 529 specifying which form of alternative dispute resolution was  
 530 used.

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

533 626.9373 Attorney fees.—

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

548 (3) In a suit arising under a residential or commercial  
 549 property insurance policy, there is no ~~the~~ right to attorney  
 550 fees under this section ~~may not be transferred to, assigned to,~~

551 ~~or acquired in any other manner by anyone other than a named or~~  
 552 ~~omnibus insured or a named beneficiary.~~

553 Section 7. Paragraph (i) of subsection (1) of section  
 554 626.9541, Florida Statutes, is amended to read:

555 626.9541 Unfair methods of competition and unfair or  
 556 deceptive acts or practices defined.—

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

560 (i) Unfair claim settlement practices.—

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

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

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

574 a. Failing to adopt and implement standards for the proper  
 575 investigation of claims;

- 576           b. Misrepresenting pertinent facts or insurance policy  
 577 provisions relating to coverages at issue;
- 578           c. Failing to acknowledge and act promptly upon  
 579 communications with respect to claims;
- 580           d. Denying claims without conducting reasonable  
 581 investigations based upon available information;
- 582           e. Failing to affirm or deny full or partial coverage of  
 583 claims, and, as to partial coverage, the dollar amount or extent  
 584 of coverage, or failing to provide a written statement that the  
 585 claim is being investigated, upon the written request of the  
 586 insured within 30 days after proof-of-loss statements have been  
 587 completed;
- 588           f. Failing to promptly provide a reasonable explanation in  
 589 writing to the insured of the basis in the insurance policy, in  
 590 relation to the facts or applicable law, for denial of a claim  
 591 or for the offer of a compromise settlement;
- 592           g. Failing to promptly notify the insured of any  
 593 additional information necessary for the processing of a claim;
- 594           h. Failing to clearly explain the nature of the requested  
 595 information and the reasons why such information is necessary;  
 596 or
- 597           i. Failing to pay personal injury protection insurance  
 598 claims within the time periods required by s. 627.736(4)(b). The  
 599 office may order the insurer to pay restitution to a  
 600 policyholder, medical provider, or other claimant, including



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601 interest at a rate consistent with the amount set forth in s.  
602 55.03(1), for the time period within which an insurer fails to  
603 pay claims as required by law. Restitution is in addition to any  
604 other penalties allowed by law, including, but not limited to,  
605 the suspension of the insurer's certificate of authority; or

606 4. Failing to pay undisputed amounts of partial or full  
607 benefits owed under first-party property insurance policies  
608 within 60 ~~90~~ days after an insurer receives notice of a  
609 residential property insurance claim, determines the amounts of  
610 partial or full benefits, and agrees to coverage, unless payment  
611 of the undisputed benefits is prevented by factors beyond the  
612 control of the insurer as defined in s. 627.70131(5) ~~an act of~~  
613 ~~God, prevented by the impossibility of performance, or due to~~  
614 ~~actions by the insured or claimant that constitute fraud, lack~~  
615 ~~of cooperation, or intentional misrepresentation regarding the~~  
616 ~~claim for which benefits are owed.~~

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

621 627.351 Insurance risk apportionment plans.—

622 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

623 (b)1. All insurers authorized to write one or more subject  
624 lines of business in this state are subject to assessment by the  
625 corporation and, for the purposes of this subsection, are

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

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

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

650 (II) A commercial lines account for commercial residential

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651 and commercial nonresidential policies issued by the corporation  
652 which provides coverage for basic property perils on risks that  
653 are not located in areas eligible for coverage by the Florida  
654 Windstorm Underwriting Association as those areas were defined  
655 on January 1, 2002, and for policies that do not provide  
656 coverage for the peril of wind on risks that are located in such  
657 areas; and

658 (III) A coastal account for personal residential policies  
659 and commercial residential and commercial nonresidential  
660 property policies issued by the corporation which provides  
661 coverage for the peril of wind on risks that are located in  
662 areas eligible for coverage by the Florida Windstorm  
663 Underwriting Association as those areas were defined on January  
664 1, 2002. The corporation may offer policies that provide  
665 multiperil coverage and shall offer policies that provide  
666 coverage only for the peril of wind for risks located in areas  
667 eligible for coverage in the coastal account. Effective July 1,  
668 2014, the corporation shall cease offering new commercial  
669 residential policies providing multiperil coverage and shall  
670 instead continue to offer commercial residential wind-only  
671 policies, and may offer commercial residential policies  
672 excluding wind. The corporation may, however, continue to renew  
673 a commercial residential multiperil policy on a building that is  
674 insured by the corporation on June 30, 2014, under a multiperil  
675 policy. In issuing multiperil coverage, the corporation may use

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

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

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

726 obtain the approval of necessary parties to amend the terms of  
 727 existing debt, so as to structure the most efficient plan for  
 728 consolidating the three separate accounts into a single account.  
 729 Once the accounts are combined into one account, this  
 730 subparagraph and subparagraph 3. shall be replaced in their  
 731 entirety by subparagraphs 4. and 5.

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

742 d. Revenues, assets, liabilities, losses, and expenses not  
 743 attributable to particular accounts shall be prorated among the  
 744 accounts.

745 e. The Legislature finds that the revenues of the  
 746 corporation are revenues that are necessary to meet the  
 747 requirements set forth in documents authorizing the issuance of  
 748 bonds under this subsection.

749 f. The income of the corporation may not inure to the  
 750 benefit of any private person.

751           3. With respect to a deficit in an account:  
752           a. After accounting for the Citizens policyholder  
753 surcharge imposed under sub-subparagraph i., if the remaining  
754 projected deficit incurred in the coastal account in a  
755 particular calendar year:  
756           (I) Is not greater than 2 percent of the aggregate  
757 statewide direct written premium for the subject lines of  
758 business for the prior calendar year, the entire deficit shall  
759 be recovered through regular assessments of assessable insurers  
760 under paragraph (q) and assessable insureds.  
761           (II) Exceeds 2 percent of the aggregate statewide direct  
762 written premium for the subject lines of business for the prior  
763 calendar year, the corporation shall levy regular assessments on  
764 assessable insurers under paragraph (q) and on assessable  
765 insureds in an amount equal to the greater of 2 percent of the  
766 projected deficit or 2 percent of the aggregate statewide direct  
767 written premium for the subject lines of business for the prior  
768 calendar year. Any remaining projected deficit shall be  
769 recovered through emergency assessments under sub-subparagraph  
770 e. ~~d.~~  
771           b. Each assessable insurer's share of the amount being  
772 assessed under sub-subparagraph a. must be in the proportion  
773 that the assessable insurer's direct written premium for the  
774 subject lines of business for the year preceding the assessment  
775 bears to the aggregate statewide direct written premium for the

776 subject lines of business for that year. The assessment  
777 percentage applicable to each assessable insured is the ratio of  
778 the amount being assessed under sub-subparagraph a. to the  
779 aggregate statewide direct written premium for the subject lines  
780 of business for the prior year. Assessments levied by the  
781 corporation on assessable insurers under sub-subparagraph a.  
782 must be paid as required by the corporation's plan of operation  
783 and paragraph (q). Assessments levied by the corporation on  
784 assessable insureds under sub-subparagraph a. shall be collected  
785 by the surplus lines agent at the time the surplus lines agent  
786 collects the surplus lines tax required by s. 626.932, and paid  
787 to the Florida Surplus Lines Service Office at the time the  
788 surplus lines agent pays the surplus lines tax to that office.  
789 Upon receipt of regular assessments from surplus lines agents,  
790 the Florida Surplus Lines Service Office shall transfer the  
791 assessments directly to the corporation as determined by the  
792 corporation.

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



801           d. After accounting for the Citizens policyholder  
802 surcharge imposed under sub-subparagraph j. i., the remaining  
803 projected deficits in the personal lines account and in the  
804 commercial lines account in a particular calendar year shall be  
805 recovered through emergency assessments under sub-subparagraph  
806 e. d.

807           ~~e. d.~~ Upon a determination by the board of governors that a  
808 projected deficit in an account exceeds the amount that is  
809 expected to be recovered through regular assessments under sub-  
810 subparagraph a., plus the amount that is expected to be  
811 recovered through surcharges under sub-subparagraph j. i., the  
812 board, after verification by the office, shall levy emergency  
813 assessments for as many years as necessary to cover the  
814 deficits, to be collected by assessable insurers and the  
815 corporation and collected from assessable insureds upon issuance  
816 or renewal of policies for subject lines of business, excluding  
817 National Flood Insurance policies. The amount collected in a  
818 particular year must be a uniform percentage of that year's  
819 direct written premium for subject lines of business and all  
820 accounts of the corporation, excluding National Flood Insurance  
821 Program policy premiums, as annually determined by the board and  
822 verified by the office. The office shall verify the arithmetic  
823 calculations involved in the board's determination within 30  
824 days after receipt of the information on which the determination  
825 was based. The office shall notify assessable insurers and the

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826 Florida Surplus Lines Service Office of the date on which  
827 assessable insurers shall begin to collect and assessable  
828 insureds shall begin to pay such assessment. The date must be at  
829 least 90 days after the date the corporation levies emergency  
830 assessments pursuant to this sub-subparagraph. Notwithstanding  
831 any other provision of law, the corporation and each assessable  
832 insurer that writes subject lines of business shall collect  
833 emergency assessments from its policyholders without such  
834 obligation being affected by any credit, limitation, exemption,  
835 or deferment. Emergency assessments levied by the corporation on  
836 assessable insureds shall be collected by the surplus lines  
837 agent at the time the surplus lines agent collects the surplus  
838 lines tax required by s. 626.932 and paid to the Florida Surplus  
839 Lines Service Office at the time the surplus lines agent pays  
840 the surplus lines tax to that office. The emergency assessments  
841 collected shall be transferred directly to the corporation on a  
842 periodic basis as determined by the corporation and held by the  
843 corporation solely in the applicable account. The aggregate  
844 amount of emergency assessments levied for an account in any  
845 calendar year may be less than but may not exceed the greater of  
846 10 percent of the amount needed to cover the deficit, plus  
847 interest, fees, commissions, required reserves, and other costs  
848 associated with financing the original deficit, or 10 percent of  
849 the aggregate statewide direct written premium for subject lines  
850 of business and all accounts of the corporation for the prior

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851 | year, plus interest, fees, commissions, required reserves, and  
852 | other costs associated with financing the deficit.

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

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876 indebtedness incurred with respect to a deficit for which the  
877 assessment was imposed remain outstanding, unless adequate  
878 provision has been made for the payment of such bonds or other  
879 indebtedness pursuant to the documents governing such bonds or  
880 indebtedness.

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

897 ~~h.g.~~ The Florida Surplus Lines Service Office shall  
898 determine annually the aggregate statewide written premium in  
899 subject lines of business procured by assessable insureds and  
900 report that information to the corporation in a form and at a

901 time the corporation specifies to ensure that the corporation  
902 can meet the requirements of this subsection and the  
903 corporation's financing obligations.

904 ~~i.h.~~ The Florida Surplus Lines Service Office shall verify  
905 the proper application by surplus lines agents of assessment  
906 percentages for regular assessments and emergency assessments  
907 levied under this subparagraph on assessable insureds and assist  
908 the corporation in ensuring the accurate, timely collection and  
909 payment of assessments by surplus lines agents as required by  
910 the corporation.

911 ~~j.i.~~ Upon determination by the board of governors that an  
912 account has a projected deficit, the board shall levy a Citizens  
913 policyholder surcharge against all policyholders of the  
914 corporation.

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

918 (II) The surcharge is payable upon cancellation or  
919 termination of the policy, upon renewal of the policy, or upon  
920 issuance of a new policy by the corporation within the first 12  
921 months after the date of the levy or the period of time  
922 necessary to fully collect the surcharge amount.

923 (III) The corporation may not levy any regular assessments  
924 under paragraph (q) pursuant to sub-subparagraph a. or sub-  
925 subparagraph b. with respect to a particular year's deficit

926 until the corporation has first levied the full amount of the  
 927 surcharge authorized by this sub-subparagraph.

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

931 ~~k.j.~~ If the amount of any assessments or surcharges  
 932 collected from corporation policyholders, assessable insurers or  
 933 their policyholders, or assessable insureds exceeds the amount  
 934 of the deficits, such excess amounts shall be remitted to and  
 935 retained by the corporation in a reserve to be used by the  
 936 corporation, as determined by the board of governors and  
 937 approved by the office, to pay claims or reduce any past,  
 938 present, or future plan-year deficits or to reduce outstanding  
 939 debt.

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

942 a. Personal residential policies that provide  
 943 comprehensive, multiperil coverage on risks that are not located  
 944 in areas eligible for coverage by the Florida Windstorm  
 945 Underwriting Association, as those areas were defined on January  
 946 1, 2002, and for policies that do not provide coverage for the  
 947 peril of wind on risks that are located in such areas;

948 b. Commercial residential and commercial nonresidential  
 949 policies that provide coverage for basic property perils on  
 950 risks that are not located in areas eligible for coverage by the

951 Florida Windstorm Underwriting Association, as those areas were  
952 defined on January 1, 2002, and for policies that do not provide  
953 coverage for the peril of wind on risks that are located in such  
954 areas; and

955 c. Personal residential policies and commercial  
956 residential and commercial nonresidential property policies that  
957 provide coverage for the peril of wind on risks that are located  
958 in areas eligible for coverage by the Florida Windstorm  
959 Underwriting Association, as those areas were defined on January  
960 1, 2002. The corporation may offer policies that provide  
961 multiperil coverage and shall offer policies that provide  
962 coverage only for the peril of wind for risks located in areas  
963 eligible for coverage by the Florida Windstorm Underwriting  
964 Association, as those areas were defined on January 1, 2002. The  
965 corporation may not offer new commercial residential policies  
966 providing multiperil coverage, but shall continue to offer  
967 commercial residential wind-only policies, and may offer  
968 commercial residential policies excluding wind. However, the  
969 corporation may continue to renew a commercial residential  
970 multiperil policy on a building that was insured by the  
971 corporation on June 30, 2014, under a multiperil policy. In  
972 issuing multiperil coverage under this sub-subparagraph, the  
973 corporation may use its approved policy forms and rates for  
974 risks located in areas not eligible for coverage by the Florida  
975 Windstorm Underwriting Association as those areas were defined

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976 on January 1, 2002, and for policies that do not provide  
977 coverage for the peril of wind on risks that are located in such  
978 areas. An applicant or insured who is eligible to purchase a  
979 multi-peril policy from the corporation may purchase a multi-peril  
980 policy from an authorized insurer without prejudice to the  
981 applicant's or insured's eligibility to prospectively purchase a  
982 policy that provides coverage only for the peril of wind from  
983 the corporation. An applicant or insured who is eligible for a  
984 corporation policy that provides coverage only for the peril of  
985 wind may elect to purchase or retain such policy and also  
986 purchase or retain coverage excluding wind from an authorized  
987 insurer without prejudice to the applicant's or insured's  
988 eligibility to prospectively purchase a policy that provides  
989 multi-peril coverage from the corporation. The following  
990 policies, which provide coverage only for the peril of wind,  
991 must also include quota share primary insurance under  
992 subparagraph (c)2.: Personal residential policies and commercial  
993 residential and commercial nonresidential property policies that  
994 provide coverage for the peril of wind on risks that are located  
995 in areas eligible for coverage by the Florida Windstorm  
996 Underwriting Association, as those areas were defined on January  
997 1, 2002; policies that provide multi-peril coverage, if offered  
998 by the corporation, and policies that provide coverage only for  
999 the peril of wind for risks located in areas eligible for  
1000 coverage by the Florida Windstorm Underwriting Association, as



1001 those areas were defined on January 1, 2002; commercial  
1002 residential wind-only policies; commercial residential policies  
1003 excluding wind, if offered by the corporation; and commercial  
1004 residential multiperil policies on a building that was insured  
1005 by the corporation on June 30, 2014. The area eligible for  
1006 coverage with the corporation under this sub-subparagraph  
1007 includes the area within Port Canaveral, which is bordered on  
1008 the south by the City of Cape Canaveral, bordered on the west by  
1009 the Banana River, and bordered on the north by Federal  
1010 Government property.

1011 5. With respect to a deficit in the Citizens account:

1012 a. Upon a determination by the board of governors that the  
1013 Citizens account has a projected deficit, the board shall levy a  
1014 Citizens policyholder surcharge against all policyholders of the  
1015 corporation.

1016 (I) The surcharge shall be levied as a uniform percentage  
1017 of the premium for the policy of up to 15 percent of such  
1018 premium, which funds shall be used to offset the deficit.

1019 (II) The surcharge is payable upon cancellation or  
1020 termination of the policy, upon renewal of the policy, or upon  
1021 issuance of a new policy by the corporation within the first 12  
1022 months after the date of the levy or the period of time  
1023 necessary to fully collect the surcharge amount.

1024 (III) The surcharge is not considered premium and is not  
1025 subject to commissions, fees, or premium taxes. However, failure

1026 to pay the surcharge shall be treated as failure to pay premium.

1027 b. After accounting for the Citizens policyholder

1028 surcharge imposed under sub-subparagraph a., the remaining

1029 projected deficit incurred in the Citizens account in a

1030 particular calendar year shall be recovered through emergency

1031 assessments under sub-subparagraph c.

1032 c. Upon a determination by the board of governors that a

1033 projected deficit in the Citizens account exceeds the amount

1034 that is expected to be recovered through surcharges under sub-

1035 subparagraph a., the board, after verification by the office,

1036 shall levy emergency assessments for as many years as necessary

1037 to cover the deficits, to be collected by assessable insurers

1038 and the corporation and collected from assessable insureds upon

1039 issuance or renewal of policies for subject lines of business,

1040 excluding National Flood Insurance Program policies. The amount

1041 collected in a particular year must be a uniform percentage of

1042 that year's direct written premium for subject lines of business

1043 and the Citizens account, National Flood Insurance Program

1044 policy premiums, as annually determined by the board and

1045 verified by the office. The office shall verify the arithmetic

1046 calculations involved in the board's determination within 30

1047 days after receipt of the information on which the determination

1048 was based. The office shall notify assessable insurers and the

1049 Florida Surplus Lines Service Office of the date on which

1050 assessable insurers shall begin to collect and assessable

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1051 insureds shall begin to pay such assessment. The date must be at  
1052 least 90 days after the date the corporation levies emergency  
1053 assessments pursuant to this sub-subparagraph. Notwithstanding  
1054 any other law, the corporation and each assessable insurer that  
1055 writes subject lines of business shall collect emergency  
1056 assessments from its policyholders without such obligation being  
1057 affected by any credit, limitation, exemption, or deferment.  
1058 Emergency assessments levied by the corporation on assessable  
1059 insureds shall be collected by the surplus lines agent at the  
1060 time the surplus lines agent collects the surplus lines tax  
1061 required by s. 626.932 and paid to the Florida Surplus Lines  
1062 Service Office at the time the surplus lines agent pays the  
1063 surplus lines tax to that office. The emergency assessments  
1064 collected shall be transferred directly to the corporation on a  
1065 periodic basis as determined by the corporation and held by the  
1066 corporation solely in the Citizens account. The aggregate amount  
1067 of emergency assessments levied for the Citizens account in any  
1068 calendar year may be less than, but may not exceed the greater  
1069 of, 10 percent of the amount needed to cover the deficit, plus  
1070 interest, fees, commissions, required reserves, and other costs  
1071 associated with financing the original deficit or 10 percent of  
1072 the aggregate statewide direct written premium for subject lines  
1073 of business and the Citizens accounts for the prior year, plus  
1074 interest, fees, commissions, required reserves, and other costs  
1075 associated with financing the deficit.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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1076 d. The corporation may pledge the proceeds of assessments,  
 1077 projected recoveries from the Florida Hurricane Catastrophe  
 1078 Fund, other insurance and reinsurance recoverables, policyholder  
 1079 surcharges and other surcharges, and other funds available to  
 1080 the corporation as the source of revenue for and to secure bonds  
 1081 issued under paragraph (g), bonds or other indebtedness issued  
 1082 under subparagraph (c)3., or lines of credit or other financing  
 1083 mechanisms issued or created under this subsection; or to retire  
 1084 any other debt incurred as a result of deficits or events giving  
 1085 rise to deficits, or in any other way that the board determines  
 1086 will efficiently recover such deficits. The purpose of the lines  
 1087 of credit or other financing mechanisms is to provide additional  
 1088 resources to assist the corporation in covering claims and  
 1089 expenses attributable to a catastrophe. As used in this  
 1090 subsection, the term "assessments" includes emergency  
 1091 assessments under sub-subparagraph c. Emergency assessments  
 1092 collected under sub-subparagraph c. are not part of an insurer's  
 1093 rates, are not premium, and are not subject to premium tax,  
 1094 fees, or commissions; however, failure to pay the emergency  
 1095 assessment shall be treated as failure to pay premium. The  
 1096 emergency assessments shall continue as long as any bonds issued  
 1097 or other indebtedness incurred with respect to a deficit for  
 1098 which the assessment was imposed remain outstanding, unless  
 1099 adequate provision has been made for the payment of such bonds  
 1100 or other indebtedness pursuant to the documents governing such

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1101 bonds or indebtedness.

1102 e. As used in this subsection and for purposes of any  
1103 deficit incurred on or after January 25, 2007, the term "subject  
1104 lines of business" means insurance written by assessable  
1105 insurers or procured by assessable insureds for all property and  
1106 casualty lines of business in this state, but not including  
1107 workers' compensation or medical malpractice. As used in this  
1108 sub-subparagraph, the term "property and casualty lines of  
1109 business" includes all lines of business identified on Form 2,  
1110 Exhibit of Premiums and Losses, in the annual statement required  
1111 of authorized insurers under s. 624.424 and any rule adopted  
1112 under this section, except for those lines identified as  
1113 accident and health insurance and except for policies written  
1114 under the National Flood Insurance Program or the Federal Crop  
1115 Insurance Program. For purposes of this sub-subparagraph, the  
1116 term "workers' compensation" includes both workers' compensation  
1117 insurance and excess workers' compensation insurance.

1118 f. The Florida Surplus Lines Service Office shall annually  
1119 determine the aggregate statewide written premium in subject  
1120 lines of business procured by assessable insureds and report  
1121 that information to the corporation in a form and at a time the  
1122 corporation specifies to ensure that the corporation can meet  
1123 the requirements of this subsection and the corporation's  
1124 financing obligations.

1125 g. The Florida Surplus Lines Service Office shall verify

1126 | the proper application by surplus lines agents of assessment  
 1127 | percentages for emergency assessments levied under this  
 1128 | subparagraph on assessable insureds and assist the corporation  
 1129 | in ensuring the accurate, timely collection and payment of  
 1130 | assessments by surplus lines agents as required by the  
 1131 | corporation.

1132 | h. If the amount of any assessments or surcharges  
 1133 | collected from corporation policyholders, assessable insurers or  
 1134 | their policyholders, or assessable insureds exceeds the amount  
 1135 | of the deficits, such excess amounts shall be remitted to and  
 1136 | retained by the corporation in a reserve to be used by the  
 1137 | corporation, as determined by the board of governors and  
 1138 | approved by the office, to pay claims or reduce any past,  
 1139 | present, or future plan-year deficits or to reduce outstanding  
 1140 | debt.

1141 | (c) The corporation's plan of operation:

1142 | 1. Must provide for adoption of residential property and  
 1143 | casualty insurance policy forms and commercial residential and  
 1144 | nonresidential property insurance forms, which must be approved  
 1145 | by the office before use. The corporation shall adopt the  
 1146 | following policy forms:

1147 | a. Standard personal lines policy forms that are  
 1148 | comprehensive multiperil policies providing full coverage of a  
 1149 | residential property equivalent to the coverage provided in the  
 1150 | private insurance market under an HO-3, HO-4, or HO-6 policy.

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1151           b. Basic personal lines policy forms that are policies  
1152 similar to an HO-8 policy or a dwelling fire policy that provide  
1153 coverage meeting the requirements of the secondary mortgage  
1154 market, but which is more limited than the coverage under a  
1155 standard policy.

1156           c. Commercial lines residential and nonresidential policy  
1157 forms that are generally similar to the basic perils of full  
1158 coverage obtainable for commercial residential structures and  
1159 commercial nonresidential structures in the admitted voluntary  
1160 market.

1161           d. Personal lines and commercial lines residential  
1162 property insurance forms that cover the peril of wind only. The  
1163 forms are applicable only to residential properties located in  
1164 areas eligible for coverage by the Florida Windstorm  
1165 Underwriting Association, as those areas were defined on January  
1166 1, 2002 ~~under the coastal account referred to in sub-~~  
1167 ~~subparagraph (b)2.a.~~

1168           e. Commercial lines nonresidential property insurance  
1169 forms that cover the peril of wind only. The forms are  
1170 applicable only to nonresidential properties located in areas  
1171 eligible for coverage by the Florida Windstorm Underwriting  
1172 Association, as those areas were defined on January 1, 2002  
1173 ~~under the coastal account referred to in sub-subparagraph~~  
1174 ~~(b)2.a.~~

1175           f. The corporation may adopt variations of the policy

1176 forms listed in sub-subparagraphs a.-e. which contain more  
 1177 restrictive coverage.

1178 g. ~~Effective January 1, 2013,~~ The corporation shall offer  
 1179 a basic personal lines policy similar to an HO-8 policy with  
 1180 dwelling repair based on common construction materials and  
 1181 methods.

1182 2. Must provide that the corporation adopt a program in  
 1183 which the corporation and authorized insurers enter into quota  
 1184 share primary insurance agreements for hurricane coverage, as  
 1185 defined in s. 627.4025(2)(a), for eligible risks, and adopt  
 1186 property insurance forms for eligible risks which cover the  
 1187 peril of wind only.

1188 a. As used in this subsection, the term:

1189 (I) "Quota share primary insurance" means an arrangement  
 1190 in which the primary hurricane coverage of an eligible risk is  
 1191 provided in specified percentages by the corporation and an  
 1192 authorized insurer. The corporation and authorized insurer are  
 1193 each solely responsible for a specified percentage of hurricane  
 1194 coverage of an eligible risk as set forth in a quota share  
 1195 primary insurance agreement between the corporation and an  
 1196 authorized insurer and the insurance contract. The  
 1197 responsibility of the corporation or authorized insurer to pay  
 1198 its specified percentage of hurricane losses of an eligible  
 1199 risk, as set forth in the agreement, may not be altered by the  
 1200 inability of the other party to pay its specified percentage of



1201 losses. Eligible risks that are provided hurricane coverage  
1202 through a quota share primary insurance arrangement must be  
1203 provided policy forms that set forth the obligations of the  
1204 corporation and authorized insurer under the arrangement,  
1205 clearly specify the percentages of quota share primary insurance  
1206 provided by the corporation and authorized insurer, and  
1207 conspicuously and clearly state that the authorized insurer and  
1208 the corporation may not be held responsible beyond their  
1209 specified percentage of coverage of hurricane losses.

1210 (II) "Eligible risks" means personal lines residential and  
1211 commercial lines residential risks that meet the underwriting  
1212 criteria of the corporation and are located in areas that were  
1213 eligible for coverage by the Florida Windstorm Underwriting  
1214 Association on January 1, 2002.

1215 b. The corporation may enter into quota share primary  
1216 insurance agreements with authorized insurers at corporation  
1217 coverage levels of 90 percent and 50 percent.

1218 c. If the corporation determines that additional coverage  
1219 levels are necessary to maximize participation in quota share  
1220 primary insurance agreements by authorized insurers, the  
1221 corporation may establish additional coverage levels. However,  
1222 the corporation's quota share primary insurance coverage level  
1223 may not exceed 90 percent.

1224 d. Any quota share primary insurance agreement entered  
1225 into between an authorized insurer and the corporation must

1226 provide for a uniform specified percentage of coverage of  
1227 hurricane losses, by county or territory as set forth by the  
1228 corporation board, for all eligible risks of the authorized  
1229 insurer covered under the agreement.

1230 e. Any quota share primary insurance agreement entered  
1231 into between an authorized insurer and the corporation is  
1232 subject to review and approval by the office. However, such  
1233 agreement shall be authorized only as to insurance contracts  
1234 entered into between an authorized insurer and an insured who is  
1235 already insured by the corporation for wind coverage.

1236 f. For all eligible risks covered under quota share  
1237 primary insurance agreements, the exposure and coverage levels  
1238 for both the corporation and authorized insurers shall be  
1239 reported by the corporation to the Florida Hurricane Catastrophe  
1240 Fund. For all policies of eligible risks covered under such  
1241 agreements, the corporation and the authorized insurer must  
1242 maintain complete and accurate records for the purpose of  
1243 exposure and loss reimbursement audits as required by fund  
1244 rules. The corporation and the authorized insurer shall each  
1245 maintain duplicate copies of policy declaration pages and  
1246 supporting claims documents.

1247 g. The corporation board shall establish in its plan of  
1248 operation standards for quota share agreements which ensure that  
1249 there is no discriminatory application among insurers as to the  
1250 terms of the agreements, pricing of the agreements, incentive

1251 provisions if any, and consideration paid for servicing policies  
 1252 or adjusting claims.

1253 h. The quota share primary insurance agreement between the  
 1254 corporation and an authorized insurer must set forth the  
 1255 specific terms under which coverage is provided, including, but  
 1256 not limited to, the sale and servicing of policies issued under  
 1257 the agreement by the insurance agent of the authorized insurer  
 1258 producing the business, the reporting of information concerning  
 1259 eligible risks, the payment of premium to the corporation, and  
 1260 arrangements for the adjustment and payment of hurricane claims  
 1261 incurred on eligible risks by the claims adjuster and personnel  
 1262 of the authorized insurer. Entering into a quota sharing  
 1263 insurance agreement between the corporation and an authorized  
 1264 insurer is voluntary and at the discretion of the authorized  
 1265 insurer.

1266 3. May provide that the corporation may employ or  
 1267 otherwise contract with individuals or other entities to provide  
 1268 administrative or professional services that may be appropriate  
 1269 to effectuate the plan. The corporation may borrow funds by  
 1270 issuing bonds or by incurring other indebtedness, and shall have  
 1271 other powers reasonably necessary to effectuate the requirements  
 1272 of this subsection, including, without limitation, the power to  
 1273 issue bonds and incur other indebtedness in order to refinance  
 1274 outstanding bonds or other indebtedness. The corporation may  
 1275 seek judicial validation of its bonds or other indebtedness

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1276 | under chapter 75. The corporation may issue bonds or incur other  
1277 | indebtedness, or have bonds issued on its behalf by a unit of  
1278 | local government pursuant to subparagraph (q)2. in the absence  
1279 | of a hurricane or other weather-related event, upon a  
1280 | determination by the corporation, subject to approval by the  
1281 | office, that such action would enable it to efficiently meet the  
1282 | financial obligations of the corporation and that such  
1283 | financings are reasonably necessary to effectuate the  
1284 | requirements of this subsection. The corporation may take all  
1285 | actions needed to facilitate tax-free status for such bonds or  
1286 | indebtedness, including formation of trusts or other affiliated  
1287 | entities. The corporation may pledge assessments, projected  
1288 | recoveries from the Florida Hurricane Catastrophe Fund, other  
1289 | reinsurance recoverables, policyholder surcharges and other  
1290 | surcharges, and other funds available to the corporation as  
1291 | security for bonds or other indebtedness. In recognition of s.  
1292 | 10, Art. I of the State Constitution, prohibiting the impairment  
1293 | of obligations of contracts, it is the intent of the Legislature  
1294 | that no action be taken whose purpose is to impair any bond  
1295 | indenture or financing agreement or any revenue source committed  
1296 | by contract to such bond or other indebtedness.

1297 |         4. Must require that the corporation operate subject to  
1298 | the supervision and approval of a board of governors consisting  
1299 | of nine individuals who are residents of this state and who are  
1300 | from different geographical areas of the state, one of whom is

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1301 appointed by the Governor and serves solely to advocate on  
1302 behalf of the consumer. The appointment of a consumer  
1303 representative by the Governor is deemed to be within the scope  
1304 of the exemption provided in s. 112.313(7) (b) and is in addition  
1305 to the appointments authorized under sub-subparagraph a.

1306 a. The Governor, the Chief Financial Officer, the  
1307 President of the Senate, and the Speaker of the House of  
1308 Representatives shall each appoint two members of the board. At  
1309 least one of the two members appointed by each appointing  
1310 officer must have demonstrated expertise in insurance and be  
1311 deemed to be within the scope of the exemption provided in s.  
1312 112.313(7) (b). The Chief Financial Officer shall designate one  
1313 of the appointees as chair. All board members serve at the  
1314 pleasure of the appointing officer. All members of the board are  
1315 subject to removal at will by the officers who appointed them.  
1316 All board members, including the chair, must be appointed to  
1317 serve for 3-year terms beginning annually on a date designated  
1318 by the plan. However, for the first term beginning on or after  
1319 July 1, 2009, each appointing officer shall appoint one member  
1320 of the board for a 2-year term and one member for a 3-year term.  
1321 A board vacancy shall be filled for the unexpired term by the  
1322 appointing officer. The Chief Financial Officer shall appoint a  
1323 technical advisory group to provide information and advice to  
1324 the board in connection with the board's duties under this  
1325 subsection. The executive director and senior managers of the

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1326 corporation shall be engaged by the board and serve at the  
1327 pleasure of the board. Any executive director appointed on or  
1328 after July 1, 2006, is subject to confirmation by the Senate.  
1329 The executive director is responsible for employing other staff  
1330 as the corporation may require, subject to review and  
1331 concurrence by the board.

1332 b. The board shall create a Market Accountability Advisory  
1333 Committee to assist the corporation in developing awareness of  
1334 its rates and its customer and agent service levels in  
1335 relationship to the voluntary market insurers writing similar  
1336 coverage.

1337 (I) The members of the advisory committee consist of the  
1338 following 11 persons, one of whom must be elected chair by the  
1339 members of the committee: four representatives, one appointed by  
1340 the Florida Association of Insurance Agents, one by the Florida  
1341 Association of Insurance and Financial Advisors, one by the  
1342 Professional Insurance Agents of Florida, and one by the Latin  
1343 American Association of Insurance Agencies; three  
1344 representatives appointed by the insurers with the three highest  
1345 voluntary market share of residential property insurance  
1346 business in the state; one representative from the Office of  
1347 Insurance Regulation; one consumer appointed by the board who is  
1348 insured by the corporation at the time of appointment to the  
1349 committee; one representative appointed by the Florida  
1350 Association of Realtors; and one representative appointed by the

1351 Florida Bankers Association. All members shall be appointed to  
1352 3-year terms and may serve for consecutive terms.

1353 (II) The committee shall report to the corporation at each  
1354 board meeting on insurance market issues which may include rates  
1355 and rate competition with the voluntary market; service,  
1356 including policy issuance, claims processing, and general  
1357 responsiveness to policyholders, applicants, and agents; and  
1358 matters relating to depopulation.

1359 5. Must provide a procedure for determining the  
1360 eligibility of a risk for coverage, as follows:

1361 a. Subject to s. 627.3517, with respect to personal lines  
1362 residential risks, if the risk is offered coverage from an  
1363 authorized insurer at the insurer's approved rate under a  
1364 standard policy including wind coverage or, if consistent with  
1365 the insurer's underwriting rules as filed with the office, a  
1366 basic policy including wind coverage, for a new application to  
1367 the corporation for coverage, the risk is not eligible for any  
1368 policy issued by the corporation unless the premium for coverage  
1369 from the authorized insurer is more than 20 percent greater than  
1370 the premium for comparable coverage from the corporation.  
1371 Whenever an offer of coverage for a personal lines residential  
1372 risk is received for a policyholder of the corporation at  
1373 renewal from an authorized insurer, if the offer is equal to or  
1374 less than the corporation's renewal premium for comparable  
1375 coverage, the risk is not eligible for coverage with the

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1376 corporation for policies that renew before April 1, 2023; for  
1377 policies that renew on or after that date, the risk is not  
1378 eligible for coverage with the corporation unless the premium  
1379 for coverage from the authorized insurer is more than 20 percent  
1380 greater than the corporation's renewal premium for comparable  
1381 coverage. If the risk is not able to obtain such offer, the risk  
1382 is eligible for a standard policy including wind coverage or a  
1383 basic policy including wind coverage issued by the corporation;  
1384 however, if the risk could not be insured under a standard  
1385 policy including wind coverage regardless of market conditions,  
1386 the risk is eligible for a basic policy including wind coverage  
1387 unless rejected under subparagraph 8. ~~However, a policyholder~~  
1388 ~~removed from the corporation through an assumption agreement~~  
1389 ~~remains eligible for coverage from the corporation until the end~~  
1390 ~~of the assumption period.~~ The corporation shall determine the  
1391 type of policy to be provided on the basis of objective  
1392 standards specified in the underwriting manual and based on  
1393 generally accepted underwriting practices. A policyholder  
1394 removed from the corporation through an assumption agreement  
1395 does not remain eligible for coverage from the corporation after  
1396 the end of the policy term. However, any policy removed from the  
1397 corporation through an assumption agreement remains on the  
1398 corporation's policy forms through the end of the policy term.  
1399 (I) If the risk accepts an offer of coverage through the  
1400 market assistance plan or through a mechanism established by the



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1401 corporation other than a plan established by s. 627.3518, before  
1402 a policy is issued to the risk by the corporation or during the  
1403 first 30 days of coverage by the corporation, and the producing  
1404 agent who submitted the application to the plan or to the  
1405 corporation is not currently appointed by the insurer, the  
1406 insurer shall:

1407 (A) Pay to the producing agent of record of the policy for  
1408 the first year, an amount that is the greater of the insurer's  
1409 usual and customary commission for the type of policy written or  
1410 a fee equal to the usual and customary commission of the  
1411 corporation; or

1412 (B) Offer to allow the producing agent of record of the  
1413 policy to continue servicing the policy for at least 1 year and  
1414 offer to pay the agent the greater of the insurer's or the  
1415 corporation's usual and customary commission for the type of  
1416 policy written.

1417  
1418 If the producing agent is unwilling or unable to accept  
1419 appointment, the new insurer shall pay the agent in accordance  
1420 with sub-sub-sub-subparagraph (A).

1421 (II) If the corporation enters into a contractual  
1422 agreement for a take-out plan, the producing agent of record of  
1423 the corporation policy is entitled to retain any unearned  
1424 commission on the policy, and the insurer shall:

1425 (A) Pay to the producing agent of record, for the first

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1426 | year, an amount that is the greater of the insurer's usual and  
 1427 | customary commission for the type of policy written or a fee  
 1428 | equal to the usual and customary commission of the corporation;  
 1429 | or

1430 |         (B) Offer to allow the producing agent of record to  
 1431 | continue servicing the policy for at least 1 year and offer to  
 1432 | pay the agent the greater of the insurer's or the corporation's  
 1433 | usual and customary commission for the type of policy written.  
 1434 |

1435 | If the producing agent is unwilling or unable to accept  
 1436 | appointment, the new insurer shall pay the agent in accordance  
 1437 | with sub-sub-sub-subparagraph (A).

1438 |         b. With respect to commercial lines residential risks, for  
 1439 | a new application to the corporation for coverage, if the risk  
 1440 | is offered coverage under a policy including wind coverage from  
 1441 | an authorized insurer at its approved rate, the risk is not  
 1442 | eligible for a policy issued by the corporation unless the  
 1443 | premium for coverage from the authorized insurer is more than 20  
 1444 | ~~15~~ percent greater than the premium for comparable coverage from  
 1445 | the corporation. Whenever an offer of coverage for a commercial  
 1446 | lines residential risk is received for a policyholder of the  
 1447 | corporation at renewal from an authorized insurer, ~~if the offer~~  
 1448 | ~~is equal to or less than the corporation's renewal premium for~~  
 1449 | ~~comparable coverage,~~ the risk is not eligible for coverage with  
 1450 | the corporation unless the premium for coverage from the

1451 authorized insurer is more than 20 percent greater than the  
 1452 corporation's renewal premium for comparable coverage. If the  
 1453 risk is not able to obtain any such offer, the risk is eligible  
 1454 for a policy including wind coverage issued by the corporation.  
 1455 ~~However,~~ A policyholder removed from the corporation through an  
 1456 assumption agreement remains eligible for coverage from the  
 1457 corporation until the end of the policy term. ~~However, any~~  
 1458 policy removed from the corporation through an assumption  
 1459 agreement remains on the corporation's policy forms through the  
 1460 end of the policy term ~~assumption period.~~

1461 (I) If the risk accepts an offer of coverage through the  
 1462 market assistance plan or through a mechanism established by the  
 1463 corporation other than a plan established by s. 627.3518, before  
 1464 a policy is issued to the risk by the corporation or during the  
 1465 first 30 days of coverage by the corporation, and the producing  
 1466 agent who submitted the application to the plan or the  
 1467 corporation is not currently appointed by the insurer, the  
 1468 insurer shall:

1469 (A) Pay to the producing agent of record of the policy,  
 1470 for the first year, an amount that is the greater of the  
 1471 insurer's usual and customary commission for the type of policy  
 1472 written or a fee equal to the usual and customary commission of  
 1473 the corporation; or

1474 (B) Offer to allow the producing agent of record of the  
 1475 policy to continue servicing the policy for at least 1 year and

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1476 offer to pay the agent the greater of the insurer's or the  
 1477 corporation's usual and customary commission for the type of  
 1478 policy written.

1479  
 1480 If the producing agent is unwilling or unable to accept  
 1481 appointment, the new insurer shall pay the agent in accordance  
 1482 with sub-sub-sub-subparagraph (A).

1483 (II) If the corporation enters into a contractual  
 1484 agreement for a take-out plan, the producing agent of record of  
 1485 the corporation policy is entitled to retain any unearned  
 1486 commission on the policy, and the insurer shall:

1487 (A) Pay to the producing agent of record, for the first  
 1488 year, an amount that is the greater of the insurer's usual and  
 1489 customary commission for the type of policy written or a fee  
 1490 equal to the usual and customary commission of the corporation;  
 1491 or

1492 (B) Offer to allow the producing agent of record to  
 1493 continue servicing the policy for at least 1 year and offer to  
 1494 pay the agent the greater of the insurer's or the corporation's  
 1495 usual and customary commission for the type of policy written.

1496  
 1497 If the producing agent is unwilling or unable to accept  
 1498 appointment, the new insurer shall pay the agent in accordance  
 1499 with sub-sub-sub-subparagraph (A).

1500 c. For purposes of determining comparable coverage under

1501 sub-subparagraphs a. and b., the comparison must be based on  
1502 those forms and coverages that are reasonably comparable. The  
1503 corporation may rely on a determination of comparable coverage  
1504 and premium made by the producing agent who submits the  
1505 application to the corporation, made in the agent's capacity as  
1506 the corporation's agent. For purposes of comparing the premium  
1507 for comparable coverage under sub-subparagraphs a. and b.,  
1508 premium includes any surcharge or assessment that is actually  
1509 applied to such policy. A comparison may be made solely of the  
1510 premium with respect to the main building or structure only on  
1511 the following basis: the same coverage A or other building  
1512 limits; the same percentage hurricane deductible that applies on  
1513 an annual basis or that applies to each hurricane for commercial  
1514 residential property; the same percentage of ordinance and law  
1515 coverage, if the same limit is offered by both the corporation  
1516 and the authorized insurer; the same mitigation credits, to the  
1517 extent the same types of credits are offered both by the  
1518 corporation and the authorized insurer; the same method for loss  
1519 payment, such as replacement cost or actual cash value, if the  
1520 same method is offered both by the corporation and the  
1521 authorized insurer in accordance with underwriting rules; and  
1522 any other form or coverage that is reasonably comparable as  
1523 determined by the board. If an application is submitted to the  
1524 corporation for wind-only coverage on a risk that is located in  
1525 an area eligible for coverage by the Florida Windstorm

1526 Underwriting Association, as that area was defined on January 1,  
 1527 2002 in the coastal account, the premium for the corporation's  
 1528 wind-only policy plus the premium for the ex-wind policy that is  
 1529 offered by an authorized insurer to the applicant must be  
 1530 compared to the premium for multiperil coverage offered by an  
 1531 authorized insurer, subject to the standards for comparison  
 1532 specified in this subparagraph. If the corporation or the  
 1533 applicant requests from the authorized insurer a breakdown of  
 1534 the premium of the offer by types of coverage so that a  
 1535 comparison may be made by the corporation or its agent and the  
 1536 authorized insurer refuses or is unable to provide such  
 1537 information, the corporation may treat the offer as not being an  
 1538 offer of coverage from an authorized insurer at the insurer's  
 1539 approved rate.

1540         6. Must include rules for classifications of risks and  
 1541 rates.

1542         7. Must provide that if premium and investment income:

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

1550         b. For the Citizens account, if established by the

1551 corporation, which are attributable to a particular calendar  
 1552 year are in excess of projected losses and expenses for the  
 1553 Citizens account attributable to that year, such excess shall be  
 1554 held in surplus in the Citizens account. Such surplus must be  
 1555 available to defray deficits in the Citizens account as to  
 1556 future years and used for that purpose before assessing  
 1557 assessable insurers and assessable insureds as to any calendar  
 1558 year.

1559         8. Must provide objective criteria and procedures to be  
 1560 uniformly applied to all applicants in determining whether an  
 1561 individual risk is so hazardous as to be uninsurable. In making  
 1562 this determination and in establishing the criteria and  
 1563 procedures, the following must be considered:

1564             a. Whether the likelihood of a loss for the individual  
 1565 risk is substantially higher than for other risks of the same  
 1566 class; and

1567             b. Whether the uncertainty associated with the individual  
 1568 risk is such that an appropriate premium cannot be determined.

1569  
 1570 The acceptance or rejection of a risk by the corporation shall  
 1571 be construed as the private placement of insurance, and the  
 1572 provisions of chapter 120 do not apply.

1573         9. Must provide that the corporation make its best efforts  
 1574 to procure catastrophe reinsurance at reasonable rates, to cover  
 1575 its projected 100-year probable maximum loss as determined by

1576 the board of governors. If catastrophe reinsurance is not  
1577 available at reasonable rates, the corporation need not purchase  
1578 it, but the corporation shall include the costs of reinsurance  
1579 to cover its projected 100-year probable maximum loss in its  
1580 rate calculations even if it does not purchase catastrophe  
1581 reinsurance.

1582       10. The policies issued by the corporation must provide  
1583 that if the corporation or the market assistance plan obtains an  
1584 offer from an authorized insurer to cover the risk at its  
1585 approved rates, the risk is no longer eligible for renewal  
1586 through the corporation, except as otherwise provided in this  
1587 subsection.

1588       11. Corporation policies and applications must include a  
1589 notice that the corporation policy could, under this section, be  
1590 replaced with a policy issued by an authorized insurer which  
1591 does not provide coverage identical to the coverage provided by  
1592 the corporation. The notice must also specify that acceptance of  
1593 corporation coverage creates a conclusive presumption that the  
1594 applicant or policyholder is aware of this potential.

1595       12. May establish, subject to approval by the office,  
1596 different eligibility requirements and operational procedures  
1597 for any line or type of coverage for any specified county or  
1598 area if the board determines that such changes are justified due  
1599 to the voluntary market being sufficiently stable and  
1600 competitive in such area or for such line or type of coverage



1601 and that consumers who, in good faith, are unable to obtain  
 1602 insurance through the voluntary market through ordinary methods  
 1603 continue to have access to coverage from the corporation. If  
 1604 coverage is sought in connection with a real property transfer,  
 1605 the requirements and procedures may not provide an effective  
 1606 date of coverage later than the date of the closing of the  
 1607 transfer as established by the transferor, the transferee, and,  
 1608 if applicable, the lender.

1609 13. Must provide that:~~7~~

1610 a. With respect to the coastal account, any assessable  
 1611 insurer with a surplus as to policyholders of \$25 million or  
 1612 less writing 25 percent or more of its total countrywide  
 1613 property insurance premiums in this state may petition the  
 1614 office, within the first 90 days of each calendar year, to  
 1615 qualify as a limited apportionment company. A regular assessment  
 1616 levied by the corporation on a limited apportionment company for  
 1617 a deficit incurred by the corporation for the coastal account  
 1618 may be paid to the corporation on a monthly basis as the  
 1619 assessments are collected by the limited apportionment company  
 1620 from its insureds, but a limited apportionment company must  
 1621 begin collecting the regular assessments not later than 90 days  
 1622 after the regular assessments are levied by the corporation, and  
 1623 the regular assessments must be paid in full within 15 months  
 1624 after being levied by the corporation. A limited apportionment  
 1625 company shall collect from its policyholders any emergency

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1626 assessment imposed under sub-subparagraph (b) 3.e. ~~(b) 3.d.~~ The  
1627 plan must provide that, if the office determines that any  
1628 regular assessment will result in an impairment of the surplus  
1629 of a limited apportionment company, the office may direct that  
1630 all or part of such assessment be deferred as provided in  
1631 subparagraph (q)4. However, an emergency assessment to be  
1632 collected from policyholders under sub-subparagraph (b) 3.e.  
1633 ~~(b) 3.d.~~ may not be limited or deferred; or

1634 b. With respect to the Citizens account, if established by  
1635 the corporation pursuant to sub-subparagraph (b) 2.b., any  
1636 assessable insurer with a surplus as to policyholders of \$25  
1637 million or less and writing 25 percent or more of its total  
1638 countrywide property insurance premiums in this state may  
1639 petition the office, within the first 90 days of each calendar  
1640 year, to qualify as a limited apportionment company. A limited  
1641 apportionment company shall collect from its policyholders any  
1642 emergency assessment imposed under sub-subparagraph (b) 5.c. An  
1643 emergency assessment to be collected from policyholders under  
1644 sub-subparagraph (b) 5.c. may not be limited or deferred.

1645 14. Must provide that the corporation appoint as its  
1646 licensed agents only those agents who throughout such  
1647 appointments also hold an appointment as defined in s. 626.015  
1648 by an insurer who is authorized to write and is actually writing  
1649 or renewing personal lines residential property coverage,  
1650 commercial residential property coverage, or commercial

1651 nonresidential property coverage within the state.

1652 15. Must provide a premium payment plan option to its  
 1653 policyholders which, at a minimum, allows for quarterly and  
 1654 semiannual payment of premiums. A monthly payment plan may, but  
 1655 is not required to, be offered.

1656 16. Must limit coverage on mobile homes or manufactured  
 1657 homes built before 1994 to actual cash value of the dwelling  
 1658 rather than replacement costs of the dwelling.

1659 17. Must provide coverage for manufactured or mobile home  
 1660 dwellings. Such coverage must also include the following  
 1661 attached structures:

1662 a. Screened enclosures that are aluminum framed or  
 1663 screened enclosures that are not covered by the same or  
 1664 substantially the same materials as those of the primary  
 1665 dwelling;

1666 b. Carports that are aluminum or carports that are not  
 1667 covered by the same or substantially the same materials as those  
 1668 of the primary dwelling; and

1669 c. Patios that have a roof covering that is constructed of  
 1670 materials that are not the same or substantially the same  
 1671 materials as those of the primary dwelling.

1672  
 1673 The corporation shall make available a policy for mobile homes  
 1674 or manufactured homes for a minimum insured value of at least  
 1675 \$3,000.

1676 18. May provide such limits of coverage as the board  
 1677 determines, consistent with the requirements of this subsection.

1678 19. May require commercial property to meet specified  
 1679 hurricane mitigation construction features as a condition of  
 1680 eligibility for coverage.

1681 20. Must provide that new or renewal policies issued by  
 1682 the corporation on or after January 1, 2012, which cover  
 1683 sinkhole loss do not include coverage for any loss to  
 1684 appurtenant structures, driveways, sidewalks, decks, or patios  
 1685 that are directly or indirectly caused by sinkhole activity. The  
 1686 corporation shall exclude such coverage using a notice of  
 1687 coverage change, which may be included with the policy renewal,  
 1688 and not by issuance of a notice of nonrenewal of the excluded  
 1689 coverage upon renewal of the current policy.

1690 21.a. As of January 1, 2012, unless the Citizens account  
 1691 has been established pursuant to sub-subparagraph (b)2.b., must  
 1692 require that the agent obtain from an applicant for coverage  
 1693 from the corporation an acknowledgment signed by the applicant,  
 1694 which includes, at a minimum, the following statement:

1695  
 1696 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE  
 1697 AND ASSESSMENT LIABILITY:

1698  
 1699 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
 1700 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A

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1701 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
1702 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
1703 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE  
1704 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT  
1705 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
1706 LEGISLATURE.

1707 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER  
1708 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,  
1709 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO  
1710 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN  
1711 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE  
1712 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES  
1713 ARE REGULATED AND APPROVED BY THE STATE.

1714 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
1715 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
1716 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
1717 FLORIDA LEGISLATURE.

1718 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE  
1719 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
1720 STATE OF FLORIDA.

1721  
1722 b. The corporation must require, if it has established the  
1723 Citizens account pursuant to sub-subparagraph (b)2.b., that the  
1724 agent obtain from an applicant for coverage from the corporation  
1725 the following acknowledgment signed by the applicant, which

1726 includes, at a minimum, the following statement:

1727

1728 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE

1729 AND ASSESSMENT LIABILITY:

1730

1731 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
1732 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
1733 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
1734 MY POLICY COULD BE SUBJECT TO SURCHARGES AND ASSESSMENTS, WHICH  
1735 WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR  
1736 TERMINATION OF THE POLICY, AND THAT THE SURCHARGES AND  
1737 ASSESSMENTS COULD BE AS HIGH AS 25 PERCENT OF MY PREMIUM, OR A  
1738 DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.

1739 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER  
1740 SURCHARGE, WHICH COULD BE AS HIGH AS 15 PERCENT OF MY PREMIUM,  
1741 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO  
1742 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN  
1743 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE  
1744 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES  
1745 ARE REGULATED AND APPROVED BY THE STATE.

1746 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
1747 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
1748 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
1749 FLORIDA LEGISLATURE.

1750 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE

1751 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
1752 STATE OF FLORIDA.

1753  
1754 ~~c.a.~~ The corporation shall maintain, in electronic format  
1755 or otherwise, a copy of the applicant's signed acknowledgment  
1756 and provide a copy of the statement to the policyholder as part  
1757 of the first renewal after the effective date of sub-  
1758 subparagraph a. or sub-subparagraph b., as applicable ~~this~~  
1759 ~~subparagraph.~~

1760 ~~d.b.~~ The signed acknowledgment form creates a conclusive  
1761 presumption that the policyholder understood and accepted his or  
1762 her potential surcharge and assessment liability as a  
1763 policyholder of the corporation.

1764 (n)1. Rates for coverage provided by the corporation must  
1765 be actuarially sound pursuant ~~and subject~~ to s. 627.062 and not  
1766 competitive with approved rates charged in the admitted  
1767 voluntary market so that the corporation functions as a residual  
1768 market mechanism to provide insurance only when insurance cannot  
1769 be procured in the voluntary market, except as otherwise  
1770 provided in this paragraph. The office shall provide the  
1771 corporation such information as would be necessary to determine  
1772 whether rates are competitive. The corporation shall file its  
1773 recommended rates with the office at least annually. The  
1774 corporation shall provide any additional information regarding  
1775 the rates which the office requires. The office shall consider

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1776 the recommendations of the board and issue a final order  
1777 establishing the rates for the corporation within 45 days after  
1778 the recommended rates are filed. The corporation may not pursue  
1779 an administrative challenge or judicial review of the final  
1780 order of the office.

1781 2. In addition to the rates otherwise determined pursuant  
1782 to this paragraph, the corporation shall impose and collect an  
1783 amount equal to the premium tax provided in s. 624.509 to  
1784 augment the financial resources of the corporation.

1785 3. After the public hurricane loss-projection model under  
1786 s. 627.06281 has been found to be accurate and reliable by the  
1787 Florida Commission on Hurricane Loss Projection Methodology, the  
1788 model shall be considered when establishing the windstorm  
1789 portion of the corporation's rates. The corporation may use the  
1790 public model results in combination with the results of private  
1791 models to calculate rates for the windstorm portion of the  
1792 corporation's rates. This subparagraph does not require or allow  
1793 the corporation to adopt rates lower than the rates otherwise  
1794 required or allowed by this paragraph.

1795 4. The corporation must make a recommended actuarially  
1796 sound rate filing for each personal and commercial line of  
1797 business it writes.

1798 5. Notwithstanding the board's recommended rates and the  
1799 office's final order regarding the corporation's filed rates  
1800 under subparagraph 1., the corporation shall annually implement



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1801 a rate increase which, except for sinkhole coverage, does not  
1802 exceed the following for any single policy issued by the  
1803 corporation, excluding coverage changes and surcharges:

1804 a. ~~Eleven percent for 2022.~~

1805 ~~b.~~ Twelve percent for 2023.

1806 b.e. Thirteen percent for 2024.

1807 c.d. Fourteen percent for 2025.

1808 d.e. Fifteen percent for 2026 and all subsequent years.

1809 6. The corporation may also implement an increase to  
1810 reflect the effect on the corporation of the cash buildup factor  
1811 pursuant to s. 215.555(5) (b).

1812 7. The corporation's implementation of rates as prescribed  
1813 in subparagraphs 5. and 8. ~~subparagraph 5.~~ shall cease for any  
1814 line of business written by the corporation upon the  
1815 corporation's implementation of actuarially sound rates.

1816 Thereafter, the corporation shall annually make a recommended  
1817 actuarially sound rate filing that is not competitive with  
1818 approved rates in the admitted voluntary market for each

1819 commercial and personal line of business the corporation writes.

1820 8. For any new or renewal personal lines policy written on  
1821 or after November 1, 2023, which does not cover a primary  
1822 residence, the rate to be applied in calculating premium is not  
1823 subject to the rate increase limitations in subparagraph 5.

1824 However, the policyholder may not be charged more than 50

1825 percent above, and may not be charged less than, the established

1826 rate for the corporation which was in effect 1 year before the  
1827 date of the application.

1828 9. As used in this paragraph, the term "primary residence"  
1829 means the dwelling that is the policyholder's primary home or is  
1830 a rental property that is the primary home of the tenant, and  
1831 which the policyholder or tenant occupies for more than 9 months  
1832 of each year.

1833 (o) If coverage in an account, or the Citizens account if  
1834 established by the corporation, is deactivated pursuant to  
1835 paragraph (p), coverage through the corporation shall be  
1836 reactivated by order of the office only under one of the  
1837 following circumstances:

1838 1. If the market assistance plan receives a minimum of 100  
1839 applications for coverage within a 3-month period, or 200  
1840 applications for coverage within a 1-year period or less for  
1841 residential coverage, unless the market assistance plan provides  
1842 a quotation from admitted carriers at their filed rates for at  
1843 least 90 percent of such applicants. Any market assistance plan  
1844 application that is rejected because an individual risk is so  
1845 hazardous as to be uninsurable using the criteria specified in  
1846 subparagraph (c)8. shall not be included in the minimum  
1847 percentage calculation provided herein. In the event that there  
1848 is a legal or administrative challenge to a determination by the  
1849 office that the conditions of this subparagraph have been met  
1850 for eligibility for coverage in the corporation, any eligible

1851 risk may obtain coverage during the pendency of such challenge.

1852 2. In response to a state of emergency declared by the  
 1853 Governor under s. 252.36, the office may activate coverage by  
 1854 order for the period of the emergency upon a finding by the  
 1855 office that the emergency significantly affects the availability  
 1856 of residential property insurance.

1857 (p)1. The corporation shall file with the office quarterly  
 1858 statements of financial condition, an annual statement of  
 1859 financial condition, and audited financial statements in the  
 1860 manner prescribed by law. In addition, the corporation shall  
 1861 report to the office monthly on the types, premium, exposure,  
 1862 and distribution by county of its policies in force, and shall  
 1863 submit other reports as the office requires to carry out its  
 1864 oversight of the corporation.

1865 2. The activities of the corporation shall be reviewed at  
 1866 least annually by the office to determine whether coverage shall  
 1867 be deactivated in an account, or in the Citizens account if  
 1868 established by the corporation, on the basis that the conditions  
 1869 giving rise to its activation no longer exist.

1870 (q)1. The corporation shall certify to the office its  
 1871 needs for annual assessments as to a particular calendar year,  
 1872 and for any interim assessments that it deems to be necessary to  
 1873 sustain operations as to a particular year pending the receipt  
 1874 of annual assessments. Upon verification, the office shall  
 1875 approve such certification, and the corporation shall levy such

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1876 annual or interim assessments. Such assessments shall be  
1877 prorated, if authority to levy exists, as provided in paragraph  
1878 (b). The corporation shall take all reasonable and prudent steps  
1879 necessary to collect the amount of assessments due from each  
1880 assessable insurer, including, if prudent, filing suit to  
1881 collect the assessments, and the office may provide such  
1882 assistance to the corporation it deems appropriate. If the  
1883 corporation is unable to collect an assessment from any  
1884 assessable insurer, the uncollected assessments shall be levied  
1885 as an additional assessment against the assessable insurers and  
1886 any assessable insurer required to pay an additional assessment  
1887 as a result of such failure to pay shall have a cause of action  
1888 against such nonpaying assessable insurer. Assessments shall be  
1889 included as an appropriate factor in the making of rates. The  
1890 failure of a surplus lines agent to collect and remit any  
1891 regular or emergency assessment levied by the corporation is  
1892 considered to be a violation of s. 626.936 and subjects the  
1893 surplus lines agent to the penalties provided in that section.

1894 2. The governing body of any unit of local government, any  
1895 residents of which are insured by the corporation, may issue  
1896 bonds as defined in s. 125.013 or s. 166.101 from time to time  
1897 to fund an assistance program, in conjunction with the  
1898 corporation, for the purpose of defraying deficits of the  
1899 corporation. In order to avoid needless and indiscriminate  
1900 proliferation, duplication, and fragmentation of such assistance

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1901 programs, any unit of local government, any residents of which  
 1902 are insured by the corporation, may provide for the payment of  
 1903 losses, regardless of whether or not the losses occurred within  
 1904 or outside of the territorial jurisdiction of the local  
 1905 government. Revenue bonds under this subparagraph may not be  
 1906 issued until validated pursuant to chapter 75, unless a state of  
 1907 emergency is declared by executive order or proclamation of the  
 1908 Governor pursuant to s. 252.36 making such findings as are  
 1909 necessary to determine that it is in the best interests of, and  
 1910 necessary for, the protection of the public health, safety, and  
 1911 general welfare of residents of this state and declaring it an  
 1912 essential public purpose to permit certain municipalities or  
 1913 counties to issue such bonds as will permit relief to claimants  
 1914 and policyholders of the corporation. Any such unit of local  
 1915 government may enter into such contracts with the corporation  
 1916 and with any other entity created pursuant to this subsection as  
 1917 are necessary to carry out this paragraph. Any bonds issued  
 1918 under this subparagraph shall be payable from and secured by  
 1919 moneys received by the corporation from emergency assessments  
 1920 under sub-subparagraph (b)3.e. ~~(b)3.d.~~, and assigned and pledged  
 1921 to or on behalf of the unit of local government for the benefit  
 1922 of the holders of such bonds. The funds, credit, property, and  
 1923 taxing power of the state or of the unit of local government  
 1924 shall not be pledged for the payment of such bonds.

1925 3.a. The corporation shall adopt one or more programs

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1926 | subject to approval by the office for the reduction of both new  
1927 | and renewal writings in the corporation. Beginning January 1,  
1928 | 2008, any program the corporation adopts for the payment of  
1929 | bonuses to an insurer for each risk the insurer removes from the  
1930 | corporation shall comply with s. 627.3511(2) and may not exceed  
1931 | the amount referenced in s. 627.3511(2) for each risk removed.  
1932 | The corporation may consider any prudent and not unfairly  
1933 | discriminatory approach to reducing corporation writings, and  
1934 | may adopt a credit against assessment liability or other  
1935 | liability that provides an incentive for insurers to take risks  
1936 | out of the corporation and to keep risks out of the corporation  
1937 | by maintaining or increasing voluntary writings in counties or  
1938 | areas in which corporation risks are highly concentrated and a  
1939 | program to provide a formula under which an insurer voluntarily  
1940 | taking risks out of the corporation by maintaining or increasing  
1941 | voluntary writings will be relieved wholly or partially from  
1942 | assessments under sub-subparagraph (b)3.a. However, any "take-  
1943 | out bonus" or payment to an insurer must be conditioned on the  
1944 | property being insured for at least 5 years by the insurer,  
1945 | unless canceled or nonrenewed by the policyholder. If the policy  
1946 | is canceled or nonrenewed by the policyholder before the end of  
1947 | the 5-year period, the amount of the take-out bonus must be  
1948 | prorated for the time period the policy was insured. When the  
1949 | corporation enters into a contractual agreement for a take-out  
1950 | plan, the producing agent of record of the corporation policy is

1951 | entitled to retain any unearned commission on such policy, and  
 1952 | the insurer shall either:

1953 |       (I) Pay to the producing agent of record of the policy,  
 1954 | for the first year, an amount which is the greater of the  
 1955 | insurer's usual and customary commission for the type of policy  
 1956 | written or a policy fee equal to the usual and customary  
 1957 | commission of the corporation; or

1958 |       (II) Offer to allow the producing agent of record of the  
 1959 | policy to continue servicing the policy for a period of not less  
 1960 | than 1 year and offer to pay the agent the insurer's usual and  
 1961 | customary commission for the type of policy written. If the  
 1962 | producing agent is unwilling or unable to accept appointment by  
 1963 | the new insurer, the new insurer shall pay the agent in  
 1964 | accordance with sub-sub-subparagraph (I).

1965 |       b. Any credit or exemption from regular assessments  
 1966 | adopted under this subparagraph shall last no longer than the 3  
 1967 | years following the cancellation or expiration of the policy by  
 1968 | the corporation. With the approval of the office, the board may  
 1969 | extend such credits for an additional year if the insurer  
 1970 | guarantees an additional year of renewability for all policies  
 1971 | removed from the corporation, or for 2 additional years if the  
 1972 | insurer guarantees 2 additional years of renewability for all  
 1973 | policies so removed.

1974 |       c. There shall be no credit, limitation, exemption, or  
 1975 | deferment from emergency assessments to be collected from

1976 | policyholders pursuant to sub-subparagraph (b)3.e. or sub-  
 1977 | subparagraph (b)5.c. ~~(b)3.d.~~

1978 |         4. The plan shall provide for the deferment, in whole or  
 1979 | in part, of the assessment of an assessable insurer, other than  
 1980 | an emergency assessment collected from policyholders pursuant to  
 1981 | sub-subparagraph (b)3.e. or sub-subparagraph (b)5.c. ~~(b)3.d.~~, if  
 1982 | the office finds that payment of the assessment would endanger  
 1983 | or impair the solvency of the insurer. In the event an  
 1984 | assessment against an assessable insurer is deferred in whole or  
 1985 | in part, the amount by which such assessment is deferred may be  
 1986 | assessed against the other assessable insurers in a manner  
 1987 | consistent with the basis for assessments set forth in paragraph  
 1988 | (b).

1989 |         5. Effective July 1, 2007, in order to evaluate the costs  
 1990 | and benefits of approved take-out plans, if the corporation pays  
 1991 | a bonus or other payment to an insurer for an approved take-out  
 1992 | plan, it shall maintain a record of the address or such other  
 1993 | identifying information on the property or risk removed in order  
 1994 | to track if and when the property or risk is later insured by  
 1995 | the corporation.

1996 |         6. Any policy taken out, assumed, or removed from the  
 1997 | corporation is, as of the effective date of the take-out,  
 1998 | assumption, or removal, direct insurance issued by the insurer  
 1999 | and not by the corporation, even if the corporation continues to  
 2000 | service the policies. This subparagraph applies to policies of



2001 the corporation and not policies taken out, assumed, or removed  
 2002 from any other entity.

2003 7. For a policy taken out, assumed, or removed from the  
 2004 corporation, the insurer may, for a period of no more than 3  
 2005 years, continue to use any of the corporation's policy forms or  
 2006 endorsements that apply to the policy taken out, removed, or  
 2007 assumed without obtaining approval from the office for use of  
 2008 such policy form or endorsement.

2009 (v)1. Effective July 1, 2002, policies of the Residential  
 2010 Property and Casualty Joint Underwriting Association become  
 2011 policies of the corporation. All obligations, rights, assets and  
 2012 liabilities of the association, including bonds, note and debt  
 2013 obligations, and the financing documents pertaining to them  
 2014 become those of the corporation as of July 1, 2002. The  
 2015 corporation is not required to issue endorsements or  
 2016 certificates of assumption to insureds during the remaining term  
 2017 of in-force transferred policies.

2018 2. Effective July 1, 2002, policies of the Florida  
 2019 Windstorm Underwriting Association are transferred to the  
 2020 corporation and become policies of the corporation. All  
 2021 obligations, rights, assets, and liabilities of the association,  
 2022 including bonds, note and debt obligations, and the financing  
 2023 documents pertaining to them are transferred to and assumed by  
 2024 the corporation on July 1, 2002. The corporation is not required  
 2025 to issue endorsements or certificates of assumption to insureds

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2026 during the remaining term of in-force transferred policies.

2027 3. The Florida Windstorm Underwriting Association and the  
2028 Residential Property and Casualty Joint Underwriting Association  
2029 shall take all actions necessary to further evidence the  
2030 transfers and provide the documents and instruments of further  
2031 assurance as may reasonably be requested by the corporation for  
2032 that purpose. The corporation shall execute assumptions and  
2033 instruments as the trustees or other parties to the financing  
2034 documents of the Florida Windstorm Underwriting Association or  
2035 the Residential Property and Casualty Joint Underwriting  
2036 Association may reasonably request to further evidence the  
2037 transfers and assumptions, which transfers and assumptions,  
2038 however, are effective on the date provided under this paragraph  
2039 whether or not, and regardless of the date on which, the  
2040 assumptions or instruments are executed by the corporation.  
2041 Subject to the relevant financing documents pertaining to their  
2042 outstanding bonds, notes, indebtedness, or other financing  
2043 obligations, the moneys, investments, receivables, choses in  
2044 action, and other intangibles of the Florida Windstorm  
2045 Underwriting Association shall be credited to the coastal  
2046 account of the corporation, and those of the personal lines  
2047 residential coverage account and the commercial lines  
2048 residential coverage account of the Residential Property and  
2049 Casualty Joint Underwriting Association shall be credited to the  
2050 personal lines account and the commercial lines account,

2051 | respectively, of the corporation.

2052 |         4. Effective July 1, 2002, a new applicant for property  
 2053 | insurance coverage who would otherwise have been eligible for  
 2054 | coverage in the Florida Windstorm Underwriting Association is  
 2055 | eligible for coverage from the corporation as provided in this  
 2056 | subsection.

2057 |         5. The transfer of all policies, obligations, rights,  
 2058 | assets, and liabilities from the Florida Windstorm Underwriting  
 2059 | Association to the corporation and the renaming of the  
 2060 | Residential Property and Casualty Joint Underwriting Association  
 2061 | as the corporation does not affect the coverage with respect to  
 2062 | covered policies as defined in s. 215.555(2)(c) provided to  
 2063 | these entities by the Florida Hurricane Catastrophe Fund. The  
 2064 | coverage provided by the fund to the Florida Windstorm  
 2065 | Underwriting Association based on its exposures as of June 30,  
 2066 | 2002, and each June 30 thereafter, unless the corporation has  
 2067 | established the Citizens account, shall be redesignated as  
 2068 | coverage for the coastal account of the corporation.

2069 | Notwithstanding any other provision of law, the coverage  
 2070 | provided by the fund to the Residential Property and Casualty  
 2071 | Joint Underwriting Association based on its exposures as of June  
 2072 | 30, 2002, and each June 30 thereafter, unless the corporation  
 2073 | has established the Citizens account, shall be transferred to  
 2074 | the personal lines account and the commercial lines account of  
 2075 | the corporation. Notwithstanding any other provision of law, the

2076 | coastal account, unless the corporation has established the  
 2077 | Citizens account, shall be treated, for all Florida Hurricane  
 2078 | Catastrophe Fund purposes, as if it were a separate  
 2079 | participating insurer with its own exposures, reimbursement  
 2080 | premium, and loss reimbursement. Likewise, the personal lines  
 2081 | and commercial lines accounts, unless the corporation has  
 2082 | established the Citizens account, shall be viewed together, for  
 2083 | all fund purposes, as if the two accounts were one and represent  
 2084 | a single, separate participating insurer with its own exposures,  
 2085 | reimbursement premium, and loss reimbursement. The coverage  
 2086 | provided by the fund to the corporation shall constitute and  
 2087 | operate as a full transfer of coverage from the Florida  
 2088 | Windstorm Underwriting Association and Residential Property and  
 2089 | Casualty Joint Underwriting Association to the corporation.

2090 | (w) Notwithstanding any other provision of law:

2091 | 1. The pledge or sale of, the lien upon, and the security  
 2092 | interest in any rights, revenues, or other assets of the  
 2093 | corporation created or purported to be created pursuant to any  
 2094 | financing documents to secure any bonds or other indebtedness of  
 2095 | the corporation shall be and remain valid and enforceable,  
 2096 | notwithstanding the commencement of and during the continuation  
 2097 | of, and after, any rehabilitation, insolvency, liquidation,  
 2098 | bankruptcy, receivership, conservatorship, reorganization, or  
 2099 | similar proceeding against the corporation under the laws of  
 2100 | this state.

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2101           2. The proceeding does not relieve the corporation of its  
2102 obligation, or otherwise affect its ability to perform its  
2103 obligation, to continue to collect, or levy and collect,  
2104 assessments, policyholder surcharges or other surcharges under  
2105 sub-subparagraph (b) 3.j. ~~(b) 3.i.~~, or any other rights, revenues,  
2106 or other assets of the corporation pledged pursuant to any  
2107 financing documents.

2108           3. Each such pledge or sale of, lien upon, and security  
2109 interest in, including the priority of such pledge, lien, or  
2110 security interest, any such assessments, policyholder surcharges  
2111 or other surcharges, or other rights, revenues, or other assets  
2112 which are collected, or levied and collected, after the  
2113 commencement of and during the pendency of, or after, any such  
2114 proceeding shall continue unaffected by such proceeding. As used  
2115 in this subsection, the term "financing documents" means any  
2116 agreement or agreements, instrument or instruments, or other  
2117 document or documents now existing or hereafter created  
2118 evidencing any bonds or other indebtedness of the corporation or  
2119 pursuant to which any such bonds or other indebtedness has been  
2120 or may be issued and pursuant to which any rights, revenues, or  
2121 other assets of the corporation are pledged or sold to secure  
2122 the repayment of such bonds or indebtedness, together with the  
2123 payment of interest on such bonds or such indebtedness, or the  
2124 payment of any other obligation or financial product, as defined  
2125 in the plan of operation of the corporation related to such

2126 | bonds or indebtedness.

2127 |       4. Any such pledge or sale of assessments, revenues,  
2128 | contract rights, or other rights or assets of the corporation  
2129 | shall constitute a lien and security interest, or sale, as the  
2130 | case may be, that is immediately effective and attaches to such  
2131 | assessments, revenues, or contract rights or other rights or  
2132 | assets, whether or not imposed or collected at the time the  
2133 | pledge or sale is made. Any such pledge or sale is effective,  
2134 | valid, binding, and enforceable against the corporation or other  
2135 | entity making such pledge or sale, and valid and binding against  
2136 | and superior to any competing claims or obligations owed to any  
2137 | other person or entity, including policyholders in this state,  
2138 | asserting rights in any such assessments, revenues, or contract  
2139 | rights or other rights or assets to the extent set forth in and  
2140 | in accordance with the terms of the pledge or sale contained in  
2141 | the applicable financing documents, whether or not any such  
2142 | person or entity has notice of such pledge or sale and without  
2143 | the need for any physical delivery, recordation, filing, or  
2144 | other action.

2145 |       5. As long as the corporation has any bonds outstanding,  
2146 | the corporation may not file a voluntary petition under chapter  
2147 | 9 of the federal Bankruptcy Code or such corresponding chapter  
2148 | or sections as may be in effect, from time to time, and a public  
2149 | officer or any organization, entity, or other person may not  
2150 | authorize the corporation to be or become a debtor under chapter

2151 9 of the federal Bankruptcy Code or such corresponding chapter  
2152 or sections as may be in effect, from time to time, during any  
2153 such period.

2154 6. If ordered by a court of competent jurisdiction, the  
2155 corporation may assume policies or otherwise provide coverage  
2156 for policyholders of an insurer placed in liquidation under  
2157 chapter 631, under such forms, rates, terms, and conditions as  
2158 the corporation deems appropriate, subject to approval by the  
2159 office.

2160 (aa) Except as otherwise provided in this paragraph, the  
2161 corporation shall ~~not~~ require the securing and maintaining of  
2162 flood insurance as a condition of coverage of a personal lines  
2163 residential risk. ~~if~~ The insured or applicant must execute  
2164 ~~executes~~ a form approved by the office affirming that flood  
2165 insurance is not provided by the corporation and that if flood  
2166 insurance is not secured by the applicant or insured from an  
2167 insurer other than the corporation and in addition to coverage  
2168 by the corporation, the risk will not be eligible for coverage  
2169 by the corporation covered for flood damage. ~~A corporation~~  
2170 ~~policyholder electing not to secure flood insurance and~~  
2171 ~~executing a form as provided herein making a claim for water~~  
2172 ~~damage against the corporation shall have the burden of proving~~  
2173 ~~the damage was not caused by flooding. Notwithstanding other~~  
2174 ~~provisions of this subsection,~~ The corporation may deny coverage  
2175 of a personal lines residential risk to an applicant or insured

2176 | who refuses to secure and maintain flood insurance ~~execute the~~  
 2177 | ~~form described herein.~~ The requirement to purchase flood  
 2178 | insurance shall be implemented as follows:

2179 | 1. Except as provided in subparagraphs 2. and 3., all  
 2180 | personal lines residential policyholders must have flood  
 2181 | coverage in place for policies effective on or after:

2182 | a. January 1, 2024, for property valued at \$600,000 or  
 2183 | more.

2184 | b. January 1, 2025, for property valued at \$500,000 or  
 2185 | more.

2186 | c. January 1, 2026, for property valued at \$400,000 or  
 2187 | more.

2188 | d. January 1, 2027, for all other personal lines  
 2189 | residential property insured by the corporation.

2190 | 2. All personal lines residential policyholders whose  
 2191 | property insured by the corporation is located within the  
 2192 | special flood hazard area defined by the Federal Emergency  
 2193 | Management Agency must have flood coverage in place:

2194 | a. At the time of initial policy issuance for all new  
 2195 | personal lines residential policies issued by the corporation on  
 2196 | or after April 1, 2023.

2197 | b. By the time of the policy renewal for all personal  
 2198 | lines residential policies renewing on or after July 1, 2023.

2199 | 3. Policyholders whose policies issued by the corporation  
 2200 | do not provide coverage for the peril of wind are not required



2201 to purchase flood insurance as a condition for maintaining their  
 2202 policies with the corporation.

2203  
 2204 The flood insurance required under this paragraph must meet, at  
 2205 a minimum, the coverage available from the National Flood  
 2206 Insurance Program or the requirements of subparagraphs s.  
 2207 627.715(1) (a)1., 2., and 3.

2208 (ii) The corporation shall revise the programs adopted  
 2209 pursuant to sub-subparagraph (q)3.a. for personal lines  
 2210 residential policies to maximize policyholder options and  
 2211 encourage increased participation by insurers and agents. After  
 2212 January 1, 2017, a policy may not be taken out of the  
 2213 corporation unless the provisions of this paragraph are met.

2214 1. The corporation must publish a periodic schedule of  
 2215 cycles during which an insurer may identify, and notify the  
 2216 corporation of, policies that the insurer is requesting to take  
 2217 out. A request must include a description of the coverage  
 2218 offered and an estimated premium and must be submitted to the  
 2219 corporation in a form and manner prescribed by the corporation.

2220 2. The corporation must maintain and make available to the  
 2221 agent of record a consolidated list of all insurers requesting  
 2222 to take out a policy. The list must include a description of the  
 2223 coverage offered and the estimated premium for each take-out  
 2224 request.

2225 3. If a policyholder receives a take-out offer from an

2226 authorized insurer, the risk is no longer eligible for coverage  
 2227 with the corporation unless the premium for coverage from the  
 2228 authorized insurer is more 20 percent greater than the renewal  
 2229 premium for comparable coverage from the corporation pursuant to  
 2230 sub-subparagraph (c)5.c. This subparagraph applies to take-out  
 2231 offers that are part of an application to participate in  
 2232 depopulation submitted to the office on or after January 1,  
 2233 2023.

2234 4. The corporation must provide written notice to the  
 2235 policyholder and the agent of record regarding all insurers  
 2236 requesting to take out the policy ~~and regarding the~~  
 2237 ~~policyholder's option to accept a take-out offer or to reject~~  
 2238 ~~all take-out offers and to remain with the corporation.~~ The  
 2239 notice must be in a format prescribed by the corporation and  
 2240 include, for each take-out offer:

- 2241 a. The amount of the estimated premium;
- 2242 b. A description of the coverage; and
- 2243 c. A comparison of the estimated premium and coverage  
 2244 offered by the insurer to the estimated premium and coverage  
 2245 provided by the corporation.

2246 (kk) A corporation policyholder making a claim for water  
 2247 damage against the corporation has the burden of proving that  
 2248 the damage was not caused by flooding.

2249 Section 9. Paragraph (s) of subsection (6) of section  
 2250 627.351, Florida Statutes, is amended to read:

2251 | 627.351 Insurance risk apportionment plans.—  
 2252 | (6) CITIZENS PROPERTY INSURANCE CORPORATION.—  
 2253 | (s)1. There shall be no liability on the part of, and no  
 2254 | cause of action of any nature shall arise against, any  
 2255 | assessable insurer or its agents or employees, the corporation  
 2256 | or its agents or employees, members of the board of governors or  
 2257 | their respective designees at a board meeting, corporation  
 2258 | committee members, or the office or its representatives, for any  
 2259 | action taken by them in the performance of their duties or  
 2260 | responsibilities under this subsection. Such immunity does not  
 2261 | apply to:  
 2262 |     a. Any of the foregoing persons or entities for any  
 2263 | willful tort;  
 2264 |     b. The corporation or its producing agents for breach of  
 2265 | any contract or agreement pertaining to insurance coverage;  
 2266 |     c. The corporation with respect to issuance or payment of  
 2267 | debt;  
 2268 |     d. Any assessable insurer with respect to any action to  
 2269 | enforce an assessable insurer's obligations to the corporation  
 2270 | under this subsection; or  
 2271 |     e. The corporation in any pending or future action for  
 2272 | breach of contract or for benefits under a policy issued by the  
 2273 | corporation; ~~in any such action, the corporation shall be liable~~  
 2274 | ~~to the policyholders and beneficiaries for attorney's fees under~~  
 2275 | ~~s. 627.428.~~

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2276           2. The corporation shall manage its claim employees,  
 2277 independent adjusters, and others who handle claims to ensure  
 2278 they carry out the corporation's duty to its policyholders to  
 2279 handle claims carefully, timely, diligently, and in good faith,  
 2280 balanced against the corporation's duty to the state to manage  
 2281 its assets responsibly to minimize its assessment potential.

2282           Section 10. Paragraphs (b) and (c) of subsection (3) and  
 2283 paragraphs (d), (e), and (f) of subsection (6) of section  
 2284 627.3511, Florida Statutes, are amended to read:

2285           627.3511 Depopulation of Citizens Property Insurance  
 2286 Corporation.—

2287           (3) EXEMPTION FROM DEFICIT ASSESSMENTS.—

2288           (b) An insurer that first wrote personal lines residential  
 2289 property coverage in this state on or after July 1, 1994, is  
 2290 exempt from regular deficit assessments imposed pursuant to s.  
 2291 627.351(6)(b)3.a., but not emergency assessments collected from  
 2292 policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~  
 2293 ~~627.351(6)(b)3.d.~~, of the Citizens Property Insurance  
 2294 Corporation until the earlier of the following:

2295           1. The end of the calendar year in which it first wrote  
 2296 0.5 percent or more of the statewide aggregate direct written  
 2297 premium for any line of residential property coverage; or

2298           2. December 31, 1997, or December 31 of the third year in  
 2299 which it wrote such coverage in this state, whichever is later.

2300           (c) Other than an insurer that is exempt under paragraph

2301 (b), an insurer that in any calendar year increases its total  
 2302 structure exposure subject to wind coverage by 25 percent or  
 2303 more over its exposure for the preceding calendar year is, with  
 2304 respect to that year, exempt from deficit assessments imposed  
 2305 pursuant to s. 627.351(6)(b)3.a., but not emergency assessments  
 2306 collected from policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~  
 2307 ~~627.351(6)(b)3.d.~~, of the Citizens Property Insurance  
 2308 Corporation attributable to such increase in exposure.

2309 (6) COMMERCIAL RESIDENTIAL TAKE-OUT PLANS.—

2310 (d) The calculation of an insurer's regular assessment  
 2311 liability under s. 627.351(6)(b)3.a., but not emergency  
 2312 assessments collected from policyholders pursuant to s.  
 2313 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, shall, with respect to  
 2314 commercial residential policies removed from the corporation  
 2315 under an approved take-out plan, exclude such removed policies  
 2316 for the succeeding 3 years, as follows:

2317 1. In the first year following removal of the policies,  
 2318 the policies are excluded from the calculation to the extent of  
 2319 100 percent.

2320 2. In the second year following removal of the policies,  
 2321 the policies are excluded from the calculation to the extent of  
 2322 75 percent.

2323 3. In the third year following removal of the policies,  
 2324 the policies are excluded from the calculation to the extent of  
 2325 50 percent.

2326 (e) An insurer that first wrote commercial residential  
 2327 property coverage in this state on or after June 1, 1996, is  
 2328 exempt from regular assessments under s. 627.351(6)(b)3.a., but  
 2329 not emergency assessments collected from policyholders pursuant  
 2330 to s. 627.351(6)(b)3.e. ~~s. 627.351(6)(b)3.d.~~, with respect to  
 2331 commercial residential policies until the earlier of:

2332 1. The end of the calendar year in which such insurer  
 2333 first wrote 0.5 percent or more of the statewide aggregate  
 2334 direct written premium for commercial residential property  
 2335 coverage; or

2336 2. December 31 of the third year in which such insurer  
 2337 wrote commercial residential property coverage in this state.

2338 (f) An insurer that is not otherwise exempt from regular  
 2339 assessments under s. 627.351(6)(b)3.a. with respect to  
 2340 commercial residential policies is, for any calendar year in  
 2341 which such insurer increased its total commercial residential  
 2342 hurricane exposure by 25 percent or more over its exposure for  
 2343 the preceding calendar year, exempt from regular assessments  
 2344 under s. 627.351(6)(b)3.a., but not emergency assessments  
 2345 collected from policyholders pursuant to s. 627.351(6)(b)3.e. ~~s.~~  
 2346 ~~627.351(6)(b)3.d.~~, attributable to such increased exposure.

2347 Section 11. Effective January 1, 2023, subsection (5) of  
 2348 section 627.3518, Florida Statutes, is amended to read:

2349 627.3518 Citizens Property Insurance Corporation  
 2350 policyholder eligibility clearinghouse program.—The purpose of

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2351 | this section is to provide a framework for the corporation to  
 2352 | implement a clearinghouse program by January 1, 2014.  
 2353 |         (5) Notwithstanding s. 627.3517, any applicant for new  
 2354 | coverage from the corporation is not eligible for coverage from  
 2355 | the corporation if provided an offer of coverage from an  
 2356 | authorized insurer through the program at a premium that is at  
 2357 | or below the eligibility threshold for applicants for new  
 2358 | coverage established in s. 627.351(6) (c) 5.a. Whenever an offer  
 2359 | of coverage for a personal lines risk is received for a  
 2360 | policyholder of the corporation at renewal from an authorized  
 2361 | insurer through the program which is at or below the eligibility  
 2362 | threshold for policyholders of the corporation established in s.  
 2363 | 627.351(6) (c) 5.a., if the offer is equal to or less than the  
 2364 | corporation's renewal premium for comparable coverage, the risk  
 2365 | is not eligible for coverage with the corporation. In the event  
 2366 | an offer of coverage for a new applicant is received from an  
 2367 | authorized insurer through the program, and the premium offered  
 2368 | exceeds the eligibility threshold for applicants for new  
 2369 | coverage established ~~contained~~ in s. 627.351(6) (c) 5.a., the  
 2370 | applicant or insured may elect to accept such coverage, or may  
 2371 | elect to accept or continue coverage with the corporation. In  
 2372 | the event an offer of coverage for a personal lines risk is  
 2373 | received from an authorized insurer at renewal through the  
 2374 | program, and the premium offered exceeds the eligibility  
 2375 | threshold for policyholders of the corporation established in s.

2376 ~~627.351(6)(c)5.a. is more than the corporation's renewal premium~~  
 2377 ~~for comparable coverage, the insured may elect to accept such~~  
 2378 ~~coverage, or may elect to accept or continue coverage with the~~  
 2379 ~~corporation. Section 627.351(6)(c)5.a.(I) does not apply to an~~  
 2380 ~~offer of coverage from an authorized insurer obtained through~~  
 2381 ~~the program. An applicant for coverage from the corporation who~~  
 2382 ~~was declared ineligible for coverage at renewal by the~~  
 2383 ~~corporation in the previous 36 months due to an offer of~~  
 2384 ~~coverage pursuant to this subsection shall be considered a~~  
 2385 ~~renewal under this section if the corporation determines that~~  
 2386 ~~the authorized insurer making the offer of coverage pursuant to~~  
 2387 ~~this subsection continues to insure the applicant and increased~~  
 2388 ~~the rate on the policy in excess of the increase allowed for the~~  
 2389 ~~corporation under s. 627.351(6)(n)5.~~

2390 Section 12. Subsection (3) of section 627.410, Florida  
 2391 Statutes, is amended to read:

2392 627.410 Filing, approval of forms.—

2393 (3) The office may, for cause, withdraw a previous  
 2394 approval. No insurer shall issue or use any form disapproved by  
 2395 the office, or as to which the office has withdrawn approval,  
 2396 after the effective date of the order of the office. Based on a  
 2397 finding from a market conduct examination of a property insurer  
 2398 that the insurer has exhibited a pattern or practice of one or  
 2399 more willful unfair insurance trade practice violations with  
 2400 regard to its use of appraisal, the office shall reexamine the



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2401 insurer's property insurance policy forms that contain an  
 2402 appraisal clause, and the office may:

2403 (a) Withdraw approval of the forms, if warranted by the  
 2404 Florida Insurance Code.

2405 (b) In addition to any regulatory action under ss. 624.418  
 2406 and 624.4211, issue an order prohibiting the insurer from  
 2407 invoking appraisal for up to 2 years.

2408 Section 13. Subsections (1) and (4) of section 627.428,  
 2409 Florida Statutes, are amended to read:

2410 627.428 Attorney fees.—

2411 (1) Except as provided in subsection (4), upon the  
 2412 rendition of a judgment or decree by any of the courts of this  
 2413 state against an insurer and in favor of any named or omnibus  
 2414 insured or the named beneficiary under a policy or contract  
 2415 executed by the insurer, the trial court or, in the event of an  
 2416 appeal in which the insured or beneficiary prevails, the  
 2417 appellate court shall adjudge or decree against the insurer and  
 2418 in favor of the insured or beneficiary a reasonable sum as fees  
 2419 or compensation for the insured's or beneficiary's attorney  
 2420 prosecuting the suit in which the recovery is had. ~~In a suit~~  
 2421 ~~arising under a residential or commercial property insurance~~  
 2422 ~~policy, the amount of reasonable attorney fees shall be awarded~~  
 2423 ~~only as provided in s. 57.105 or s. 627.70152, as applicable.~~

2424 (4) In a suit arising under a residential or commercial  
 2425 property insurance policy, there is no ~~the~~ right to attorney

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2426 | fees under this section ~~may not be transferred to, assigned to,~~  
 2427 | ~~or acquired in any other manner by anyone other than a named or~~  
 2428 | ~~omnibus insured or a named beneficiary.~~

2429 | Section 14. Paragraph (b) of subsection (4) of section  
 2430 | 627.7011, Florida Statutes, is amended to read:

2431 | 627.7011 Homeowners' policies; offer of replacement cost  
 2432 | coverage and law and ordinance coverage.—

2433 | (4)

2434 | (b) An insurer that issues a homeowner's insurance policy  
 2435 | that does not provide flood insurance coverage must include on  
 2436 | the policy declarations page with the policy documents at  
 2437 | initial issuance and every renewal, in bold type no smaller than  
 2438 | 18 points, the following statement:

2440 | "FLOOD INSURANCE: YOU SHOULD ~~MAY ALSO NEED TO~~ CONSIDER  
 2441 | THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER'S  
 2442 | INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE  
 2443 | RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN  
 2444 | CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD  
 2445 | INSURANCE COVERAGE, YOUR ~~YOU MAY HAVE~~ UNCOVERED LOSSES  
 2446 | CAUSED BY FLOOD ARE NOT COVERED. PLEASE DISCUSS THE  
 2447 | NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE  
 2448 | WITH YOUR INSURANCE AGENT."

2449 |  
 2450 | Section 15. Effective March 1, 2023, present subsection

2451 (8) of section 627.70131, Florida Statutes, is redesignated as  
 2452 subsection (9), a new subsection (8) is added to that section,  
 2453 and paragraph (a) of subsection (1), subsections (3), (4), and  
 2454 (5), and paragraph (a) of subsection (7) of that section are  
 2455 amended, to read:

2456 627.70131 Insurer's duty to acknowledge communications  
 2457 regarding claims; investigation.—

2458 (1)(a) Upon an insurer's receiving a communication with  
 2459 respect to a claim, the insurer shall, within 7 ~~14~~ calendar  
 2460 days, review and acknowledge receipt of such communication  
 2461 unless payment is made within that period of time or unless the  
 2462 failure to acknowledge is caused by factors beyond the control  
 2463 of the insurer ~~which reasonably prevent such acknowledgment~~. If  
 2464 the acknowledgment is not in writing, a notification indicating  
 2465 acknowledgment shall be made in the insurer's claim file and  
 2466 dated. A communication made to or by a representative of an  
 2467 insurer with respect to a claim shall constitute communication  
 2468 to or by the insurer.

2469 (3)(a) Unless otherwise provided by the policy of  
 2470 insurance or by law, within 7 ~~14~~ days after an insurer receives  
 2471 proof-of-loss statements, the insurer shall begin such  
 2472 investigation as is reasonably necessary unless the failure to  
 2473 begin such investigation is caused by factors beyond the control  
 2474 of the insurer ~~which reasonably prevent the commencement of such~~  
 2475 ~~investigation~~.

2476 (b) If such investigation involves a physical inspection  
 2477 of the property, the licensed adjuster assigned by the insurer  
 2478 must provide the policyholder with a printed or electronic  
 2479 document containing his or her name and state adjuster license  
 2480 number. ~~For claims other than those subject to a hurricane~~  
 2481 ~~deductible,~~ An insurer must conduct any such physical inspection  
 2482 within 30 ~~45~~ days after its receipt of the proof-of-loss  
 2483 statements.

2484 (c) Any subsequent communication with the policyholder  
 2485 regarding the claim must also include the name and license  
 2486 number of the adjuster communicating about the claim.  
 2487 Communication of the adjuster's name and license number may be  
 2488 included with other information provided to the policyholder.

2489 (d) An insurer may use electronic methods to investigate  
 2490 the loss. Such electronic methods may include any method that  
 2491 provides the insurer with clear, color pictures or video  
 2492 documenting the loss, including, but not limited to, electronic  
 2493 photographs or video recordings of the loss, video conferencing  
 2494 between the adjuster and the policyholder which includes video  
 2495 recording of the loss, and video recordings or photographs of  
 2496 the loss using a drone, driverless vehicle, or other machine  
 2497 that can move independently or through remote control. The  
 2498 insurer also may allow the policyholder to use such methods to  
 2499 assist in the investigation of the loss. An insurer may void the  
 2500 insurance policy if the policyholder or any other person at the

2501 direction of the policyholder, with intent to injure, defraud,  
 2502 or deceive any insurer, commits insurance fraud by providing  
 2503 false, incomplete, or misleading information concerning any fact  
 2504 or thing material to a claim using electronic methods. The use  
 2505 of electronic methods to investigate the loss does not prohibit  
 2506 an insurer from assigning a licensed adjuster to physically  
 2507 inspect the property.

2508 (e) Within 7 days after the insurer's assignment of an  
 2509 adjuster to the claim, The insurer must send notify the  
 2510 policyholder that he or she may request a copy of any detailed  
 2511 estimate of the amount of the loss within 7 days after the  
 2512 estimate is generated by an insurer's adjuster. After receiving  
 2513 such a request from the policyholder, the insurer must send any  
 2514 such detailed estimate to the policyholder within the later of 7  
 2515 days after the insurer received the request or 7 days after the  
 2516 detailed estimate of the amount of the loss is completed. This  
 2517 paragraph does not require that an insurer create a detailed  
 2518 estimate of the amount of the loss if such estimate is not  
 2519 reasonably necessary as part of the claim investigation.

2520 (4) An insurer shall maintain:

2521 (a) A record or log of each adjuster who communicates with  
 2522 the policyholder as provided in paragraphs (3)(b) and (c) and  
 2523 provide a list of such adjusters to the insured, office, or  
 2524 department upon request.

2525 (b) Claim records, including dates, of:

- 2526        1. Any claim-related communication made between the  
 2527 insurer and the policyholder or the policyholder's  
 2528 representative;
- 2529        2. The insurer's receipt of the policyholder's proof of  
 2530 loss statement;
- 2531        3. Any claim-related request for information made by the  
 2532 insurer to the policyholder or the policyholder's  
 2533 representative;
- 2534        4. Any claim-related inspections of the property made by  
 2535 the insurer, including physical inspections and inspections made  
 2536 by electronic means;
- 2537        5. Any detailed estimate of the amount of the loss  
 2538 generated by the insurer's adjuster;
- 2539        6. The beginning and end of any tolling period provided  
 2540 for in subsection (8); and
- 2541        7. The insurer's payment or denial of the claim.
- 2542        (5) For purposes of this section, the term:
- 2543        (a) "Factors beyond the control of the insurer" means:
- 2544        1. Any of the following events that is the basis for the  
 2545 office issuing an order finding that such event renders all or  
 2546 specified residential property insurers reasonably unable to  
 2547 meet the requirements of this section in specified locations and  
 2548 ordering that such insurer or insurers may have additional time  
 2549 as specified by the office to comply with the requirements of  
 2550 this section: a state of emergency declared by the Governor

2551 under s. 252.36, a breach of security that must be reported  
 2552 under s. 501.171(3), or an information technology issue. The  
 2553 office may not extend the period for payment or denial of a  
 2554 claim for more than 30 additional days.

2555 2. Actions by the policyholder or the policyholder's  
 2556 representative which constitute fraud, lack of cooperation, or  
 2557 intentional misrepresentation regarding the claim for which  
 2558 benefits are owed when such actions reasonably prevent the  
 2559 insurer from complying with any requirement of this section.

2560 (b) "Insurer" means any residential property insurer.

2561 (7)(a) Within 60 ~~90~~ days after an insurer receives notice  
 2562 of an initial, reopened, or supplemental property insurance  
 2563 claim from a policyholder, the insurer shall pay or deny such  
 2564 claim or a portion of the claim unless the failure to pay is  
 2565 caused by factors beyond the control of the insurer ~~which~~  
 2566 ~~reasonably prevent such payment~~. The insurer shall provide a  
 2567 reasonable explanation in writing to the policyholder of the  
 2568 basis in the insurance policy, in relation to the facts or  
 2569 applicable law, for the payment, denial, or partial denial of a  
 2570 claim. If the insurer's claim payment is less than specified in  
 2571 any insurer's detailed estimate of the amount of the loss, the  
 2572 insurer must provide a reasonable explanation in writing of the  
 2573 difference to the policyholder. Any payment of an initial or  
 2574 supplemental claim or portion of such claim made 60 ~~90~~ days  
 2575 after the insurer receives notice of the claim, or made ~~more~~

2576 ~~than 15 days~~ after the expiration of any additional timeframe  
 2577 provided to pay or deny a claim or a portion of a claim made  
 2578 pursuant to an order of the office finding ~~there are no longer~~  
 2579 factors beyond the control of the insurer ~~which reasonably~~  
 2580 ~~prevented such payment~~, whichever is later, bears interest at  
 2581 the rate set forth in s. 55.03. Interest begins to accrue from  
 2582 the date the insurer receives notice of the claim. The  
 2583 provisions of this subsection may not be waived, voided, or  
 2584 nullified by the terms of the insurance policy. If there is a  
 2585 right to prejudgment interest, the insured must select whether  
 2586 to receive prejudgment interest or interest under this  
 2587 subsection. Interest is payable when the claim or portion of the  
 2588 claim is paid. Failure to comply with this subsection  
 2589 constitutes a violation of this code. However, failure to comply  
 2590 with this subsection does not form the sole basis for a private  
 2591 cause of action.

2592 (8) The requirements of this section are tolled:

2593 (a) During the pendency of any mediation proceeding under  
 2594 s. 627.7015 or any alternative dispute resolution proceeding  
 2595 provided for in the insurance contract. The tolling period ends  
 2596 upon the end of the mediation or alternative dispute resolution  
 2597 proceeding.

2598 (b) Upon the failure of a policyholder or a representative  
 2599 of the policyholder to provide material claims information  
 2600 requested by the insurer within 10 days after the request was



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2601 received. The tolling period ends upon the insurer's receipt of  
 2602 the requested information. Tolling under this paragraph applies  
 2603 only to requests sent by the insurer to the policyholder or a  
 2604 representative of the policyholder at least 15 days before the  
 2605 insurer is required to pay or deny the claim or a portion of the  
 2606 claim under subsection (7).

2607 Section 16. Subsection (2) of section 627.70132, Florida  
 2608 Statutes, is amended to read:

2609 627.70132 Notice of property insurance claim.—

2610 (2) A claim or reopened claim, but not a supplemental  
 2611 claim, under an insurance policy that provides property  
 2612 insurance, as defined in s. 624.604, including a property  
 2613 insurance policy issued by an eligible surplus lines insurer,  
 2614 for loss or damage caused by any peril is barred unless notice  
 2615 of the claim was given to the insurer in accordance with the  
 2616 terms of the policy within 1 year ~~2 years~~ after the date of  
 2617 loss. A supplemental claim is barred unless notice of the  
 2618 supplemental claim was given to the insurer in accordance with  
 2619 the terms of the policy within 18 months ~~3 years~~ after the date  
 2620 of loss.

2621 Section 17. Subsections (1), (2), (6), and (8) of section  
 2622 627.70152, Florida Statutes, are amended to read:

2623 627.70152 Suits arising under a property insurance  
 2624 policy.—

2625 (1) APPLICATION.—This section applies exclusively to all

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2626 suits ~~not brought by an assignee~~ arising under a residential or  
2627 commercial property insurance policy, including a residential or  
2628 commercial property insurance policy issued by an eligible  
2629 surplus lines insurer.

2630 (2) DEFINITIONS.—As used in this section, the term:

2631 (a) ~~"Amount obtained" means damages recovered, if any, but~~  
2632 ~~the term does not include any amount awarded for attorney fees,~~  
2633 ~~costs, or interest.~~

2634 ~~(b)~~ "Claimant" means an insured who is filing suit under a  
2635 residential or commercial property insurance policy.

2636 (b)~~(e)~~ "Disputed amount" means the difference between the  
2637 claimant's presuit settlement demand, not including attorney  
2638 fees and costs listed in the demand, and the insurer's presuit  
2639 settlement offer, not including attorney fees and costs, if part  
2640 of the offer.

2641 (c)~~(d)~~ "Presuit settlement demand" means the demand made  
2642 by the claimant in the written notice of intent to initiate  
2643 litigation as required by paragraph (3)(a). The demand must  
2644 include the amount of reasonable and necessary attorney fees and  
2645 costs incurred by the claimant, to be calculated by multiplying  
2646 the number of hours actually worked on the claim by the  
2647 claimant's attorney as of the date of the notice by a reasonable  
2648 hourly rate.

2649 (d)~~(e)~~ "Presuit settlement offer" means the offer made by  
2650 the insurer in its written response to the notice as required by

2651 subsection (3).

2652 (6) ADMISSIBILITY OF NOTICE AND RESPONSE.—The notice  
 2653 provided pursuant to subsection (3) and, if applicable, the  
 2654 documentation to support the information provided in the notice:

2655 (a) Are not admissible as evidence ~~only~~ in any a  
 2656 proceeding ~~regarding attorney fees~~.

2657 (b) ~~Do not limit the evidence of attorney fees or costs,~~  
 2658 ~~damages, or loss which may be offered at trial.~~

2659 ~~(c)~~ Do not relieve any obligation that an insured or  
 2660 assignee has to give notice under any other provision of law.

2661 ~~(8) ATTORNEY FEES.—~~

2662 ~~(a) In a suit arising under a residential or commercial~~  
 2663 ~~property insurance policy not brought by an assignee, the amount~~  
 2664 ~~of reasonable attorney fees and costs under s. 626.9373(1) or s.~~  
 2665 ~~627.428(1) shall be calculated and awarded as follows:~~

2666 1. ~~If the difference between the amount obtained by the~~  
 2667 ~~claimant and the presuit settlement offer, excluding reasonable~~  
 2668 ~~attorney fees and costs, is less than 20 percent of the disputed~~  
 2669 ~~amount, each party pays its own attorney fees and costs and a~~  
 2670 ~~claimant may not be awarded attorney fees under s. 626.9373(1)~~  
 2671 ~~or s. 627.428(1).~~

2672 2. ~~If the difference between the amount obtained by the~~  
 2673 ~~claimant and the presuit settlement offer, excluding reasonable~~  
 2674 ~~attorney fees and costs, is at least 20 percent but less than 50~~  
 2675 ~~percent of the disputed amount, the insurer pays the claimant's~~

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2676 ~~attorney fees and costs under s. 626.9373(1) or s. 627.428(1)~~  
2677 ~~equal to the percentage of the disputed amount obtained times~~  
2678 ~~the total attorney fees and costs.~~

2679 ~~3. If the difference between the amount obtained by the~~  
2680 ~~claimant and the presuit settlement offer, excluding reasonable~~  
2681 ~~attorney fees and costs, is at least 50 percent of the disputed~~  
2682 ~~amount, the insurer pays the claimant's full attorney fees and~~  
2683 ~~costs under s. 626.9373(1) or s. 627.428(1).~~

2684 ~~(b) In a suit arising under a residential or commercial~~  
2685 ~~property insurance policy not brought by an assignee, if a court~~  
2686 ~~dismisses a claimant's suit pursuant to subsection (5), the~~  
2687 ~~court may not award to the claimant any incurred attorney fees~~  
2688 ~~for services rendered before the dismissal of the suit. When a~~  
2689 ~~claimant's suit is dismissed pursuant to subsection (5), the~~  
2690 ~~court may award to the insurer reasonable attorney fees and~~  
2691 ~~costs associated with securing the dismissal.~~

2692 ~~(c) In awarding attorney fees under this subsection, a~~  
2693 ~~strong presumption is created that a lodestar fee is sufficient~~  
2694 ~~and reasonable. Such presumption may be rebutted only in a rare~~  
2695 ~~and exceptional circumstance with evidence that competent~~  
2696 ~~counsel could not be retained in a reasonable manner.~~

2697 Section 18. Section 627.70154, Florida Statutes, is  
2698 created to read:

2699 627.70154 Mandatory binding arbitration.—A property  
2700 insurance policy issued in this state may not require that a

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2701 policyholder participate in mandatory binding arbitration unless  
2702 all of the following apply:

2703 (1) The mandatory binding arbitration requirements are  
2704 contained in a separate endorsement attached to the property  
2705 insurance policy.

2706 (2) The premium that a policyholder is charged for the  
2707 policy includes an actuarially sound credit or premium discount  
2708 for the mandatory binding arbitration endorsement.

2709 (3) The policyholder signs a form electing to accept  
2710 mandatory binding arbitration. The form must notify the  
2711 policyholder of the rights given up in exchange for the credit  
2712 or premium discount, including, but not limited to, the right to  
2713 a trial by jury.

2714 (4) The endorsement establishes that an insurer will  
2715 comply with the mediation provisions set forth in s. 627.7015  
2716 before the initiation of arbitration.

2717 (5) The insurer also offers the policyholder a policy that  
2718 does not require that the policyholder participate in mandatory  
2719 binding arbitration.

2720 Section 19. Subsections (9), (14), and (15) of section  
2721 627.7074, Florida Statutes, are amended to read:

2722 627.7074 Alternative procedure for resolution of disputed  
2723 sinkhole insurance claims.—

2724 (9) Evidence of an offer to settle a claim during the  
2725 neutral evaluation process, as well as any relevant conduct or

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2726 statements made in negotiations concerning the offer to settle a  
2727 claim, is inadmissible to prove liability or absence of  
2728 liability for the claim or its value, ~~except as provided in~~  
2729 ~~subsection (14).~~

2730 ~~(14) If the neutral evaluator verifies the existence of a~~  
2731 ~~sinkhole that caused structural damage and recommends the need~~  
2732 ~~for and estimates costs of stabilizing the land and any covered~~  
2733 ~~buildings and other appropriate remediation or building repairs~~  
2734 ~~which exceed the amount that the insurer has offered to pay the~~  
2735 ~~policyholder, the insurer is liable to the policyholder for up~~  
2736 ~~to \$2,500 in attorney's fees for the attorney's participation in~~  
2737 ~~the neutral evaluation process. For purposes of this subsection,~~  
2738 ~~the term "offer to pay" means a written offer signed by the~~  
2739 ~~insurer or its legal representative and delivered to the~~  
2740 ~~policyholder within 10 days after the insurer receives notice~~  
2741 ~~that a request for neutral evaluation has been made under this~~  
2742 ~~section.~~

2743 ~~(15)~~ If the insurer timely agrees in writing to comply and  
2744 timely complies with the recommendation of the neutral  
2745 evaluator, but the policyholder declines to resolve the matter  
2746 in accordance with the recommendation of the neutral evaluator  
2747 pursuant to this section:

2748 (a) The insurer is not liable for extracontractual damages  
2749 related to a claim for a sinkhole loss but only as related to  
2750 the issues determined by the neutral evaluation process. This

2751 section does not affect or impair claims for extracontractual  
 2752 damages unrelated to the issues determined by the neutral  
 2753 evaluation process contained in this section; and

2754 (b) The actions of the insurer are not a confession of  
 2755 judgment or admission of liability, ~~and the insurer is not~~  
 2756 ~~liable for attorney's fees under s. 627.428 or other provisions~~  
 2757 ~~of the insurance code unless the policyholder obtains a judgment~~  
 2758 ~~that is more favorable than the recommendation of the neutral~~  
 2759 ~~evaluator.~~

2760 Section 20. Effective March 1, 2023, section 627.7142,  
 2761 Florida Statutes, is amended to read:

2762 627.7142 Homeowner Claims Bill of Rights.—An insurer  
 2763 issuing a personal lines residential property insurance policy  
 2764 in this state must provide a Homeowner Claims Bill of Rights to  
 2765 a policyholder within 14 days after receiving an initial  
 2766 communication with respect to a claim. The purpose of the bill  
 2767 of rights is to summarize, in simple, nontechnical terms,  
 2768 existing Florida law regarding the rights of a personal lines  
 2769 residential property insurance policyholder who files a claim of  
 2770 loss. The Homeowner Claims Bill of Rights is specific to the  
 2771 claims process and does not represent all of a policyholder's  
 2772 rights under Florida law regarding the insurance policy. The  
 2773 Homeowner Claims Bill of Rights does not create a civil cause of  
 2774 action by any individual policyholder or class of policyholders  
 2775 against an insurer or insurers. The failure of an insurer to

2776 properly deliver the Homeowner Claims Bill of Rights is subject  
 2777 to administrative enforcement by the office but is not  
 2778 admissible as evidence in a civil action against an insurer. The  
 2779 Homeowner Claims Bill of Rights does not enlarge, modify, or  
 2780 contravene statutory requirements, including, but not limited  
 2781 to, ss. 626.854, 626.9541, 627.70131, 627.7015, and 627.7074,  
 2782 and does not prohibit an insurer from exercising its right to  
 2783 repair damaged property in compliance with the terms of an  
 2784 applicable policy or ss. 627.7011(6)(e) and 627.702(7). The  
 2785 Homeowner Claims Bill of Rights must state:

2787 HOMEOWNER CLAIMS

2788 BILL OF RIGHTS

2789 This Bill of Rights is specific to the claims process  
 2790 and does not represent all of your rights under  
 2791 Florida law regarding your policy. There are also  
 2792 exceptions to the stated timelines when conditions are  
 2793 beyond your insurance company's control. This document  
 2794 does not create a civil cause of action by an  
 2795 individual policyholder, or a class of policyholders,  
 2796 against an insurer or insurers and does not prohibit  
 2797 an insurer from exercising its right to repair damaged  
 2798 property in compliance with the terms of an applicable  
 2799 policy.

2800



2801 YOU HAVE THE RIGHT TO:

2802 1. Receive from your insurance company an

2803 acknowledgment of your reported claim within 7 ~~14~~ days

2804 after the time you communicated the claim.

2805 2. Upon written request, receive from your insurance

2806 company within 30 days after you have submitted a

2807 complete proof-of-loss statement to your insurance

2808 company, confirmation that your claim is covered in

2809 full, partially covered, or denied, or receive a

2810 written statement that your claim is being

2811 investigated.

2812 3. Receive from your insurance company a copy of any

2813 detailed estimate of the amount of the loss within 7

2814 days after the estimate is generated by the insurance

2815 company's adjuster.

2816 4. Within 60 ~~90~~ days, subject to any dual interest

2817 noted in the policy, receive full settlement payment

2818 for your claim or payment of the undisputed portion of

2819 your claim, or your insurance company's denial of your

2820 claim.

2821 ~~5.4.~~ Receive payment of interest, as provided in s.

2822 627.70131, Florida Statutes, from your insurance

2823 company, which begins accruing from the date your

2824 claim is filed if your insurance company does not pay

2825 full settlement of your initial, reopened, or

2826 supplemental claim or the undisputed portion of your  
 2827 claim or does not deny your claim within 60 ~~90~~ days  
 2828 after your claim is filed. The interest, if  
 2829 applicable, must be paid when your claim or the  
 2830 undisputed portion of your claim is paid.  
 2831 6.5. Free mediation of your disputed claim by the  
 2832 Florida Department of Financial Services, Division of  
 2833 Consumer Services, under most circumstances and  
 2834 subject to certain restrictions.  
 2835 7.6. Neutral evaluation of your disputed claim, if  
 2836 your claim is for damage caused by a sinkhole and is  
 2837 covered by your policy.  
 2838 8.7. Contact the Florida Department of Financial  
 2839 Services, Division of Consumer Services' toll-free  
 2840 helpline for assistance with any insurance claim or  
 2841 questions pertaining to the handling of your claim.  
 2842 You can reach the Helpline by phone at ...(toll-free  
 2843 phone number)..., or you can seek assistance online at  
 2844 the Florida Department of Financial Services, Division  
 2845 of Consumer Services' website at ...(website  
 2846 address)....  
 2847  
 2848 YOU ARE ADVISED TO:  
 2849 1. File all claims directly with your insurance  
 2850 company.

- 2851 2. Contact your insurance company before entering  
 2852 into any contract for repairs to confirm any managed  
 2853 repair policy provisions or optional preferred  
 2854 vendors.
- 2855 3. Make and document emergency repairs that are  
 2856 necessary to prevent further damage. Keep the damaged  
 2857 property, if feasible, keep all receipts, and take  
 2858 photographs or video of damage before and after any  
 2859 repairs to provide to your insurer.
- 2860 4. Carefully read any contract that requires you to  
 2861 pay out-of-pocket expenses or a fee that is based on a  
 2862 percentage of the insurance proceeds that you will  
 2863 receive for repairing or replacing your property.
- 2864 5. Confirm that the contractor you choose is licensed  
 2865 to do business in Florida. You can verify a  
 2866 contractor's license and check to see if there are any  
 2867 complaints against him or her by calling the Florida  
 2868 Department of Business and Professional Regulation.  
 2869 You should also ask the contractor for references from  
 2870 previous work.
- 2871 6. Require all contractors to provide proof of  
 2872 insurance before beginning repairs.
- 2873 7. Take precautions if the damage requires you to  
 2874 leave your home, including securing your property and  
 2875 turning off your gas, water, and electricity, and

2876 |           contacting your insurance company and provide a phone  
 2877 |           number where you can be reached.

2878 |           Section 21. Paragraphs (a) and (b) of subsection (2) and  
 2879 | subsection (13) of section 627.7152, Florida Statutes, are  
 2880 | amended to read:

2881 |           627.7152 Assignment agreements.-

2882 |           (2)(a) An assignment agreement must:

2883 |           1. Be executed under a residential property insurance  
 2884 | policy or under a commercial property insurance policy as that  
 2885 | term is defined in s. 627.0625(1), issued on or after July 1,  
 2886 | 2019, and before January 1, 2023.

2887 |           2. Be in writing and executed by and between the assignor  
 2888 | and the assignee.

2889 |           ~~3.2.~~ Contain a provision that allows the assignor to  
 2890 | rescind the assignment agreement without a penalty or fee by  
 2891 | submitting a written notice of rescission signed by the assignor  
 2892 | to the assignee within 14 days after the execution of the  
 2893 | agreement, at least 30 days after the date work on the property  
 2894 | is scheduled to commence if the assignee has not substantially  
 2895 | performed, or at least 30 days after the execution of the  
 2896 | agreement if the agreement does not contain a commencement date  
 2897 | and the assignee has not begun substantial work on the property.

2898 |           ~~4.3.~~ Contain a provision requiring the assignee to provide  
 2899 | a copy of the executed assignment agreement to the insurer  
 2900 | within 3 business days after the date on which the assignment

2901 agreement is executed or the date on which work begins,  
 2902 whichever is earlier. Delivery of the copy of the assignment  
 2903 agreement to the insurer may be made:

2904 a. By personal service, overnight delivery, or electronic  
 2905 transmission, with evidence of delivery in the form of a receipt  
 2906 or other paper or electronic acknowledgment by the insurer; or

2907 b. To the location designated for receipt of such  
 2908 agreements as specified in the policy.

2909 ~~5.4.~~ Contain a written, itemized, per-unit cost estimate  
 2910 of the services to be performed by the assignee.

2911 ~~6.5.~~ Relate only to work to be performed by the assignee  
 2912 for services to protect, repair, restore, or replace a dwelling  
 2913 or structure or to mitigate against further damage to such  
 2914 property.

2915 ~~7.6.~~ Contain the following notice in 18-point uppercase  
 2916 and boldfaced type:

2917  
 2918 YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE  
 2919 UNDER YOUR INSURANCE POLICY TO A THIRD PARTY, WHICH  
 2920 MAY RESULT IN LITIGATION AGAINST YOUR INSURER. PLEASE  
 2921 READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING IT.  
 2922 YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT WITHOUT  
 2923 PENALTY WITHIN 14 DAYS AFTER THE DATE THIS AGREEMENT  
 2924 IS EXECUTED, AT LEAST 30 DAYS AFTER THE DATE WORK ON  
 2925 THE PROPERTY IS SCHEDULED TO COMMENCE IF THE ASSIGNEE

2926 HAS NOT SUBSTANTIALLY PERFORMED, OR AT LEAST 30 DAYS  
 2927 AFTER THE EXECUTION OF THE AGREEMENT IF THE AGREEMENT  
 2928 DOES NOT CONTAIN A COMMENCEMENT DATE AND THE ASSIGNEE  
 2929 HAS NOT BEGUN SUBSTANTIAL WORK ON THE PROPERTY.  
 2930 HOWEVER, YOU ARE OBLIGATED FOR PAYMENT OF ANY  
 2931 CONTRACTED WORK PERFORMED BEFORE THE AGREEMENT IS  
 2932 RESCINDED. THIS AGREEMENT DOES NOT CHANGE YOUR  
 2933 OBLIGATION TO PERFORM THE DUTIES REQUIRED UNDER YOUR  
 2934 PROPERTY INSURANCE POLICY.

2935  
 2936 8.7. Contain a provision requiring the assignee to  
 2937 indemnify and hold harmless the assignor from all liabilities,  
 2938 damages, losses, and costs, including, but not limited to,  
 2939 attorney fees.

- 2940 (b) An assignment agreement may not contain:
- 2941 1. A penalty or fee for rescission under subparagraph
  - 2942 (a)3. ~~(a)2.~~;
  - 2943 2. A check or mortgage processing fee;
  - 2944 3. A penalty or fee for cancellation of the agreement; or
  - 2945 4. An administrative fee.

2946 (13) Except as provided in subsection (11), a policyholder  
 2947 may not assign, in whole or in part, any post-loss insurance  
 2948 benefit under any residential property insurance policy or under  
 2949 any commercial property insurance policy as that term is defined  
 2950 in s. 627.0625(1), issued on or after January 1, 2023. An

2951 attempt to assign post-loss property insurance benefits under  
 2952 such a policy is void, invalid, and unenforceable ~~This section~~  
 2953 ~~applies to an assignment agreement executed on or after July 1,~~  
 2954 ~~2019.~~

2955 Section 22. Paragraph (f) of subsection (3) of section  
 2956 627.7154, Florida Statutes, is amended, and paragraph (g) is  
 2957 added to that subsection, to read:

2958 627.7154 Property Insurer Stability Unit; duties and  
 2959 required reports.—

2960 (3) The insurer stability unit shall, at a minimum:

2961 (f) On January 1 and July 1 of each year, provide a report  
 2962 on the status of the homeowners' and condominium unit owners'  
 2963 insurance market to the Governor, the President of the Senate,  
 2964 the Speaker of the House of Representatives, the Minority Leader  
 2965 of the Senate, the Minority Leader of the House of  
 2966 Representatives, and the chairs of the legislative committees  
 2967 with jurisdiction over matters of insurance showing:

2968 1. Litigation practices and outcomes of insurance  
 2969 companies.

2970 2. Percentage of homeowners and condominium unit owners  
 2971 who obtain insurance in the voluntary market.

2972 3. Percentage of homeowners and condominium unit owners  
 2973 who obtain insurance from the Citizens Property Insurance  
 2974 Corporation.

2975 4. Profitability of the homeowners' and condominium unit

2976 owners' lines of insurance in this state, including a comparison  
 2977 with similar lines of insurance in other hurricane-prone states  
 2978 and with the national average.

2979 5. Average premiums charged for homeowners' and  
 2980 condominium unit owners' insurance in each of the 67 counties in  
 2981 this state.

2982 6. Results of the latest annual catastrophe stress tests  
 2983 of all domestic insurers and insurers that are commercially  
 2984 domiciled in this state.

2985 7. The availability of reinsurance in the personal lines  
 2986 insurance market.

2987 8. The number of property and casualty insurance carriers  
 2988 referred to the insurer stability unit for enhanced monitoring,  
 2989 including the reason for the referral.

2990 9. The number of referrals to the insurer stability unit  
 2991 which were deemed appropriate for enhanced monitoring, including  
 2992 the reason for the monitoring.

2993 10. The name of any insurer against which delinquency  
 2994 proceedings were instituted, including the grounds for  
 2995 rehabilitation pursuant to s. 631.051 and the date that each  
 2996 insurer was deemed impaired of capital or surplus, as the terms  
 2997 impairment of capital and impairment of surplus are defined in  
 2998 s. 631.011, or insolvent, as the term insolvency is defined in  
 2999 s. 631.011; a concise statement of the circumstances that led to  
 3000 the insurer's delinquency; and a summary of the actions taken by



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3001 the insurer and the office to avoid delinquency.

3002 11. The name of any insurer that is the subject of a  
 3003 market conduct examination that found the insurer exhibited a  
 3004 pattern or practice of one or more willful unfair insurance  
 3005 trade practice violations with regard to its use of appraisal,  
 3006 including, but not limited to, compelling insureds to  
 3007 participate in appraisal under a property insurance policy in  
 3008 order to secure full payment or settlement of claims, and a  
 3009 summary of the findings of such market conduct examination.

3010 12. Recommendations for improvements to the regulation of  
 3011 the homeowners' and condominium unit owners' insurance market  
 3012 and an indication of whether such improvements require any  
 3013 change to existing laws or rules.

3014 ~~13.12.~~ Identification of any trends that may warrant  
 3015 attention in the future.

3016 (g) Publish on the office's website a list of all insurers  
 3017 referenced in subparagraph (f)11. and a link to the market  
 3018 conduct reports regarding such insurers.

3019 Section 23. Subsection (3) of section 631.252, Florida  
 3020 Statutes, is amended to read:

3021 631.252 Continuation of coverage.—

3022 (3) The 30-day coverage continuation period provided in  
 3023 paragraph (1)(a) may not ~~in no event~~ be extended unless the  
 3024 office determines, based on a reasonable belief, that market  
 3025 conditions are such that policies of residential property

3026 insurance coverage cannot be placed with an authorized insurer  
 3027 within 30 days and that an additional 15 days is needed to place  
 3028 such coverage; and failure of actual notice to the policyholder  
 3029 of the insolvency of the insurer, of commencement of a  
 3030 delinquency proceeding, or of expiration of the extension period  
 3031 does not affect such expiration.

3032 Section 24. Present subsections (6) through (8) of section  
 3033 768.79, Florida Statutes, are redesignated as subsections (7)  
 3034 through (9), respectively, and a new subsection (6) is added to  
 3035 that section, to read:

3036 768.79 Offer of judgment and demand for judgment.—

3037 (6) For a breach of contract action, a property insurer  
 3038 may make a joint offer of judgment or settlement that is  
 3039 conditioned on the mutual acceptance of all the joint offerees.

3040 Section 25. For the 2022-2023 fiscal year, the sum of  
 3041 \$1,757,982 in recurring funds is appropriated from the Insurance  
 3042 Regulatory Trust Fund to the Office of Insurance Regulation with  
 3043 associated salary rate of 844,464. From these funds, \$1,356,615  
 3044 is appropriated in the Salaries and Benefits appropriation  
 3045 category, \$400,000 is appropriated in the Other Personal  
 3046 Services appropriation category, and \$1,367 is appropriated in  
 3047 the Transfer to Department of Management Services - Human  
 3048 Resources Services Purchased Per Statewide Contract  
 3049 appropriation category. The funds shall be utilized for the  
 3050 recruitment and retention of personnel within the office to

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3051 ensure the ongoing monitoring of insurance company products and  
3052 services, as well as the financial condition of licensed  
3053 insurance companies. The funds shall be used to implement this  
3054 act.

3055 Section 26. Except as otherwise expressly provided in this  
3056 act, this act shall take effect upon becoming a law.