

26 | the file's public record status; providing thresholds
 27 | for determining eligibility for coverage by the
 28 | corporation for policyholders who receive take-out
 29 | offers from authorized insurers; revising the notice
 30 | that must be provided by the corporation when insurers
 31 | request to take out a policy; amending s. 627.3517,
 32 | F.S.; making technical changes; amending s. 627.3518,
 33 | F.S.; deleting obsolete provisions relating to the
 34 | purpose of the corporation's clearinghouse program and
 35 | reporting requirements; revising procedures for
 36 | determining eligibility of a risk for coverage with
 37 | the corporation; deleting provisions relating to
 38 | renewal status for coverage by the corporation;
 39 | providing an effective date.

40 |

41 | Be It Enacted by the Legislature of the State of Florida:

42 |

43 | Section 1. Subsection (2) of section 627.021, Florida
 44 | Statutes, is amended to read:

45 | 627.021 Scope of this part.—

46 | (2) This part does not apply to:

47 | (a) Reinsurance, except joint reinsurance as provided in
 48 | s. 627.311.

49 | (b) Insurance against loss of or damage to aircraft, their
 50 | hulls, accessories, or equipment, or against liability, other

51 than workers' compensation and employer's liability, arising out
 52 of the ownership, maintenance, or use of aircraft.

53 (c) Insurance of vessels or craft, their cargoes, marine
 54 builders' risks, marine protection and indemnity, or other risks
 55 commonly insured under marine insurance policies.

56 (d) Commercial inland marine insurance.

57 (e) Except as may be specifically stated to apply, surplus
 58 lines insurance placed under ~~the provisions of~~ ss. 626.913-
 59 626.937.

60 Section 2. Paragraphs (a), (c), (d), (n), (x), and (ii) of
 61 subsection (6) of section 627.351, Florida Statutes, are amended
 62 to read:

63 627.351 Insurance risk apportionment plans.—

64 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

65 (a) The public purpose of this subsection is to ensure
 66 that there is an orderly market for property insurance for
 67 residents and businesses of this state.

68 1. The Legislature finds that private insurers are
 69 unwilling or unable to provide affordable property insurance
 70 coverage in this state to the extent sought and needed. The
 71 absence of affordable property insurance threatens the public
 72 health, safety, and welfare and likewise threatens the economic
 73 health of the state. The state therefore has a compelling public
 74 interest and a public purpose to assist in assuring that
 75 property in the state is insured and that it is insured at

76 | affordable rates so as to facilitate the remediation,
77 | reconstruction, and replacement of damaged or destroyed property
78 | in order to reduce or avoid the negative effects otherwise
79 | resulting to the public health, safety, and welfare, to the
80 | economy of the state, and to the revenues of the state and local
81 | governments which are needed to provide for the public welfare.
82 | It is necessary, therefore, to provide affordable property
83 | insurance to applicants who are in good faith entitled to
84 | procure insurance through the voluntary market but are unable to
85 | do so. The Legislature intends, therefore, that affordable
86 | property insurance be provided and that it continue to be
87 | provided, as long as necessary, through Citizens Property
88 | Insurance Corporation, a government entity that is an integral
89 | part of the state, and that is not a private insurance company.
90 | To that end, the corporation shall strive to increase the
91 | availability of affordable property insurance in this state,
92 | while achieving efficiencies and economies, and while providing
93 | service to policyholders, applicants, and agents which is no
94 | less than the quality generally provided in the voluntary
95 | market, for the achievement of the foregoing public purposes.
96 | Because it is essential for this government entity to have the
97 | maximum financial resources to pay claims following a
98 | catastrophic hurricane, it is the intent of the Legislature that
99 | the corporation continue to be an integral part of the state and
100 | that the income of the corporation be exempt from federal income

101 taxation and that interest on the debt obligations issued by the
 102 corporation be exempt from federal income taxation.

103 2. The Residential Property and Casualty Joint
 104 Underwriting Association originally created by this statute
 105 shall be known as the Citizens Property Insurance Corporation.
 106 The corporation shall provide insurance for residential and
 107 commercial property, for applicants who are entitled, but, in
 108 good faith, are unable to procure insurance through the
 109 voluntary market. The corporation shall operate pursuant to a
 110 plan of operation approved by order of the Financial Services
 111 Commission. The plan is subject to continuous review by the
 112 commission. The commission may, by order, withdraw approval of
 113 all or part of a plan if the commission determines that
 114 conditions have changed since approval was granted and that the
 115 purposes of the plan require changes in the plan. For the
 116 purposes of this subsection, residential coverage includes both
 117 personal lines residential coverage, which consists of the type
 118 of coverage provided by homeowner, mobile home owner, dwelling,
 119 tenant, condominium unit owner, and similar policies; and
 120 commercial lines residential coverage, which consists of the
 121 type of coverage provided by condominium association, apartment
 122 building, and similar policies.

123 3. With respect to coverage for personal lines residential
 124 structures, ÷

125 ~~a. Effective January 1, 2014, a structure that has a~~

126 ~~dwelling replacement cost of \$1 million or more, or a single~~
127 ~~condominium unit that has a combined dwelling and contents~~
128 ~~replacement cost of \$1 million or more, is not eligible for~~
129 ~~coverage by the corporation. Such dwellings insured by the~~
130 ~~corporation on December 31, 2013, may continue to be covered by~~
131 ~~the corporation until the end of the policy term. The office~~
132 ~~shall approve the method used by the corporation for valuing the~~
133 ~~dwelling replacement cost for the purposes of this subparagraph.~~
134 ~~If a policyholder is insured by the corporation before being~~
135 ~~determined to be ineligible pursuant to this subparagraph and~~
136 ~~such policyholder files a lawsuit challenging the determination,~~
137 ~~the policyholder may remain insured by the corporation until the~~
138 ~~conclusion of the litigation.~~

139 ~~b. Effective January 1, 2015, a structure that has a~~
140 ~~dwelling replacement cost of \$900,000 or more, or a single~~
141 ~~condominium unit that has a combined dwelling and contents~~
142 ~~replacement cost of \$900,000 or more, is not eligible for~~
143 ~~coverage by the corporation. Such dwellings insured by the~~
144 ~~corporation on December 31, 2014, may continue to be covered by~~
145 ~~the corporation only until the end of the policy term.~~

146 ~~e. Effective January 1, 2016, a structure that has a~~
147 ~~dwelling replacement cost of \$800,000 or more, or a single~~
148 ~~condominium unit that has a combined dwelling and contents~~
149 ~~replacement cost of \$800,000 or more, is not eligible for~~
150 ~~coverage by the corporation. Such dwellings insured by the~~

151 ~~corporation on December 31, 2015, may continue to be covered by~~
152 ~~the corporation until the end of the policy term.~~

153 ~~d.~~ effective January 1, 2017, a structure that has a
154 dwelling replacement cost of \$700,000 or more, or a single
155 condominium unit that has a combined dwelling and contents
156 replacement cost of \$700,000 or more, is not eligible for
157 coverage by the corporation. The office shall approve the method
158 used by the corporation for valuing the dwelling replacement
159 cost ~~Such dwellings insured by the corporation on December 31,~~
160 ~~2016, may continue to be covered by the corporation until the~~
161 ~~end of the policy term.~~ The requirements of this subparagraph
162 ~~sub-subparagraphs b.-d.~~ do not apply in counties where the
163 office determines there is not a reasonable degree of
164 competition. In such counties a personal lines residential
165 structure that has a dwelling replacement cost of less than \$1
166 million, or a single condominium unit that has a combined
167 dwelling and contents replacement cost of less than \$1 million,
168 is eligible for coverage by the corporation.

169 4. It is the intent of the Legislature that policyholders,
170 applicants, and agents of the corporation receive service and
171 treatment of the highest possible level but never less than that
172 generally provided in the voluntary market. It is also intended
173 that the corporation be held to service standards no less than
174 those applied to insurers in the voluntary market by the office
175 with respect to responsiveness, timeliness, customer courtesy,

176 and overall dealings with policyholders, applicants, or agents
177 of the corporation.

178 5.a. Effective January 1, 2009, a personal lines
179 residential structure that is located in the "wind-borne debris
180 region," as defined in s. 1609.2, International Building Code
181 (2006), and that has an insured value on the structure of
182 \$750,000 or more is not eligible for coverage by the corporation
183 unless the structure has opening protections as required under
184 the Florida Building Code for a newly constructed residential
185 structure in that area. A residential structure is deemed to
186 comply with this sub-subparagraph if it has shutters or opening
187 protections on all openings and if such opening protections
188 complied with the Florida Building Code at the time they were
189 installed.

190 b. Any major structure, as defined in s. 161.54(6)(a),
191 that is newly constructed, or rebuilt, repaired, restored, or
192 remodeled to increase the total square footage of finished area
193 by more than 25 percent, pursuant to a permit applied for after
194 July 1, 2015, is not eligible for coverage by the corporation if
195 the structure is seaward of the coastal construction control
196 line established pursuant to s. 161.053 or is within the Coastal
197 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
198 3510.

199 6. With respect to wind-only coverage for commercial lines
200 residential condominiums, effective July 1, 2014, a condominium

201 shall be deemed ineligible for coverage if 50 percent or more of
202 the units are rented more than eight times in a calendar year
203 for a rental agreement period of less than 30 days.

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

205 1. Must provide for adoption of residential property and
206 casualty insurance policy forms and commercial residential and
207 nonresidential property insurance forms, which must be approved
208 by the office before use. The corporation shall adopt the
209 following policy forms:

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

214 b. Basic personal lines policy forms that are policies
215 similar to an HO-8 policy or a dwelling fire policy that provide
216 coverage meeting the requirements of the secondary mortgage
217 market, but which is more limited than the coverage under a
218 standard policy.

219 c. Commercial lines residential and nonresidential policy
220 forms that are generally similar to the basic perils of full
221 coverage obtainable for commercial residential structures and
222 commercial nonresidential structures in the admitted voluntary
223 market.

224 d. Personal lines and commercial lines residential
225 property insurance forms that cover the peril of wind only. The

226 forms are applicable only to residential properties located in
 227 areas eligible for coverage under the coastal account referred
 228 to in sub-subparagraph (b)2.a.

229 e. Commercial lines nonresidential property insurance
 230 forms that cover the peril of wind only. The forms are
 231 applicable only to nonresidential properties located in areas
 232 eligible for coverage under the coastal account referred to in
 233 sub-subparagraph (b)2.a.

234 f. The corporation may adopt variations of the policy
 235 forms listed in sub-subparagraphs a.-e. which contain more
 236 restrictive coverage.

237 g. Effective January 1, 2013, the corporation shall offer
 238 a basic personal lines policy similar to an HO-8 policy with
 239 dwelling repair based on common construction materials and
 240 methods.

241 2. Must provide that the corporation adopt a program in
 242 which the corporation and authorized insurers enter into quota
 243 share primary insurance agreements for hurricane coverage, as
 244 defined in s. 627.4025(2)(a), for eligible risks, and adopt
 245 property insurance forms for eligible risks which cover the
 246 peril of wind only.

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

248 (I) "Quota share primary insurance" means an arrangement
 249 in which the primary hurricane coverage of an eligible risk is
 250 provided in specified percentages by the corporation and an

251 authorized insurer. The corporation and authorized insurer are
252 each solely responsible for a specified percentage of hurricane
253 coverage of an eligible risk as set forth in a quota share
254 primary insurance agreement between the corporation and an
255 authorized insurer and the insurance contract. The
256 responsibility of the corporation or authorized insurer to pay
257 its specified percentage of hurricane losses of an eligible
258 risk, as set forth in the agreement, may not be altered by the
259 inability of the other party to pay its specified percentage of
260 losses. Eligible risks that are provided hurricane coverage
261 through a quota share primary insurance arrangement must be
262 provided policy forms that set forth the obligations of the
263 corporation and authorized insurer under the arrangement,
264 clearly specify the percentages of quota share primary insurance
265 provided by the corporation and authorized insurer, and
266 conspicuously and clearly state that the authorized insurer and
267 the corporation may not be held responsible beyond their
268 specified percentage of coverage of hurricane losses.

269 (II) "Eligible risks" means personal lines residential and
270 commercial lines residential risks that meet the underwriting
271 criteria of the corporation and are located in areas that were
272 eligible for coverage by the Florida Windstorm Underwriting
273 Association on January 1, 2002.

274 b. The corporation may enter into quota share primary
275 insurance agreements with authorized insurers at corporation

276 coverage levels of 90 percent and 50 percent.

277 c. If the corporation determines that additional coverage
278 levels are necessary to maximize participation in quota share
279 primary insurance agreements by authorized insurers, the
280 corporation may establish additional coverage levels. However,
281 the corporation's quota share primary insurance coverage level
282 may not exceed 90 percent.

283 d. Any quota share primary insurance agreement entered
284 into between an authorized insurer and the corporation must
285 provide for a uniform specified percentage of coverage of
286 hurricane losses, by county or territory as set forth by the
287 corporation board, for all eligible risks of the authorized
288 insurer covered under the agreement.

289 e. Any quota share primary insurance agreement entered
290 into between an authorized insurer and the corporation is
291 subject to review and approval by the office. However, such
292 agreement shall be authorized only as to insurance contracts
293 entered into between an authorized insurer and an insured who is
294 already insured by the corporation for wind coverage.

295 f. For all eligible risks covered under quota share
296 primary insurance agreements, the exposure and coverage levels
297 for both the corporation and authorized insurers shall be
298 reported by the corporation to the Florida Hurricane Catastrophe
299 Fund. For all policies of eligible risks covered under such
300 agreements, the corporation and the authorized insurer must

301 maintain complete and accurate records for the purpose of
302 exposure and loss reimbursement audits as required by fund
303 rules. The corporation and the authorized insurer shall each
304 maintain duplicate copies of policy declaration pages and
305 supporting claims documents.

306 g. The corporation board shall establish in its plan of
307 operation standards for quota share agreements which ensure that
308 there is no discriminatory application among insurers as to the
309 terms of the agreements, pricing of the agreements, incentive
310 provisions if any, and consideration paid for servicing policies
311 or adjusting claims.

312 h. The quota share primary insurance agreement between the
313 corporation and an authorized insurer must set forth the
314 specific terms under which coverage is provided, including, but
315 not limited to, the sale and servicing of policies issued under
316 the agreement by the insurance agent of the authorized insurer
317 producing the business, the reporting of information concerning
318 eligible risks, the payment of premium to the corporation, and
319 arrangements for the adjustment and payment of hurricane claims
320 incurred on eligible risks by the claims adjuster and personnel
321 of the authorized insurer. Entering into a quota sharing
322 insurance agreement between the corporation and an authorized
323 insurer is voluntary and at the discretion of the authorized
324 insurer.

325 3. May provide that the corporation may employ or

326 otherwise contract with individuals or other entities to provide
327 administrative or professional services that may be appropriate
328 to effectuate the plan. The corporation may borrow funds by
329 issuing bonds or by incurring other indebtedness, and shall have
330 other powers reasonably necessary to effectuate the requirements
331 of this subsection, including, without limitation, the power to
332 issue bonds and incur other indebtedness in order to refinance
333 outstanding bonds or other indebtedness. The corporation may
334 seek judicial validation of its bonds or other indebtedness
335 under chapter 75. The corporation may issue bonds or incur other
336 indebtedness, or have bonds issued on its behalf by a unit of
337 local government pursuant to subparagraph (q)2. in the absence
338 of a hurricane or other weather-related event, upon a
339 determination by the corporation, subject to approval by the
340 office, that such action would enable it to efficiently meet the
341 financial obligations of the corporation and that such
342 financings are reasonably necessary to effectuate the
343 requirements of this subsection. The corporation may take all
344 actions needed to facilitate tax-free status for such bonds or
345 indebtedness, including formation of trusts or other affiliated
346 entities. The corporation may pledge assessments, projected
347 recoveries from the Florida Hurricane Catastrophe Fund, other
348 reinsurance recoverables, policyholder surcharges and other
349 surcharges, and other funds available to the corporation as
350 security for bonds or other indebtedness. In recognition of s.

351 10, Art. I of the State Constitution, prohibiting the impairment
352 of obligations of contracts, it is the intent of the Legislature
353 that no action be taken whose purpose is to impair any bond
354 indenture or financing agreement or any revenue source committed
355 by contract to such bond or other indebtedness.

356 4. Must require that the corporation operate subject to
357 the supervision and approval of a board of governors consisting
358 of nine individuals who are residents of this state and who are
359 from different geographical areas of this ~~the~~ state, one of whom
360 is appointed by the Governor and serves solely to advocate on
361 behalf of the consumer. The appointment of a consumer
362 representative by the Governor is deemed to be within the scope
363 of the exemption provided in s. 112.313(7) (b) and is in addition
364 to the appointments authorized under sub-subparagraph a. A
365 registered lobbyist for the executive or legislative branch may
366 not be a member of the board.

367 a. The Governor, the Chief Financial Officer, the
368 President of the Senate, and the Speaker of the House of
369 Representatives shall each appoint two members of the board. At
370 least one of the two members appointed by each appointing
371 officer must have demonstrated expertise in insurance and be
372 deemed to be within the scope of the exemption provided in s.
373 112.313(7) (b) at the time of appointment or reappointment. The
374 Chief Financial Officer shall designate one of the appointees as
375 chair. All board members serve at the pleasure of the appointing

376 officer. All members of the board are subject to removal at will
377 by the officers who appointed them. All board members, including
378 the chair, must be appointed to serve for 3-year terms beginning
379 annually on a date designated by the plan. However, for the
380 first term beginning on or after July 1, 2009, each appointing
381 officer shall appoint one member of the board for a 2-year term
382 and one member for a 3-year term. A board vacancy shall be
383 filled for the unexpired term by the appointing officer. The
384 Chief Financial Officer shall appoint a technical advisory group
385 to provide information and advice to the board in connection
386 with the board's duties under this subsection. The executive
387 director and senior managers of the corporation shall be engaged
388 by the board and serve at the pleasure of the board. Any
389 executive director appointed on or after July 1, 2006, is
390 subject to confirmation by the Senate. The executive director is
391 responsible for employing other staff as the corporation may
392 require, subject to review and concurrence by the board.

393 b. The board shall create a Market Accountability Advisory
394 Committee to assist the corporation in developing awareness of
395 its rates and its customer and agent service levels in
396 relationship to the voluntary market insurers writing similar
397 coverage.

398 (I) The members of the advisory committee consist of the
399 following 11 persons, one of whom must be elected chair by the
400 members of the committee: four representatives, one appointed by

401 the Florida Association of Insurance Agents, one by the Florida
402 Association of Insurance and Financial Advisors, one by the
403 Professional Insurance Agents of Florida, and one by the Latin
404 American Association of Insurance Agencies; three
405 representatives appointed by the insurers with the three highest
406 voluntary market share of residential property insurance
407 business in this ~~the~~ state; one representative from the Office
408 of Insurance Regulation; one consumer appointed by the board who
409 is insured by the corporation at the time of appointment to the
410 committee; one representative appointed by the Florida
411 Association of Realtors; and one representative appointed by the
412 Florida Bankers Association. All members shall be appointed to
413 3-year terms and may serve for consecutive terms.

414 (II) The committee shall report to the corporation at each
415 board meeting on insurance market issues that ~~which~~ may include
416 rates and rate competition with the voluntary market; service,
417 including policy issuance, claims processing, and general
418 responsiveness to policyholders, applicants, and agents; and
419 matters relating to depopulation.

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

422 a. Subject to s. 627.3517, with respect to personal lines
423 residential risks, if the risk is offered coverage from an
424 authorized insurer at the insurer's approved rate under a
425 standard policy including wind coverage or, if consistent with

426 the insurer's underwriting rules as filed with the office, a
 427 basic policy including wind coverage, for a new application to
 428 the corporation for coverage, the risk is not eligible for any
 429 policy issued by the corporation unless the premium for coverage
 430 from the authorized insurer is more than 20 percent greater than
 431 the premium for comparable coverage from the corporation.

432 (I) Whenever an offer of coverage for a personal lines
 433 residential risk is received for a policyholder of the
 434 corporation at renewal from an authorized insurer, ~~if the offer~~
 435 ~~is equal to or less than the corporation's renewal premium for~~
 436 ~~comparable coverage,~~ the risk is not eligible for coverage with
 437 the corporation unless the premium for coverage from the
 438 authorized insurer is more than the following percent greater
 439 than the renewal premium for comparable coverage from the
 440 corporation:

441 (A) Four percent for policies that renew during 2023.

442 (B) Eight percent for policies that renew during 2024.

443 (C) Twelve percent for policies that renew during 2025.

444 (D) Sixteen percent for policies that renew during 2026.

445 (E) Twenty percent for policies that renew during 2027 and
 446 during all subsequent years.

447
 448 If the risk is not able to obtain such offers ~~offer~~, the risk is
 449 eligible for a standard policy including wind coverage or a
 450 basic policy including wind coverage issued by the corporation;

451 however, if the risk could not be insured under a standard
452 policy including wind coverage regardless of market conditions,
453 the risk is eligible for a basic policy including wind coverage
454 unless rejected under subparagraph 8. ~~However, a policyholder~~
455 ~~removed from the corporation through an assumption agreement~~
456 ~~remains eligible for coverage from the corporation until the end~~
457 ~~of the assumption period.~~ The corporation shall determine the
458 type of policy to be provided on the basis of objective
459 standards specified in the underwriting manual and based on
460 generally accepted underwriting practices. A policyholder
461 removed from the corporation through an assumption agreement
462 does not remain eligible for coverage from the corporation
463 beyond the end of the policy term. However, any policy removed
464 from the corporation through an assumption agreement remains on
465 the corporation's policy forms through the end of the policy
466 term.

467 ~~(II)-(I)~~ If the risk accepts an offer of coverage through
468 the market assistance plan or through a mechanism established by
469 the corporation other than a plan established by s. 627.3518,
470 before a policy is issued to the risk by the corporation or
471 during the first 30 days of coverage by the corporation, and the
472 producing agent who submitted the application to the plan or to
473 the corporation is not currently appointed by the insurer, the
474 insurer shall:

475 (A) Pay to the producing agent of record of the policy for

476 | the first year, an amount that is the greater of the insurer's
 477 | usual and customary commission for the type of policy written or
 478 | a fee equal to the usual and customary commission of the
 479 | corporation; or

480 | (B) Offer to allow the producing agent of record of the
 481 | policy to continue servicing the policy for at least 1 year and
 482 | offer to pay the agent the greater of the insurer's or the
 483 | corporation's usual and customary commission for the type of
 484 | policy written.

485 |
 486 | If the producing agent is unwilling or unable to accept
 487 | appointment, the new insurer shall pay the agent in accordance
 488 | with sub-sub-sub-subparagraph (A).

489 | (III)~~(II)~~ If the corporation enters into a contractual
 490 | agreement for a take-out plan, the producing agent of record of
 491 | the corporation policy is entitled to retain any unearned
 492 | commission on the policy, and the insurer shall:

493 | (A) Pay to the producing agent of record, for the first
 494 | year, an amount that is the greater of the insurer's usual and
 495 | customary commission for the type of policy written or a fee
 496 | equal to the usual and customary commission of the corporation;
 497 | or

498 | (B) Offer to allow the producing agent of record to
 499 | continue servicing the policy for at least 1 year and offer to
 500 | pay the agent the greater of the insurer's or the corporation's

501 usual and customary commission for the type of policy written.

502

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

506 b. With respect to commercial lines residential risks, for
 507 a new application to the corporation for coverage, if the risk
 508 is offered coverage under a policy including wind coverage from
 509 an authorized insurer at its approved rate, the risk is not
 510 eligible for a policy issued by the corporation unless the
 511 premium for coverage from the authorized insurer is more than 20
 512 ~~15~~ percent greater than the premium for comparable coverage from
 513 the corporation.

514 (I) Whenever an offer of coverage for a commercial lines
 515 residential risk is received for a policyholder of the
 516 corporation at renewal from an authorized insurer, ~~if the offer~~
 517 ~~is equal to or less than the corporation's renewal premium for~~
 518 ~~comparable coverage,~~ the risk is not eligible for coverage with
 519 the corporation unless the premium for coverage from the
 520 authorized insurer is more than the following percent greater
 521 than the renewal premium for comparable coverage from the
 522 corporation:

523 (A) Four percent for policies that renew during 2023.

524 (B) Eight percent for policies that renew during 2024.

525 (C) Twelve percent for policies that renew during 2025.

526 (D) Sixteen percent for policies that renew during 2026.

527 (E) Twenty percent for policies that renew during 2027 and
 528 during all subsequent years.

529
 530 If the risk is not able to obtain any such offers ~~offer~~, the
 531 risk is eligible for a policy including wind coverage issued by
 532 the corporation. ~~However,~~ A policyholder removed from the
 533 corporation through an assumption agreement does not remain
 534 ~~remains~~ eligible for coverage from the corporation beyond the
 535 end of the policy term ~~until the end of the assumption period.~~
 536 However, any policy removed from the corporation through an
 537 assumption agreement remains on the corporation's policy forms
 538 through the end of the policy term.

539 (II) ~~(I)~~ If the risk accepts an offer of coverage through
 540 the market assistance plan or through a mechanism established by
 541 the corporation other than a plan established by s. 627.3518,
 542 before a policy is issued to the risk by the corporation or
 543 during the first 30 days of coverage by the corporation, and the
 544 producing agent who submitted the application to the plan or the
 545 corporation is not currently appointed by the insurer, the
 546 insurer shall:

547 (A) Pay to the producing agent of record of the policy,
 548 for the first year, an amount that is the greater of the
 549 insurer's usual and customary commission for the type of policy
 550 written or a fee equal to the usual and customary commission of

551 the corporation; or

552 (B) Offer to allow the producing agent of record of the
 553 policy to continue servicing the policy for at least 1 year and
 554 offer to pay the agent the greater of the insurer's or the
 555 corporation's usual and customary commission for the type of
 556 policy written.

557
 558 If the producing agent is unwilling or unable to accept
 559 appointment, the new insurer shall pay the agent in accordance
 560 with sub-sub-sub-subparagraph (A).

561 (III) ~~(II)~~ If the corporation enters into a contractual
 562 agreement for a take-out plan, the producing agent of record of
 563 the corporation policy is entitled to retain any unearned
 564 commission on the policy, and the insurer shall:

565 (A) Pay to the producing agent of record, for the first
 566 year, an amount that is the greater of the insurer's usual and
 567 customary commission for the type of policy written or a fee
 568 equal to the usual and customary commission of the corporation;
 569 or

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

574
 575 If the producing agent is unwilling or unable to accept

576 | appointment, the new insurer shall pay the agent in accordance
577 | with sub-sub-sub-subparagraph (A).

578 | c. For purposes of determining comparable coverage under
579 | sub-subparagraphs a. and b., the comparison must be based on
580 | those forms and coverages that are reasonably comparable. The
581 | corporation may rely on a determination of comparable coverage
582 | and premium made by the producing agent who submits the
583 | application to the corporation, made in the agent's capacity as
584 | the corporation's agent. A comparison may be made solely of the
585 | premium with respect to the main building or structure only on
586 | the following basis: the same coverage A or other building
587 | limits; the same percentage hurricane deductible that applies on
588 | an annual basis or that applies to each hurricane for commercial
589 | residential property; the same percentage of ordinance and law
590 | coverage, if the same limit is offered by both the corporation
591 | and the authorized insurer; the same mitigation credits, to the
592 | extent the same types of credits are offered both by the
593 | corporation and the authorized insurer; the same method for loss
594 | payment, such as replacement cost or actual cash value, if the
595 | same method is offered both by the corporation and the
596 | authorized insurer in accordance with underwriting rules; and
597 | any other form or coverage that is reasonably comparable as
598 | determined by the board. If an application is submitted to the
599 | corporation for wind-only coverage in the coastal account, the
600 | premium for the corporation's wind-only policy plus the premium

601 for the ex-wind policy that is offered by an authorized insurer
602 to the applicant must be compared to the premium for multiperil
603 coverage offered by an authorized insurer, subject to the
604 standards for comparison specified in this subparagraph. If the
605 corporation or the applicant requests from the authorized
606 insurer a breakdown of the premium of the offer by types of
607 coverage so that a comparison may be made by the corporation or
608 its agent and the authorized insurer refuses or is unable to
609 provide such information, the corporation may treat the offer as
610 not being an offer of coverage from an authorized insurer at the
611 insurer's approved rate.

612 6. Must include rules for classifications of risks and
613 rates.

614 7. Must provide that if premium and investment income for
615 an account attributable to a particular calendar year are in
616 excess of projected losses and expenses for the account
617 attributable to that year, such excess shall be held in surplus
618 in the account. Such surplus must be available to defray
619 deficits in that account as to future years and used for that
620 purpose before assessing assessable insurers and assessable
621 insureds as to any calendar year.

622 8. Must provide objective criteria and procedures to be
623 uniformly applied to all applicants in determining whether an
624 individual risk is so hazardous as to be uninsurable. In making
625 this determination and in establishing the criteria and

626 | procedures, the following must be considered:

627 | a. Whether the likelihood of a loss for the individual
628 | risk is substantially higher than for other risks of the same
629 | class; and

630 | b. Whether the uncertainty associated with the individual
631 | risk is such that an appropriate premium cannot be determined.

632 |

633 | The acceptance or rejection of a risk by the corporation must
634 | ~~shall~~ be construed as the private placement of insurance, and
635 | ~~the provisions of chapter 120 does~~ do not apply.

636 | 9. Must provide that the corporation make its best efforts
637 | to procure catastrophe reinsurance at reasonable rates, to cover
638 | its projected 100-year probable maximum loss as determined by
639 | the board of governors. ~~If catastrophe reinsurance is not~~
640 | ~~available at reasonable rates, the corporation need not purchase~~
641 | ~~it, but the corporation shall include the costs of reinsurance~~
642 | ~~to cover its projected 100-year probable maximum loss in its~~
643 | ~~rate calculations even if it does not purchase catastrophe~~
644 | ~~reinsurance.~~

645 | 10. ~~The policies issued by the corporation~~ Must provide
646 | that if the corporation or the market assistance plan obtains an
647 | offer from an authorized insurer to cover the risk at its
648 | approved rates, the risk is no longer eligible for renewal
649 | through the corporation, except as otherwise provided in this
650 | subsection.

651 11. ~~Corporation policies and applications~~ Must include a
652 notice that the corporation policy could, under this section, be
653 replaced with a policy issued by an authorized insurer which
654 does not provide coverage identical to the coverage provided by
655 the corporation. The notice must also specify that acceptance of
656 corporation coverage creates a conclusive presumption that the
657 applicant or policyholder is aware of this potential.

658 12. May establish, subject to approval by the office,
659 different eligibility requirements and operational procedures
660 for any line or type of coverage for any specified county or
661 area if the board determines that such changes are justified due
662 to the voluntary market being sufficiently stable and
663 competitive in such area or for such line or type of coverage
664 and that consumers who, in good faith, are unable to obtain
665 insurance through the voluntary market through ordinary methods
666 continue to have access to coverage from the corporation. If
667 coverage is sought in connection with a real property transfer,
668 the requirements and procedures may not provide an effective
669 date of coverage later than the date of the closing of the
670 transfer as established by the transferor, the transferee, and,
671 if applicable, the lender.

672 13. Must provide that, with respect to the coastal
673 account, any assessable insurer with a surplus as to
674 policyholders of \$25 million or less writing 25 percent or more
675 of its total countrywide property insurance premiums in this

676 state may petition the office, within the first 90 days of each
677 calendar year, to qualify as a limited apportionment company. A
678 regular assessment levied by the corporation on a limited
679 apportionment company for a deficit incurred by the corporation
680 for the coastal account may be paid to the corporation on a
681 monthly basis as the assessments are collected by the limited
682 apportionment company from its insureds, but a limited
683 apportionment company must begin collecting the regular
684 assessments not later than 90 days after the regular assessments
685 are levied by the corporation, and the regular assessments must
686 be paid in full within 15 months after being levied by the
687 corporation. A limited apportionment company shall collect from
688 its policyholders any emergency assessment imposed under sub-
689 subparagraph (b)3.d. The plan must provide that, if the office
690 determines that any regular assessment will result in an
691 impairment of the surplus of a limited apportionment company,
692 the office may direct that all or part of such assessment be
693 deferred as provided in subparagraph (q)4. However, an emergency
694 assessment to be collected from policyholders under sub-
695 subparagraph (b)3.d. may not be limited or deferred.

696 14. Must provide that the corporation appoint as its
697 licensed agents only those agents who throughout such
698 appointments also hold an appointment as defined in s. 626.015
699 by an insurer who is authorized to write and is actually writing
700 or renewing personal lines residential property coverage,

701 commercial residential property coverage, or commercial
702 nonresidential property coverage within this ~~the~~ state.

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

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

710 17. Must provide coverage for manufactured or mobile home
711 dwellings. Such coverage must also include the following
712 attached structures:

713 a. Screened enclosures that are aluminum framed or
714 screened enclosures that are not covered by the same or
715 substantially the same materials as those of the primary
716 dwelling;

717 b. Carports that are aluminum or carports that are not
718 covered by the same or substantially the same materials as those
719 of the primary dwelling; and

720 c. Patios that have a roof covering that is constructed of
721 materials that are not the same or substantially the same
722 materials as those of the primary dwelling.

723
724 The corporation shall make available a policy for mobile homes
725 or manufactured homes for a minimum insured value of at least

726 \$3,000.

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

729 19. May require commercial property to meet specified
730 hurricane mitigation construction features as a condition of
731 eligibility for coverage.

732 20. Must provide that new or renewal policies issued by
733 the corporation on or after January 1, 2012, which cover
734 sinkhole loss do not include coverage for any loss to
735 appurtenant structures, driveways, sidewalks, decks, or patios
736 that are directly or indirectly caused by sinkhole activity. The
737 corporation shall exclude such coverage using a notice of
738 coverage change, which may be included with the policy renewal,
739 and not by issuance of a notice of nonrenewal of the excluded
740 coverage upon renewal of the current policy.

741 21. As of January 1, 2012, must require that the agent
742 obtain from an applicant for coverage from the corporation an
743 acknowledgment signed by the applicant, which includes, at a
744 minimum, the following statement:

745 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE

746 AND ASSESSMENT LIABILITY:

747 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
748 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
749 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
750 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND

751 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
 752 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
 753 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
 754 LEGISLATURE.

755 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
 756 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
 757 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
 758 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
 759 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
 760 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
 761 ARE REGULATED AND APPROVED BY THE STATE.

762 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
 763 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
 764 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
 765 FLORIDA LEGISLATURE.

766 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
 767 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
 768 STATE OF FLORIDA.

769 a. The corporation shall maintain, in electronic format or
 770 otherwise, a copy of the applicant's signed acknowledgment and
 771 provide a copy of the statement to the policyholder as part of
 772 the first renewal after the effective date of this subparagraph.

773 b. The signed acknowledgment form creates a conclusive
 774 presumption that the policyholder understood and accepted his or
 775 her potential surcharge and assessment liability as a

776 policyholder of the corporation.

777 (d)1. All prospective employees for senior management
778 positions, as defined by the plan of operation, are subject to
779 background checks as a prerequisite for employment. The office
780 shall conduct the background checks pursuant to ss. 624.34,
781 624.404(3), and 628.261.

782 2. On or before July 1 of each year, employees of the
783 corporation must sign and submit a statement attesting that they
784 do not have a conflict of interest, as defined in part III of
785 chapter 112. As a condition of employment, all prospective
786 employees must sign and submit to the corporation a conflict-of-
787 interest statement.

788 3. The executive director, senior managers, and members of
789 the board of governors are subject to part III of chapter 112,
790 including, but not limited to, the code of ethics and public
791 disclosure and reporting of financial interests, pursuant to s.
792 112.3145. For purposes of applying part III of chapter 112 to
793 activities of the executive director, senior managers, and
794 members of the board of governors, those persons shall be
795 considered public officers or employees and the corporation
796 shall be considered their agency. Notwithstanding s.
797 112.3143(2), a board member may not vote on any measure that
798 would inure to his or her special private gain or loss; that he
799 or she knows would inure to the special private gain or loss of
800 any principal by whom he or she is retained or to the parent

801 organization or subsidiary of a corporate principal by which he
802 or she is retained, other than an agency as defined in s.
803 112.312; or that he or she knows would inure to the special
804 private gain or loss of a relative or business associate of the
805 public officer. Before the vote is taken, such member shall
806 publicly state to the assembly the nature of his or her interest
807 in the matter from which he or she is abstaining from voting
808 and, within 15 days after the vote occurs, disclose the nature
809 of his or her interest as a public record in a memorandum filed
810 with the person responsible for recording the minutes of the
811 meeting, who shall incorporate the memorandum in the minutes.
812 Senior managers and board members are also required to file such
813 disclosures with the Commission on Ethics and the Office of
814 Insurance Regulation. The executive director of the corporation
815 or his or her designee shall notify each existing and newly
816 appointed member of the board of governors and senior managers
817 of their duty to comply with the reporting requirements of part
818 III of chapter 112. At least quarterly, the executive director
819 or his or her designee shall submit to the Commission on Ethics
820 a list of names of the senior managers and members of the board
821 of governors who are subject to the public disclosure
822 requirements under s. 112.3145.

823 4. Notwithstanding s. 112.3148, s. 112.3149, or any other
824 provision of law, an employee or board member may not knowingly
825 accept, directly or indirectly, any gift or expenditure from a

826 person or entity, or an employee or representative of such
827 person or entity, which has a contractual relationship with the
828 corporation or who is under consideration for a contract. An
829 employee or board member who fails to comply with subparagraph
830 3. or this subparagraph is subject to penalties provided under
831 ss. 112.317 and 112.3173.

832 5. Any senior manager of the corporation who is employed
833 on or after January 1, 2007, regardless of the date of hire, who
834 subsequently retires or terminates employment is prohibited from
835 representing another person or entity before the corporation for
836 2 years after retirement or termination of employment from the
837 corporation.

838 6. The executive director, members of the board of
839 governors, and senior managers of the corporation are prohibited
840 from having any employment or contractual relationship for 2
841 years after retirement from or termination of service to the
842 corporation with an insurer that has entered into a take-out
843 bonus agreement with the corporation.

844 7. At the time of appointment, the executive director must
845 have the experience, character, and qualifications sufficient to
846 qualify as a chief executive officer of an insurer in accordance
847 with s. 624.404(3).

848 (n)1. Rates for coverage provided by the corporation must
849 be actuarially sound and subject to s. 627.062, except as
850 otherwise provided in this paragraph. The corporation shall file

851 its recommended rates with the office at least annually. The
852 corporation shall provide any additional information regarding
853 the rates which the office requires. The office shall consider
854 the recommendations of the board and issue a final order
855 establishing the rates for the corporation within 45 days after
856 the recommended rates are filed. The corporation may not pursue
857 an administrative challenge or judicial review of the final
858 order of the office.

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

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

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

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

- 882 a. Eleven percent for 2022.
- 883 b. Twelve percent for 2023.
- 884 c. Thirteen percent for 2024.
- 885 d. Fourteen percent for 2025.
- 886 e. Fifteen percent for 2026 and all subsequent years.

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

890 7. The corporation's implementation of rates as prescribed
 891 in subparagraph 5. must ~~shall~~ cease for any line of business
 892 written by the corporation upon the corporation's implementation
 893 of actuarially sound rates. Thereafter, the corporation shall
 894 annually make a recommended actuarially sound rate filing for
 895 each commercial and personal line of business the corporation
 896 writes.

897 (x)1. The following records of the corporation are
 898 confidential and exempt from ~~the provisions of~~ s. 119.07(1) and
 899 s. 24(a), Art. I of the State Constitution:

- 900 a. Underwriting files, except that a policyholder or an

901 applicant shall have access to his or her own underwriting
902 files. Confidential and exempt underwriting file records may
903 also be released to other governmental agencies upon written
904 request and demonstration of need; such records held by the
905 receiving agency remain confidential and exempt as provided
906 herein.

907 b. Claims files, until termination of all litigation and
908 settlement of all claims arising out of the same incident,
909 although portions of the claims files may remain exempt, as
910 otherwise provided by law. Confidential and exempt claims file
911 records may be released to other governmental agencies upon
912 written request and demonstration of need; such records held by
913 the receiving agency remain confidential and exempt as provided
914 herein.

915 c. Records obtained or generated by an internal auditor
916 pursuant to a routine audit, until the audit is completed, or if
917 the audit is conducted as part of an investigation, until the
918 investigation is closed or ceases to be active. An investigation
919 is considered "active" while the investigation is being
920 conducted with a reasonable, good faith belief that it could
921 lead to the filing of administrative, civil, or criminal
922 proceedings.

923 d. Matters reasonably encompassed in privileged attorney-
924 client communications.

925 e. Proprietary information licensed to the corporation

926 | under contract and the contract provides for the confidentiality
927 | of such proprietary information.

928 | f. All information relating to the medical condition or
929 | medical status of a corporation employee which is not relevant
930 | to the employee's capacity to perform his or her duties, except
931 | as otherwise provided in this paragraph. Information that is
932 | exempt includes ~~shall include~~, but is not limited to,
933 | information relating to workers' compensation, insurance
934 | benefits, and retirement or disability benefits.

935 | g. Upon an employee's entrance into the employee
936 | assistance program, a program to assist any employee who has a
937 | behavioral or medical disorder, substance abuse problem, or
938 | emotional difficulty that affects the employee's job
939 | performance, all records relative to that participation are
940 | ~~shall be~~ confidential and exempt from ~~the provisions of~~ s.
941 | 119.07(1) and s. 24(a), Art. I of the State Constitution, except
942 | as otherwise provided in s. 112.0455(11).

943 | h. Information relating to negotiations for financing,
944 | reinsurance, depopulation, or contractual services, until the
945 | conclusion of the negotiations.

946 | i. Minutes of closed meetings regarding underwriting
947 | files, and minutes of closed meetings regarding an open claims
948 | file until termination of all litigation and settlement of all
949 | claims with regard to that claim, except that information
950 | otherwise confidential or exempt by law must ~~shall~~ be redacted.

951 2. If an authorized insurer is considering underwriting a
952 risk insured by the corporation, relevant underwriting files and
953 confidential claims files may be released to the insurer
954 provided that the insurer agrees in writing, notarized and under
955 oath, to maintain the confidentiality of such files. If a policy
956 file is transferred to an insurer, that policy file is no longer
957 a public record because it is not held by an agency subject to
958 ~~the provisions of~~ the public records law. Underwriting files and
959 confidential claims files may also be released to staff and the
960 board of governors of the market assistance plan established
961 pursuant to s. 627.3515, who must retain the confidentiality of
962 such files, except such files may be released to authorized
963 insurers that are considering assuming the risks to which the
964 files apply, provided the insurer agrees in writing, notarized
965 and under oath, to maintain the confidentiality of such files.
966 Finally, the corporation or the board or staff of the market
967 assistance plan may make the following information obtained from
968 underwriting files and confidential claims files available to an
969 entity that has obtained a permit to become an authorized
970 insurer, a reinsurer that may provide reinsurance under s.
971 624.610, a licensed reinsurance broker, a licensed rating
972 organization, a modeling company, or a licensed general lines
973 insurance agent: name, address, and telephone number of the
974 residential property owner or insured; location of the risk;
975 rating information; loss history; and policy type. The receiving

976 person must retain the confidentiality of the information
977 received and may use the information only for the purposes of
978 developing a take-out plan or a rating plan to be submitted to
979 the office for approval or otherwise analyzing the underwriting
980 of a risk or risks insured by the corporation on behalf of the
981 private insurance market. A licensed general lines insurance
982 agent may not use such information for the direct solicitation
983 of policyholders.

984 3. A policyholder who has filed suit against the
985 corporation has the right to discover the contents of his or her
986 own claims file to the same extent that discovery of such
987 contents would be available from a private insurer in litigation
988 as provided by the Florida Rules of Civil Procedure, the Florida
989 Evidence Code, and other applicable law. Pursuant to subpoena, a
990 third party has the right to discover the contents of an
991 insured's or applicant's underwriting or claims file to the same
992 extent that discovery of such contents would be available from a
993 private insurer by subpoena as provided by the Florida Rules of
994 Civil Procedure, the Florida Evidence Code, and other applicable
995 law, and subject to any confidentiality protections requested by
996 the corporation and agreed to by the seeking party or ordered by
997 the court. The corporation may release confidential underwriting
998 and claims file contents and information as it deems necessary
999 and appropriate to underwrite or service insurance policies and
1000 claims, subject to any confidentiality protections deemed

1001 necessary and appropriate by the corporation.

1002 4. Portions of meetings of the corporation are exempt from
1003 ~~the provisions of~~ s. 286.011 and s. 24(b), Art. I of the State
1004 Constitution wherein confidential underwriting files or
1005 confidential open claims files are discussed. All portions of
1006 corporation meetings which are closed to the public shall be
1007 recorded by a court reporter. The court reporter shall record
1008 the times of commencement and termination of the meeting, all
1009 discussion and proceedings, the names of all persons present at
1010 any time, and the names of all persons speaking. No portion of
1011 any closed meeting shall be off the record. Subject to the
1012 provisions hereof and s. 119.07(1)(d)-(f), the court reporter's
1013 notes of any closed meeting shall be retained by the corporation
1014 for a minimum of 5 years. A copy of the transcript, less any
1015 exempt matters, of any closed meeting wherein claims are
1016 discussed shall become public as to individual claims after
1017 settlement of the claim.

1018 (ii) The corporation shall revise the programs adopted
1019 pursuant to sub-subparagraph (q)3.a. for personal lines
1020 residential policies to maximize policyholder options and
1021 encourage increased participation by insurers and agents. After
1022 January 1, 2017, a policy may not be taken out of the
1023 corporation unless the provisions of this paragraph are met.

1024 1. The corporation must publish a periodic schedule of
1025 cycles during which an insurer may identify, and notify the

1026 corporation of, policies that the insurer is requesting to take
 1027 out. A request must include a description of the coverage
 1028 offered and an estimated premium and must be submitted to the
 1029 corporation in a form and manner prescribed by the corporation.

1030 2. The corporation must maintain and make available to the
 1031 agent of record a consolidated list of all insurers requesting
 1032 to take out a policy. The list must include a description of the
 1033 coverage offered and the estimated premium for each take-out
 1034 request.

1035 3. If a policyholder receives a take-out offer from an
 1036 authorized insurer, the risk is no longer eligible for coverage
 1037 with the corporation unless the premium for coverage from the
 1038 authorized insurer is more than the following percent greater
 1039 than the renewal premium for comparable coverage from the
 1040 corporation:

1041 a. Four percent for policies effective on or after January
 1042 1, 2023.

1043 b. Eight percent for policies effective on or after
 1044 January 1, 2024.

1045 c. Twelve percent for policies effective on or after
 1046 January 1, 2025.

1047 d. Sixteen percent for policies effective on or after
 1048 January 1, 2026.

1049 e. Twenty percent for policies effective on or after
 1050 January 1, 2027, and in all subsequent years.

1051 ~~4.3.~~ The corporation must provide written notice to the
 1052 policyholder and the agent of record regarding all insurers
 1053 requesting to take out the policy, which ~~and regarding the~~
 1054 ~~policyholder's option to accept a take-out offer or to reject~~
 1055 ~~all take-out offers and to remain with the corporation. The~~
 1056 ~~notice~~ must be in a format prescribed by the corporation and
 1057 include, for each take-out offer:

- 1058 a. The amount of the estimated premium;
- 1059 b. A description of the coverage; and
- 1060 c. A comparison of the estimated premium and coverage
 1061 offered by the insurer to the estimated premium and coverage
 1062 provided by the corporation.

1063 Section 3. Section 627.3517, Florida Statutes, is amended
 1064 to read:

1065 627.3517 Consumer choice.—No provision of s. 627.351, s.
 1066 627.3511, or s. 627.3515 shall be construed to impair the right
 1067 of any insurance risk apportionment plan policyholder, upon
 1068 receipt of any keep-out ~~keepout~~ or take-out offer, to retain his
 1069 or her current agent, so long as that agent is duly licensed and
 1070 appointed by the insurance risk apportionment plan or otherwise
 1071 authorized to place business with the insurance risk
 1072 apportionment plan. This right may ~~shall~~ not be canceled,
 1073 suspended, impeded, abridged, or otherwise compromised by any
 1074 rule, plan of operation, or depopulation plan, whether through
 1075 keep-out ~~keepout~~, take-out, midterm assumption, or any other

1076 means, of any insurance risk apportionment plan or depopulation
 1077 plan, including, but not limited to, those described in s.
 1078 627.351, s. 627.3511, or s. 627.3515. The commission shall adopt
 1079 any rules necessary to cause any insurance risk apportionment
 1080 plan or market assistance plan under such sections to
 1081 demonstrate that the operations of the plan do not interfere
 1082 with, promote, or allow interference with the rights created
 1083 under this section. If the policyholder's current agent is
 1084 unable or unwilling to be appointed with the insurer making the
 1085 take-out or keep-out ~~keepout~~ offer, the policyholder is ~~shall~~
 1086 not ~~be~~ disqualified from participation in the appropriate
 1087 insurance risk apportionment plan because of an offer of
 1088 coverage in the voluntary market. An offer of full property
 1089 insurance coverage by the insurer currently insuring either the
 1090 ex-wind or wind-only coverage on the policy to which the offer
 1091 applies is ~~shall~~ not ~~be~~ considered a take-out or keep-out
 1092 ~~keepout~~ offer. Any rule, plan of operation, or plan of
 1093 depopulation, through keep-out ~~keepout~~, take-out, midterm
 1094 assumption, or any other means, of any property insurance risk
 1095 apportionment plan under s. 627.351(2) or (6) is subject to ss.
 1096 627.351(2) (b) and (6) (c) and 627.3511(4).

1097 Section 4. Section 627.3518, Florida Statutes, is amended
 1098 to read:

1099 627.3518 Citizens Property Insurance Corporation
 1100 policyholder eligibility clearinghouse program. ~~The purpose of~~

1101 ~~this section is to provide a framework for the corporation to~~
1102 ~~implement a clearinghouse program by January 1, 2014.~~

1103 (1) As used in this section, the term:

1104 (a) "Corporation" means Citizens Property Insurance
1105 Corporation.

1106 (b) "Exclusive agent" means any licensed insurance agent
1107 that has, by contract, agreed to act exclusively for one company
1108 or group of affiliated insurance companies and is disallowed by
1109 the provisions of that contract to directly write for any other
1110 unaffiliated insurer absent express consent from the company or
1111 group of affiliated insurance companies.

1112 (c) "Independent agent" means any licensed insurance agent
1113 not described in paragraph (b).

1114 (d) "Program" means the clearinghouse created under this
1115 section.

1116 (2) In order to confirm eligibility with the corporation
1117 and to enhance access of new applicants for coverage and
1118 existing policyholders of the corporation to offers of coverage
1119 from authorized insurers, the corporation shall establish a
1120 program for personal residential risks in order to facilitate
1121 the diversion of ineligible applicants and existing
1122 policyholders from the corporation into the voluntary insurance
1123 market. The corporation shall also develop appropriate
1124 procedures for facilitating the diversion of ineligible
1125 applicants and existing policyholders for commercial residential

1126 coverage into the private insurance market ~~and shall report such~~
 1127 ~~procedures to the President of the Senate and the Speaker of the~~
 1128 ~~House of Representatives by January 1, 2014.~~

1129 (3) The corporation board shall establish the
 1130 clearinghouse program as an organizational unit within the
 1131 corporation. The program shall have all the rights and
 1132 responsibilities in carrying out its duties as a licensed
 1133 general lines agent, but may not be required to employ or engage
 1134 a licensed general lines agent or to maintain an insurance
 1135 agency license to carry out its activities in the solicitation
 1136 and placement of insurance coverage. In establishing the
 1137 program, the corporation may:

1138 (a) Require all new applications, and all policies due for
 1139 renewal, to be submitted for coverage to the program in order to
 1140 facilitate obtaining an offer of coverage from an authorized
 1141 insurer before binding or renewing coverage by the corporation.

1142 (b) Employ or otherwise contract with individuals or other
 1143 entities for appropriate administrative or professional services
 1144 to effectuate the plan within the corporation in accordance with
 1145 the applicable purchasing requirements under s. 627.351.

1146 (c) Enter into contracts with any authorized insurer to
 1147 participate in the program and accept an appointment by such
 1148 insurer.

1149 (d) Provide funds to operate the program. Insurers and
 1150 agents participating in the program are not required to pay a

1151 fee to offset or partially offset the cost of the program or use
1152 the program for renewal of policies initially written through
1153 the clearinghouse.

1154 (e) Develop an enhanced application that includes
1155 information to assist private insurers in determining whether to
1156 make an offer of coverage through the program.

1157 (f) For personal lines residential risks, require, before
1158 approving all new applications for coverage by the corporation,
1159 that every application be subject to a period of 2 business days
1160 when any insurer participating in the program may select the
1161 application for coverage. The insurer may issue a binder on any
1162 policy selected for coverage for a period of at least 30 days
1163 but not more than 60 days.

1164 (4) Any authorized insurer may participate in the program;
1165 however, participation is not mandatory for any insurer.
1166 Insurers making offers of coverage to new applicants or renewal
1167 policyholders through the program:

1168 (a) May not be required to individually appoint any agent
1169 whose customer is underwritten and bound through the program.
1170 Notwithstanding s. 626.112, insurers are not required to appoint
1171 any agent on a policy underwritten through the program for as
1172 long as that policy remains with the insurer. Insurers may, at
1173 their election, appoint any agent whose customer is initially
1174 underwritten and bound through the program. In the event an
1175 insurer accepts a policy from an agent who is not appointed

1176 | pursuant to this paragraph, and thereafter elects to accept a
 1177 | policy from such agent, the provisions of s. 626.112 requiring
 1178 | appointment apply to the agent.

1179 | (b) Must enter into a limited agency agreement with each
 1180 | agent that is not appointed in accordance with paragraph (a) and
 1181 | whose customer is underwritten and bound through the program.

1182 | (c) Must enter into its standard agency agreement with
 1183 | each agent whose customer is underwritten and bound through the
 1184 | program when that agent has been appointed by the insurer
 1185 | pursuant to s. 626.112.

1186 | (d) Must comply with s. 627.4133(2).

1187 | (e) May participate through their single-designated
 1188 | managing general agent or broker; however, the provisions of
 1189 | paragraph (6)(a) regarding ownership, control, and use of the
 1190 | expirations continue to apply.

1191 | (f) Must pay to the producing agent a commission equal to
 1192 | that paid by the corporation or the usual and customary
 1193 | commission paid by the insurer for that line of business,
 1194 | whichever is greater.

1195 | (5) Notwithstanding s. 627.3517, any applicant for new
 1196 | coverage from the corporation is not eligible for coverage from
 1197 | the corporation if provided an offer of coverage from an
 1198 | authorized insurer through the program at a premium that is at
 1199 | or below the eligibility threshold established in s.

1200 | 627.351(6)(c)5.a. Whenever an offer of coverage for a personal

1201 lines risk is received for a policyholder of the corporation at
 1202 renewal from an authorized insurer through the program, ~~if the~~
 1203 ~~offer is equal to or less than the corporation's renewal premium~~
 1204 ~~for comparable coverage,~~ the risk is not eligible for coverage
 1205 with the corporation if the offer is at or below the eligibility
 1206 threshold specified in s. 627.351(6)(c)5.a. In the event that an
 1207 offer of coverage for a new applicant is received from an
 1208 authorized insurer through the program, and the premium offered
 1209 exceeds the eligibility threshold specified ~~contained~~ in s.
 1210 627.351(6)(c)5.a., the applicant or insured may elect to accept
 1211 such coverage, or may elect to accept or continue coverage with
 1212 the corporation. In the event that an offer of coverage for a
 1213 personal lines risk is received from an authorized insurer at
 1214 renewal through the program, and the premium offered is at or
 1215 below the eligibility threshold specified in s.
 1216 627.351(6)(c)5.a. ~~more than the corporation's renewal premium~~
 1217 ~~for comparable coverage,~~ the insured is not eligible to ~~may~~
 1218 ~~elect to accept such coverage, or may elect to accept or~~
 1219 continue coverage with the corporation. Section
 1220 627.351(6)(c)5.a.(I) does not apply to an offer of coverage from
 1221 an authorized insurer obtained through the program. ~~An applicant~~
 1222 ~~for coverage from the corporation who was declared ineligible~~
 1223 ~~for coverage at renewal by the corporation in the previous 36~~
 1224 ~~months due to an offer of coverage pursuant to this subsection~~
 1225 ~~shall be considered a renewal under this section if the~~

1226 ~~corporation determines that the authorized insurer making the~~
1227 ~~offer of coverage pursuant to this subsection continues to~~
1228 ~~insure the applicant and increased the rate on the policy in~~
1229 ~~excess of the increase allowed for the corporation under s.~~
1230 ~~627.351(6)(n)5.~~

1231 (6) Independent insurance agents submitting new
1232 applications for coverage or that are the agent of record on a
1233 renewal policy submitted to the program:

1234 (a) Are granted and must maintain ownership and the
1235 exclusive use of expirations, records, or other written or
1236 electronic information directly related to such applications or
1237 renewals written through the corporation or through an insurer
1238 participating in the program, notwithstanding s.
1239 627.351(6)(c)5.a.(I)(B) and (II)(B). Such ownership is granted
1240 for as long as the insured remains with the agency or until sold
1241 or surrendered in writing by the agent. Contracts with the
1242 corporation or required by the corporation must not amend,
1243 modify, interfere with, or limit such rights of ownership. Such
1244 expirations, records, or other written or electronic information
1245 may be used to review an application, issue a policy, or for any
1246 other purpose necessary for placing such business through the
1247 program.

1248 (b) May not be required to be appointed by any insurer
1249 participating in the program for policies written solely through
1250 the program, notwithstanding the provisions of s. 626.112.

1251 (c) May accept an appointment from any insurer
 1252 participating in the program.

1253 (d) May enter into either a standard or limited agency
 1254 agreement with the insurer, at the insurer's option.

1255
 1256 Applicants ineligible for coverage in accordance with subsection
 1257 (5) remain ineligible if their independent agent is unwilling or
 1258 unable to enter into a standard or limited agency agreement with
 1259 an insurer participating in the program.

1260 (7) Exclusive agents submitting new applications for
 1261 coverage or that are the agent of record on a renewal policy
 1262 submitted to the program:

1263 (a) Must maintain ownership and the exclusive use of
 1264 expirations, records, or other written or electronic information
 1265 directly related to such applications or renewals written
 1266 through the corporation or through an insurer participating in
 1267 the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and
 1268 (II)(B). Contracts with the corporation or required by the
 1269 corporation must not amend, modify, interfere with, or limit
 1270 such rights of ownership. Such expirations, records, or other
 1271 written or electronic information may be used to review an
 1272 application, issue a policy, or for any other purpose necessary
 1273 for placing such business through the program.

1274 (b) May not be required to be appointed by any insurer
 1275 participating in the program for policies written solely through

1276 the program, notwithstanding the provisions of s. 626.112.

1277 (c) Must only facilitate the placement of an offer of
 1278 coverage from an insurer whose limited servicing agreement is
 1279 approved by that exclusive agent's exclusive insurer.

1280 (d) May enter into a limited servicing agreement with the
 1281 insurer making an offer of coverage, and only after the
 1282 exclusive agent's insurer has approved the limited servicing
 1283 agreement terms. The exclusive agent's insurer must approve a
 1284 limited service agreement for the program for any insurer for
 1285 which it has approved a service agreement for other purposes.

1286
 1287 Applicants ineligible for coverage in accordance with subsection
 1288 (5) remain ineligible if their exclusive agent is unwilling or
 1289 unable to enter into a standard or limited agency agreement with
 1290 an insurer making an offer of coverage to that applicant.

1291 (8) Submission of an application for coverage by the
 1292 corporation to the program does not constitute the binding of
 1293 coverage by the corporation, and failure of the program to
 1294 obtain an offer of coverage by an insurer may not be considered
 1295 acceptance of coverage of the risk by the corporation.

1296 (9) The 45-day notice of nonrenewal requirement set forth
 1297 in s. 627.4133(2)(b)5. applies when a policy is nonrenewed by
 1298 the corporation because the risk has received an offer of
 1299 coverage pursuant to this section which renders the risk
 1300 ineligible for coverage by the corporation.

1301 (10) The program may not include commercial nonresidential
 1302 policies.

1303 (11) Proprietary business information provided to the
 1304 corporation's clearinghouse by insurers with respect to
 1305 identifying and selecting risks for an offer of coverage is
 1306 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I
 1307 of the State Constitution.

1308 (a) As used in this subsection, the term "proprietary
 1309 business information" means information, regardless of form or
 1310 characteristics, which is owned or controlled by an insurer and:

1311 1. Is identified by the insurer as proprietary business
 1312 information and is intended to be and is treated by the insurer
 1313 as private in that the disclosure of the information would cause
 1314 harm to the insurer, an individual, or the company's business
 1315 operations and has not been disclosed unless disclosed pursuant
 1316 to a statutory requirement, an order of a court or
 1317 administrative body, or a private agreement that provides that
 1318 the information will not be released to the public;

1319 2. Is not otherwise readily ascertainable or publicly
 1320 available by proper means by other persons from another source
 1321 in the same configuration as provided to the clearinghouse; and

1322 3. Includes:

1323 a. Trade secrets, as defined in s. 688.002.

1324 b. Information relating to competitive interests, the
 1325 disclosure of which would impair the competitive business of the

CS/CS/HB 1307

2022

1326 provider of the information.

1327

1328 Proprietary business information may be found in underwriting
1329 criteria or instructions which are used to identify and select
1330 risks through the program for an offer of coverage and are
1331 shared with the clearinghouse to facilitate the shopping of
1332 risks with the insurer.

1333 (b) The clearinghouse may disclose confidential and exempt
1334 proprietary business information:

1335 1. If the insurer to which it pertains gives prior written
1336 consent;

1337 2. Pursuant to a court order; or

1338 3. To another state agency in this or another state or to
1339 a federal agency if the recipient agrees in writing to maintain
1340 the confidential and exempt status of the document, material, or
1341 other information and has verified in writing its legal
1342 authority to maintain such confidentiality.

1343 Section 5. This act shall take effect July 1, 2022.