



Insurance, Business & Financial Affairs Policy Committee

**Wednesday March 17, 2010
2:15 PM
212 Knott Bldg.**

COMMITTEE ACTION PACKET

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

Summary:

Insurance, Business & Financial Affairs Policy Committee

Wednesday March 17, 2010 02:15 pm

CS/HB 337	Favorable With Committee Substitute	Yeas: 11	Nays: 0
HB 447	Favorable With Committee Substitute	Yeas: 11	Nays: 3
HB 751	Favorable With Committee Substitute	Yeas: 10	Nays: 0
HB 885	Favorable	Yeas: 11	Nays: 0
HB 1049	Favorable	Yeas: 11	Nays: 0
HB 1051	Favorable	Yeas: 11	Nays: 0
CS/HB 1247	Favorable	Yeas: 11	Nays: 0
HB 1253	Favorable With Committee Substitute	Yeas: 11	Nays: 0

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Pat Patterson (Chair)	X		
Carl Domino	X		
Eric Eisnaugle	X		
Anitere Flores	X		
Tom Grady	X		
D. Alan Hays	X		
Evan Jenne	X		
Janet Long	X		
Peter Nehr	X		
Bryan Nelson	X		
Kevin Rader	X		
Dwayne Taylor	X		
John Wood	X		
Ritch Workman	X		
Totals:	14	0	0

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

CS/HB 337 : Condominiums

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Carl Domino	X				
Eric Eisnaugle	X				
Anitere Flores	X				
Tom Grady	X				
D. Alan Hays	X				
Evan Jenne	X				
Janet Long				X	
Peter Nehr	X				
Bryan Nelson				X	
Kevin Rader	X				
Dwayne Taylor	X				
John Wood	X				
Ritch Workman				X	
Pat Patterson (Chair)	X				
Total Yeas: 11		Total Nays: 0			

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

Adopted
3/17/10

COUNCIL/COMMITTEE AMENDMENT

Bill No. CS/HB 337 (2010)

Amendment No. 1

COUNCIL/COMMITTEE ACTION

ADOPTED	<input checked="" type="checkbox"/>	(Y/N)
ADOPTED AS AMENDED	<input type="checkbox"/>	(Y/N)
ADOPTED W/O OBJECTION	<input type="checkbox"/>	(Y/N)
FAILED TO ADOPT	<input type="checkbox"/>	(Y/N)
WITHDRAWN	<input type="checkbox"/>	(Y/N)
OTHER	<input type="checkbox"/>	

1 Council/Committee hearing bill: Insurance, Business & Financial
 2 Affairs Policy Committee
 3 Representative(s) Jenne offered the following:

Amendment

6 Remove lines 22-27 and insert:
 7 charges. The notice must be given by delivery of a copy of it to
 8 the unit owner or by certified or registered mail, return
 9 receipt requested, addressed to the unit owner at his or her
 10 last known address; and, upon such mailing, the notice shall be
 11 deemed to have been given.

12 (b) As to any statute or any provision in the governing
 13 documents that creates a restriction or condition upon a unit
 14 owner related to delinquency in the payment of moneys owed to
 15 the association, no such restriction or condition shall be in
 16 effect until 20 days after the delinquency notice is given to

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

HB 447 : Residential Property Insurance

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Carl Domino	X				
Eric Eisnaugle	X				
Anitere Flores		X			
Tom Grady	X				
D. Alan Hays	X				
Evan Jenne		X			
Janet Long	X				
Peter Nehr	X				
Bryan Nelson	X				
Kevin Rader	X				
Dwayne Taylor	X				
John Wood	X				
Ritch Workman	X				
Pat Patterson (Chair)		X			
Total Yeas: 11		Total Nays: 3			

Appearances:

Nelson Amendment 1A
 David J. Salmon, Attorney - Proponent
 American Integrity Ins. Co.
 Tampa FL
 Phone: 813-849-7200

Nehr Amendment 1C
 Jeff Sharkey, President (Lobbyist) - Information Only
 Insurance Futures Exchange
 106 E. College Avenue #640
 Tallahassee FL 32301
 Phone: 850-224-1660

Nehr Amendment 1C
 Jim Massie, Florida Counsel (Lobbyist) - Opponent
 Reinsurance Association of America
 1995 Farms
 Tallahassee FL 32317
 Phone: 850-933-2108

Proctor Strike All Amendment
 Sean Shaw, Insurance Consumer Advocate (Lobbyist) (State Employee) - Opponent
 Office of Insurance Consumer Advocate
 Tallahassee FL
 Phone: 850-413-5923

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

Strike All Amendment As Amended

David Daniel, VP of Govt. Affairs (Lobbyist) - Proponent

Florida Chamber of Commerce

136 S. Bronough St.

Tallahassee FL 32301

Phone: 850-521-1250

Strike All Amendment As Amended

Jose L. Gonzalez, Vice President Government Affairs (Lobbyist) - Proponent

Associated Industries of FL

516 N. Adams Street

Tallahassee FL 32301

Phone: 850-224-7173

Strike All Amendment As Amended

Monte Stevens, Director of Government Affairs (Lobbyist) (State Employee) - Proponent

Office of Insurance Regulation

200 E. Gaines Sreet

Tallahassee FL 32399

Phone: 850-413-5042

Strike All Amendment As Amended

Belinda H. miller, Deput Commissioner (Lobbyist) (State Employee) - Information Only

OIR

Tallahassee FL 32399

Phone: 850-413-5000

Strike All Amendment As Amended

Gary Farmer, Attorney - Opponent

Florida Justice Association

218 S. Monroe Street

Tallahassee FL 32301

Phone: 850-224-9403

Strike All Amendment As Amended

Christine Turner Ashbum, Director of Legislative & External Affairs (Lobbyist) - Information Only

Citizens Property Insurance

Tallahassee FL 32301

Phone: 850-513-3746

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

Adopted
3/17/10

COUNCIL/COMMITTEE AMENDMENT
Bill No. HB 447 (2010)

Amendment No.

COUNCIL/COMMITTEE ACTION

ADOPTED	<input checked="" type="checkbox"/>	(Y/N)
ADOPTED AS AMENDED	<input type="checkbox"/>	(Y/N)
ADOPTED W/O OBJECTION	<input type="checkbox"/>	(Y/N)
FAILED TO ADOPT	<input type="checkbox"/>	(Y/N)
WITHDRAWN	<input type="checkbox"/>	(Y/N)
OTHER	<input type="checkbox"/>	

1 Council/Committee hearing bill: Insurance, Business & Financial
 2 Affairs Policy Committee
 3 Representative Proctor offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Paragraph (b) of subsection (6) of section

215.555, Florida Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.—

(6) REVENUE BONDS.—

(b) Emergency assessments.—

1. If the board determines that the amount of revenue
 produced under subsection (5) is insufficient to fund the
 obligations, costs, and expenses of the fund and the
 corporation, including repayment of revenue bonds and that
 portion of the debt service coverage not met by reimbursement
 premiums, the board shall direct the Office of Insurance
 Regulation to levy, by order, an emergency assessment on direct
 premiums for all property and casualty lines of business in this

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

20 state, including property and casualty business of surplus lines
21 insurers regulated under part VIII of chapter 626, but not
22 including any workers' compensation premiums or medical
23 malpractice premiums. As used in this subsection, the term
24 "property and casualty business" includes all lines of business
25 identified on Form 2, Exhibit of Premiums and Losses, in the
26 annual statement required of authorized insurers by s. 624.424
27 and any rule adopted under this section, except for those lines
28 identified as accident and health insurance and except for
29 policies written under the National Flood Insurance Program. The
30 assessment shall be specified as a percentage of direct written
31 premium and is subject to annual adjustments by the board in
32 order to meet debt obligations. The same percentage shall apply
33 to all policies in lines of business subject to the assessment
34 issued or renewed during the 12-month period beginning on the
35 effective date of the assessment.

36 2. A premium is not subject to an annual assessment under
37 this paragraph in excess of 6 percent of premium with respect to
38 obligations arising out of losses attributable to any one
39 contract year, and a premium is not subject to an aggregate
40 annual assessment under this paragraph in excess of 10 percent
41 of premium. An annual assessment under this paragraph shall
42 continue as long as the revenue bonds issued with respect to
43 which the assessment was imposed are outstanding, including any
44 bonds the proceeds of which were used to refund the revenue
45 bonds, unless adequate provision has been made for the payment
46 of the bonds under the documents authorizing issuance of the
47 bonds.

Amendment No.

48 3. Emergency assessments shall be collected from
49 policyholders. Emergency assessments shall be remitted by
50 insurers as a percentage of direct written premium for the
51 preceding calendar quarter as specified in the order from the
52 Office of Insurance Regulation. The office shall verify the
53 accurate and timely collection and remittance of emergency
54 assessments and shall report the information to the board in a
55 form and at a time specified by the board. Each insurer
56 collecting assessments shall provide the information with
57 respect to premiums and collections as may be required by the
58 office to enable the office to monitor and verify compliance
59 with this paragraph.

60 4. With respect to assessments of surplus lines premiums,
61 each surplus lines agent shall collect the assessment at the
62 same time as the agent collects the surplus lines tax required
63 by s. 626.932, and the surplus lines agent shall remit the
64 assessment to the Florida Surplus Lines Service Office created
65 by s. 626.921 at the same time as the agent remits the surplus
66 lines tax to the Florida Surplus Lines Service Office. The
67 emergency assessment on each insured procuring coverage and
68 filing under s. 626.938 shall be remitted by the insured to the
69 Florida Surplus Lines Service Office at the time the insured
70 pays the surplus lines tax to the Florida Surplus Lines Service
71 Office. The Florida Surplus Lines Service Office shall remit the
72 collected assessments to the fund or corporation as provided in
73 the order levied by the Office of Insurance Regulation. The
74 Florida Surplus Lines Service Office shall verify the proper
75 application of such emergency assessments and shall assist the

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

76 board in ensuring the accurate and timely collection and
77 remittance of assessments as required by the board. The Florida
78 Surplus Lines Service Office shall annually calculate the
79 aggregate written premium on property and casualty business,
80 other than workers' compensation and medical malpractice,
81 procured through surplus lines agents and insureds procuring
82 coverage and filing under s. 626.938 and shall report the
83 information to the board in a form and at a time specified by
84 the board.

85 5. Any assessment authority not used for a particular
86 contract year may be used for a subsequent contract year. If,
87 for a subsequent contract year, the board determines that the
88 amount of revenue produced under subsection (5) is insufficient
89 to fund the obligations, costs, and expenses of the fund and the
90 corporation, including repayment of revenue bonds and that
91 portion of the debt service coverage not met by reimbursement
92 premiums, the board shall direct the Office of Insurance
93 Regulation to levy an emergency assessment up to an amount not
94 exceeding the amount of unused assessment authority from a
95 previous contract year or years, plus an additional 4 percent
96 provided that the assessments in the aggregate do not exceed the
97 limits specified in subparagraph 2.

98 6. The assessments otherwise payable to the corporation
99 under this paragraph shall be paid to the fund unless and until
100 the Office of Insurance Regulation and the Florida Surplus Lines
101 Service Office have received from the corporation and the fund a
102 notice, which shall be conclusive and upon which they may rely
103 without further inquiry, that the corporation has issued bonds

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

104 and the fund has no agreements in effect with local governments
105 under paragraph (c). On or after the date of the notice and
106 until the date the corporation has no bonds outstanding, the
107 fund shall have no right, title, or interest in or to the
108 assessments, except as provided in the fund's agreement with the
109 corporation.

110 7. Emergency assessments are not premium and are not
111 subject to the premium tax, to the surplus lines tax, to any
112 fees, or to any commissions. An insurer is liable for all
113 assessments that it collects and must treat the failure of an
114 insured to pay an assessment as a failure to pay the premium. An
115 insurer is not liable for uncollectible assessments.

116 8. When an insurer is required to return an unearned
117 premium, it shall also return any collected assessment
118 attributable to the unearned premium. A credit adjustment to the
119 collected assessment may be made by the insurer with regard to
120 future remittances that are payable to the fund or corporation,
121 but the insurer is not entitled to a refund.

122 9. When a surplus lines insured or an insured who has
123 procured coverage and filed under s. 626.938 is entitled to the
124 return of an unearned premium, the Florida Surplus Lines Service
125 Office shall provide a credit or refund to the agent or such
126 insured for the collected assessment attributable to the
127 unearned premium prior to remitting the emergency assessment
128 collected to the fund or corporation.

129 10. The exemption of medical malpractice insurance
130 premiums from emergency assessments under this paragraph is
131 repealed May 31, 2013 ~~2010~~, and medical malpractice insurance

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

132 premiums shall be subject to emergency assessments attributable
133 to loss events occurring in the contract years commencing on
134 June 1, 2013 ~~2010~~.

135 Section 2. Subsection (1) of section 624.407, Florida
136 Statutes, is amended to read:

137 624.407 Capital funds required; new insurers.—

138 (1) To receive authority to transact any one kind or
139 combinations of kinds of insurance, as defined in part V of this
140 chapter, an insurer applying for its original certificate of
141 authority in this state after the effective date of this section
142 shall possess surplus as to policyholders not less than the
143 greater of:

144 (a) Except as otherwise provided in this subsection, \$5
145 ~~five million dollars~~ for a property and casualty insurer, or
146 \$2.5 million for any other insurer;

147 (b) For life insurers, 4 percent of the insurer's total
148 liabilities;

149 (c) For life and health insurers, 4 percent of the
150 insurer's total liabilities, plus 6 percent of the insurer's
151 liabilities relative to health insurance; ~~or~~

152 (d) For all insurers other than life insurers and life and
153 health insurers, 10 percent of the insurer's total liabilities;
154 or

155 (e) For a domestic insurer initially licensed on or after
156 July 1, 2010, that transacts residential property insurance and
157 is not a wholly owned subsidiary of an insurer domiciled in any
158 other state, \$15 million; however, this paragraph does not apply

Amendment No.

159 to a domestic insurer that is a subsidiary or affiliate of a
160 domestic property insurer that was licensed before July 1, 2010;
161

162 however, a domestic insurer that transacts residential property
163 insurance and is a wholly owned subsidiary of an insurer
164 domiciled in any other state shall possess surplus as to
165 policyholders of at least \$50 million, but no insurer shall be
166 required under this subsection to have surplus as to
167 policyholders greater than \$100 million.

168 Section 3. Subsection (1) of section 624.408, Florida
169 Statutes, is amended to read:

170 624.408 Surplus as to policyholders required; new and
171 existing insurers.—

172 (1) ~~(a)~~ To maintain a certificate of authority to transact
173 any one kind or combinations of kinds of insurance, as defined
174 in part V of this chapter, an insurer in this state shall at all
175 times maintain surplus as to policyholders not less than the
176 greater of:

177 (a)1. Except as provided in paragraphs (e) and (f)
178 ~~subparagraph 5. and paragraph (b)~~, \$1.5 million;

179 (b)2. For life insurers, 4 percent of the insurer's total
180 liabilities;

181 (c)3. For life and health insurers, 4 percent of the
182 insurer's total liabilities plus 6 percent of the insurer's
183 liabilities relative to health insurance; ~~or~~

184 (d)4. For all insurers other than mortgage guaranty
185 insurers, life insurers, and life and health insurers, 10
186 percent of the insurer's total liabilities; ~~or~~

Amendment No.

187 | (e)5. Except as provided in paragraph (f), for property
188 | and casualty insurers, \$4 million; or-

189 | (f) For a domestic insurer initially licensed on or after
190 | July 1, 2010, that transacts residential property insurance and
191 | is not a wholly owned subsidiary of an insurer domiciled in any
192 | other state, \$12 million; however, this paragraph does not apply
193 | to a domestic insurer that is a subsidiary or affiliate of a
194 | domestic property insurer that was licensed before July 1, 2010.

195 | ~~(b) For any property and casualty insurer holding a~~
196 | ~~certificate of authority on December 1, 1993, the following~~
197 | ~~amounts apply instead of the \$4 million required by subparagraph~~
198 | ~~(a)5.:~~

199 | ~~1. On December 31, 2001, and until December 30, 2002, \$3~~
200 | ~~million.~~

201 | ~~2. On December 31, 2002, and until December 30, 2003,~~
202 | ~~\$3.25 million.~~

203 | ~~3. On December 31, 2003, and until December 30, 2004, \$3.6~~
204 | ~~million.~~

205 | ~~4. On December 31, 2004, and thereafter, \$4 million.~~

206 | Section 4. Subsection (4) of section 627.0613, Florida
207 | Statutes, is amended to read:

208 | 627.0613 Consumer advocate.—The Chief Financial Officer
209 | must appoint a consumer advocate who must represent the general
210 | public of the state before the department and the office. The
211 | consumer advocate must report directly to the Chief Financial
212 | Officer, but is not otherwise under the authority of the
213 | department or of any employee of the department. The consumer
214 | advocate has such powers as are necessary to carry out the

Amendment No.

215 duties of the office of consumer advocate, including, but not
216 limited to, the powers to:

217 (4) (a) By June 1, 2012, and each June 1 thereafter,
218 prepare an annual report card for each authorized personal
219 residential property insurer, on a form and using a letter-grade
220 scale developed by the commission by rule, which objectively
221 grades each insurer based on the following factors:

222 1. (a) The number and nature of valid consumer complaints,
223 as a market share ratio, received by the department against the
224 insurer.

225 2. (b) The disposition of all valid complaints received by
226 the department.

227 3. (c) The average length of time for payment of claims by
228 the insurer.

229 4. (d) Any other measurable and objective factors the
230 commission identifies as capable of assisting policyholders in
231 making informed choices about homeowner's insurance.

232 (b) For purposes of this subsection, the term "valid
233 consumer complaint" means a written communication from a
234 consumer which expresses dissatisfaction with a specific
235 personal residential property insurer whose conduct as described
236 in the communication is found to constitute a violation of the
237 insurance laws of this state by the Division of Consumer
238 Services of the Department of Financial Services.

239 Section 5. Paragraphs (i) and (k) of subsection (2) of
240 section 627.062, Florida Statutes, are amended, paragraph (1) is
241 added to subsection (2), and paragraph (e) is added to
242 subsection (9) of that section, to read:

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

243 627.062 Rate standards.—

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

245 (i) 1. Except as otherwise specifically provided in this
246 chapter, the office may shall not, directly or indirectly,
247 prohibit any insurer, including any residual market plan or
248 joint underwriting association, from paying acquisition costs
249 based on the full amount of premium, as defined in s. 627.403,
250 applicable to any policy, or prohibit, directly or indirectly,
251 any such insurer from including the full amount of acquisition
252 costs in a rate filing.

253 2. The office may not, directly or indirectly, impede,
254 abridge, or otherwise compromise an insurer's right to acquire
255 policyholders, advertise, or appoint agents, including, but not
256 limited to, the calculation, manner, or amount of such agent
257 commissions, if any.

258 (k) 1. An insurer may make a separate filing limited solely
259 to an adjustment of its rates for reinsurance or financing costs
260 incurred in the purchase of reinsurance or financing products to
261 replace or finance the payment of the amount covered by the
262 Temporary Increase in Coverage Limits (TICL) portion of the
263 Florida Hurricane Catastrophe Fund including replacement
264 reinsurance for the TICL reductions made pursuant to s.
265 215.555(17)(e); the actual cost paid due to the application of
266 the TICL premium factor pursuant to s. 215.555(17)(f); and the
267 actual cost paid due to the application of the cash build-up
268 factor pursuant to s. 215.555(5)(b) if the insurer:

269 a. Elects to purchase financing products such as a
270 liquidity instrument or line of credit, in which case the cost

Amendment No.

271 included in the filing for the liquidity instrument or line of
272 credit may not result in a premium increase exceeding 3 percent
273 for any individual policyholder. All costs contained in the
274 filing may not result in an overall premium increase of more
275 than 10 percent for any individual policyholder.

276 b. Includes in the filing a copy of all of its
277 reinsurance, liquidity instrument, or line of credit contracts;
278 proof of the billing or payment for the contracts; and the
279 calculation upon which the proposed rate change is based
280 demonstrates that the costs meet the criteria of this section
281 ~~and are not loaded for expenses or profit for the insurer making~~
282 ~~the filing.~~

283 c. Includes no other changes to its rates in the filing.

284 d. Has not implemented a rate increase within the 6 months
285 immediately preceding the filing.

286 e. Does not file for a rate increase under any other
287 paragraph within 6 months after making a filing under this
288 paragraph.

289 f. That purchases reinsurance or financing products from
290 an affiliated company in compliance with this paragraph does so
291 only if the costs for such reinsurance or financing products are
292 charged at or below charges made for comparable coverage by
293 nonaffiliated reinsurers or financial entities making such
294 coverage or financing products available in this state.

295 2. An insurer may only make one filing in any 12-month
296 period under this paragraph.

297 3. An insurer that elects to implement a rate change under
298 this paragraph must file its rate filing with the office at

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

299 least 45 days before the effective date of the rate change.

300 After an insurer submits a complete filing that meets all of the
301 requirements of this paragraph, the office has 45 days after the
302 date of the filing to review the rate filing and determine if
303 the rate is excessive, inadequate, or unfairly discriminatory.

304 (1)1. On or after January 1, 2011, an insurer complying
305 with the requirements of s. 627.7031 may use a rate for
306 residential property insurance, as defined in s. 627.4025,
307 different from the otherwise applicable filed rate as provided
308 in this paragraph.

309 2. Policies subject to this paragraph may not be counted
310 in the calculation under s. 627.171(2).

311 3. Such rates shall be filed with the office as a separate
312 filing. The initial rates used by an insurer under this
313 paragraph may not provide for rates that represent more than a
314 5-percent statewide average rate increase over the most recently
315 filed and approved rate. A rate filing under this paragraph
316 submitted in the first year following the year of implementation
317 of such initial rates may not provide for rates that represent
318 more than a 10-percent statewide average rate increase in a year
319 over the rates in effect under this paragraph at the time of the
320 filing. A rate filing under this paragraph submitted in the
321 second year following the year of implementation of such initial
322 rates or in a subsequent year may not provide for rates that
323 represent more than a 15-percent statewide average rate increase
324 in a year over the rates in effect under this paragraph at the
325 time of the filing.

Amendment No.

326 4. This paragraph does not affect the authority of the
327 office to disapprove a rate as inadequate or to disapprove a
328 rate filing for charging any insured or applicant a higher
329 premium solely because of the insured's or applicant's race,
330 color, creed, marital status, sex, or national origin. Upon
331 finding that an insurer has used any such factor in charging an
332 insured or applicant a higher premium, the office may direct the
333 insurer to make a new filing for a new rate that does not use
334 such factor.

335

336 The provisions of this subsection shall not apply to workers'
337 compensation and employer's liability insurance and to motor
338 vehicle insurance.

339 (9)

340 (e) A certification under this subsection is not rendered
341 false when, after making the subject rate filing, the insurer
342 provides the office with additional or supplementary information
343 or clarification pursuant to a formal or informal request from
344 the office or for any other reason.

345 Section 6. Section 627.0621, Florida Statutes, is amended
346 to read:

347 627.0621 Transparency in rate regulation.-

348 ~~(1) DEFINITIONS. As used in this section, the term:~~

349 ~~(a) "Rate filing" means any original or amended rate~~
350 ~~residential property insurance filing.~~

351 ~~(b) "Recommendation" means any proposed, preliminary, or~~
352 ~~final recommendation from an office actuary reviewing a rate~~
353 ~~filing with respect to the issue of approval or disapproval of~~

Amendment No.

354 ~~the rate filing or with respect to rate indications that the~~
355 ~~office would consider acceptable.~~

356 ~~(2) WEBSITE FOR PUBLIC ACCESS TO RATE FILING INFORMATION.~~

357 (1)(a) With respect to any residential property rate
358 filing, the office shall provide the following information on a
359 publicly accessible Internet website:

360 (a)1. The overall rate change requested by the insurer.

361 (b)2. The rate change approved by the office along with
362 all of the actuary's assumptions and recommendations forming the
363 basis of the office's decision.

364 ~~3. Certification by the office's actuary that, based on~~
365 ~~the actuary's knowledge, his or her recommendations are~~
366 ~~consistent with accepted actuarial principles.~~

367 (2)(b) For any rate filing, whether or not the filing is
368 subject to a public hearing, the office shall provide on its
369 website a means for any policyholder who may be affected by a
370 proposed rate change to send an e-mail regarding the proposed
371 rate change. Such e-mail must be accessible to the actuary
372 assigned to review the rate filing.

373 Section 7. Subsections (1) and (5) of section 627.0629,
374 Florida Statutes, are amended, and subsection (10) is added to
375 that section, to read:

376 627.0629 Residential property insurance; rate filings.—

377 (1)(a) It is the intent of the Legislature that insurers
378 ~~must~~ provide the most accurate pricing signals available ~~savings~~
379 to encourage consumers who install or implement windstorm damage
380 mitigation techniques, alterations, or solutions to their
381 properties to prevent windstorm losses. It is also the intent of

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

382 the Legislature that implementation of mitigation discounts not
383 result in a loss of income to the insurers granting the
384 discounts, so that the aggregate of mitigation discounts should
385 not exceed the aggregate of the expected reduction in loss that
386 is attributable to the mitigation efforts for which discounts
387 are granted. A rate filing for residential property insurance
388 must include actuarially reasonable discounts, credits, debits,
389 or other rate differentials; or appropriate reductions in
390 deductibles, that provide the proper pricing for all properties.
391 The rate filing must take into account the presence or absence
392 of ~~on which~~ fixtures or construction techniques demonstrated to
393 reduce the amount of loss in a windstorm have been installed or
394 implemented. The fixtures or construction techniques shall
395 include, but not be limited to, fixtures or construction
396 techniques ~~that~~ ~~which~~ enhance roof strength, roof covering
397 performance, roof-to-wall strength, wall-to-floor-to-foundation
398 strength, opening protection, and window, door, and skylight
399 strength. Credits, debits, discounts, or other rate
400 differentials, or appropriate reductions or increases in
401 deductibles, that recognize the presence or absence of ~~for~~
402 fixtures and construction techniques that ~~which~~ meet the minimum
403 requirements of the Florida Building Code must be included in
404 the rate filing. If an insurer demonstrates that the aggregate
405 of its mitigation discounts results in a reduction to revenue
406 that exceeds the reduction of the aggregate loss that is
407 expected to result from the mitigation, the insurer may recover
408 the lost revenue through an increase in its base rates. All
409 ~~insurance companies must make a rate filing which includes the~~

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

410 ~~credits, discounts, or other rate differentials or reductions in~~
411 ~~deductibles by February 28, 2003.~~ By July 1, 2007, the office
412 shall reevaluate the discounts, credits, other rate
413 differentials, and appropriate reductions in deductibles for
414 fixtures and construction techniques that meet the minimum
415 requirements of the Florida Building Code, based upon actual
416 experience or any other loss relativity studies available to the
417 office. The office shall determine the discounts, credits,
418 debits, other rate differentials, and appropriate reductions or
419 increases in deductibles that reflect the full actuarial value
420 of such revaluation, which may be used by insurers in rate
421 filings.

422 ~~(b) By February 1, 2011, the Office of Insurance~~
423 ~~Regulation, in consultation with the Department of Financial~~
424 ~~Services and the Department of Community Affairs, shall develop~~
425 ~~and make publicly available a proposed method for insurers to~~
426 ~~establish discounts, credits, or other rate differentials for~~
427 ~~hurricane mitigation measures which directly correlate to the~~
428 ~~numerical rating assigned to a structure pursuant to the uniform~~
429 ~~home grading scale adopted by the Financial Services Commission~~
430 ~~pursuant to s. 215.55865, including any proposed changes to the~~
431 ~~uniform home grading scale. By October 1, 2011, the commission~~
432 ~~shall adopt rules requiring insurers to make rate filings for~~
433 ~~residential property insurance which revise insurers' discounts,~~
434 ~~credits, or other rate differentials for hurricane mitigation~~
435 ~~measures so that such rate differentials correlate directly to~~
436 ~~the uniform home grading scale. The rules may include such~~
437 ~~changes to the uniform home grading scale as the commission~~

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

438 ~~determines are necessary, and may specify the minimum required~~
439 ~~discounts, credits, or other rate differentials. Such rate~~
440 ~~differentials must be consistent with generally accepted~~
441 ~~actuarial principles and wind loss mitigation studies. The rules~~
442 ~~shall allow a period of at least 2 years after the effective~~
443 ~~date of the revised mitigation discounts, credits, or other rate~~
444 ~~differentials for a property owner to obtain an inspection or~~
445 ~~otherwise qualify for the revised credit, during which time the~~
446 ~~insurer shall continue to apply the mitigation credit that was~~
447 ~~applied immediately prior to the effective date of the revised~~
448 ~~credit. Discounts, credits, and other rate differentials~~
449 ~~established for rate filings under this paragraph shall~~
450 ~~supersede, after adoption, the discounts, credits, and other~~
451 ~~rate differentials included in rate filings under paragraph (a).~~

452 (5) In order to provide an appropriate transition period,
453 an insurer may, in its sole discretion, implement an approved
454 rate filing for residential property insurance over a period of
455 years. An insurer electing to phase in its rate filing must
456 provide an informational notice to the office setting out its
457 schedule for implementation of the phased-in rate filing. An
458 insurer may include in its rate the actual cost of private
459 market reinsurance that corresponds to available coverage of the
460 Temporary Increase in Coverage Limits, TICL, from the Florida
461 Hurricane Catastrophe Fund. The insurer may also include the
462 cost of reinsurance to replace the TICL reduction implemented
463 pursuant to s. 215.555(17)(d)9. However, this cost for
464 reinsurance may not ~~include any expense or profit load or result~~
465 in a total annual base rate increase in excess of 10 percent.

Amendment No.

466 (10) (a) Contingent upon specific appropriations made to
467 implement this subsection, in order to enhance the ability of
468 consumers to compare premiums and to increase the accuracy and
469 usefulness of rate and product comparison information for
470 homeowners' insurance, the office shall develop or contract with
471 a private entity to develop a comprehensive program for
472 providing the consumer with all available information necessary
473 to make an informed purchase of the insurance product that best
474 serves the needs of the individual.

475 (b) In developing the comprehensive program, the office
476 shall rely as much as is practical on information that is
477 currently available and shall consider:

478 1. The most efficient means for developing, hosting, and
479 operating a separate website that consolidates all consumer
480 information for price comparisons, filed complaints, financial
481 strength, underwriting, and receivership information and other
482 data useful to consumers.

483 2. Whether all admitted insurers should be required to
484 submit additional information to populate the composite website
485 and how often such submissions must be made.

486 3. Whether all admitted insurers should be required to
487 provide links from the website into each individual insurer's
488 website in order to enable consumers to access product rate
489 information and apply for quotations.

490 4. Developing a plan to publicize the existence,
491 availability, and value of the website.

492 5. Any other provision that would make relevant
493 homeowners' insurance information more readily available so that

Amendment No.

494 consumers can make informed product comparisons and purchasing
495 decisions.

496 (c) Before establishing the program or website, the office
497 shall conduct a cost-benefit analysis to determine the most
498 effective approach for establishing and operating the program
499 and website. Based on the results of the analysis, the office
500 shall submit a proposed implementation plan for review and
501 approval by the Financial Services Commission. The
502 implementation plan shall include an estimated timeline for
503 establishing the program and website; a description of the data
504 and functionality to be provided by the site; a strategy for
505 publicizing the website to consumers; a recommended approach for
506 developing, hosting, and operating the website; and an estimate
507 of all major nonrecurring and recurring costs required to
508 establish and operate the website. Upon approval of the plan,
509 the office may initiate the establishment of the program.

510 Section 8. Paragraphs (b), (c), (y), (z), (aa), (bb),
511 (cc), (dd), (ee), and (ff) of subsection (6) of section 627.351,
512 Florida Statutes, are amended to read:

513 627.351 Insurance risk apportionment plans.—

514 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

515 (b)1. All insurers authorized to write one or more subject
516 lines of business in this state are subject to assessment by the
517 corporation and, for the purposes of this subsection, are
518 referred to collectively as "assessable insurers." Insurers
519 writing one or more subject lines of business in this state
520 pursuant to part VIII of chapter 626 are not assessable
521 insurers, but insureds who procure one or more subject lines of

Amendment No.

522 business in this state pursuant to part VIII of chapter 626 are
523 subject to assessment by the corporation and are referred to
524 collectively as "assessable insureds." An authorized insurer's
525 assessment liability shall begin on the first day of the
526 calendar year following the year in which the insurer was issued
527 a certificate of authority to transact insurance for subject
528 lines of business in this state and shall terminate 1 year after
529 the end of the first calendar year during which the insurer no
530 longer holds a certificate of authority to transact insurance
531 for subject lines of business in this state.

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

535 (I) A personal lines account for personal residential
536 policies issued by the corporation or issued by the Residential
537 Property and Casualty Joint Underwriting Association and renewed
538 by the corporation that provide comprehensive, multiperil
539 coverage on risks that are not located in areas eligible for
540 coverage in the Florida Windstorm Underwriting Association as
541 those areas were defined on January 1, 2002, and for such
542 policies that do not provide coverage for the peril of wind on
543 risks that are located in such areas;

544 (II) A commercial lines account for commercial residential
545 and commercial nonresidential policies issued by the corporation
546 or issued by the Residential Property and Casualty Joint
547 Underwriting Association and renewed by the corporation that
548 provide coverage for basic property perils on risks that are not
549 located in areas eligible for coverage in the Florida Windstorm

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

550 Underwriting Association as those areas were defined on January
551 1, 2002, and for such policies that do not provide coverage for
552 the peril of wind on risks that are located in such areas; and
553 (III) A high-risk account for personal residential
554 policies and commercial residential and commercial
555 nonresidential property policies issued by the corporation or
556 transferred to the corporation that provide coverage for the
557 peril of wind on risks that are located in areas eligible for
558 coverage in the Florida Windstorm Underwriting Association as
559 those areas were defined on January 1, 2002. The corporation may
560 offer policies that provide multiperil coverage and the
561 corporation shall continue to offer policies that provide
562 coverage only for the peril of wind for risks located in areas
563 eligible for coverage in the high-risk account. In issuing
564 multiperil coverage, the corporation may use its approved policy
565 forms and rates for the personal lines account. An applicant or
566 insured who is eligible to purchase a multiperil policy from the
567 corporation may purchase a multiperil policy from an authorized
568 insurer without prejudice to the applicant's or insured's
569 eligibility to prospectively purchase a policy that provides
570 coverage only for the peril of wind from the corporation. An
571 applicant or insured who is eligible for a corporation policy
572 that provides coverage only for the peril of wind may elect to
573 purchase or retain such policy and also purchase or retain
574 coverage excluding wind from an authorized insurer without
575 prejudice to the applicant's or insured's eligibility to
576 prospectively purchase a policy that provides multiperil
577 coverage from the corporation. It is the goal of the Legislature

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

578 that there would be an overall average savings of 10 percent or
579 more for a policyholder who currently has a wind-only policy
580 with the corporation, and an ex-wind policy with a voluntary
581 insurer or the corporation, and who then obtains a multiperil
582 policy from the corporation. It is the intent of the Legislature
583 that the offer of multiperil coverage in the high-risk account
584 be made and implemented in a manner that does not adversely
585 affect the tax-exempt status of the corporation or
586 creditworthiness of or security for currently outstanding
587 financing obligations or credit facilities of the high-risk
588 account, the personal lines account, or the commercial lines
589 account. The high-risk account must also include quota share
590 primary insurance under subparagraph (c)2. The area eligible for
591 coverage under the high-risk account also includes the area
592 within Port Canaveral, which is bordered on the south by the
593 City of Cape Canaveral, bordered on the west by the Banana
594 River, and bordered on the north by Federal Government property.

595 b. The three separate accounts must be maintained as long
596 as financing obligations entered into by the Florida Windstorm
597 Underwriting Association or Residential Property and Casualty
598 Joint Underwriting Association are outstanding, in accordance
599 with the terms of the corresponding financing documents. When
600 the financing obligations are no longer outstanding, in
601 accordance with the terms of the corresponding financing
602 documents, the corporation may use a single account for all
603 revenues, assets, liabilities, losses, and expenses of the
604 corporation. Consistent with the requirement of this
605 subparagraph and prudent investment policies that minimize the

Amendment No.

606 cost of carrying debt, the board shall exercise its best efforts
607 to retire existing debt or to obtain approval of necessary
608 parties to amend the terms of existing debt, so as to structure
609 the most efficient plan to consolidate the three separate
610 accounts into a single account. By February 1, 2007, the board
611 shall submit a report to the Financial Services Commission, the
612 President of the Senate, and the Speaker of the House of
613 Representatives which includes an analysis of consolidating the
614 accounts, the actions the board has taken to minimize the cost
615 of carrying debt, and its recommendations for executing the most
616 efficient plan.

617 c. Creditors of the Residential Property and Casualty
618 Joint Underwriting Association and of the accounts specified in
619 sub-sub-subparagraphs a.(I) and (II) may have a claim against,
620 and recourse to, the accounts referred to in sub-sub-
621 subparagraphs a.(I) and (II) and shall have no claim against, or
622 recourse to, the account referred to in sub-sub-subparagraph
623 a.(III). Creditors of the Florida Windstorm Underwriting
624 Association shall have a claim against, and recourse to, the
625 account referred to in sub-sub-subparagraph a.(III) and shall
626 have no claim against, or recourse to, the accounts referred to
627 in sub-sub-subparagraphs a.(I) and (II).

628 d. Revenues, assets, liabilities, losses, and expenses not
629 attributable to particular accounts shall be prorated among the
630 accounts.

631 e. The Legislature finds that the revenues of the
632 corporation are revenues that are necessary to meet the

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

633 requirements set forth in documents authorizing the issuance of
634 bonds under this subsection.

635 f. No part of the income of the corporation may inure to
636 the benefit of any private person.

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

638 a. After accounting for the Citizens policyholder
639 surcharge imposed under sub-subparagraph i., when the remaining
640 projected deficit incurred in a particular calendar year is not
641 greater than 6 percent of the aggregate statewide direct written
642 premium for the subject lines of business for the prior calendar
643 year, the entire deficit shall be recovered through regular
644 assessments of assessable insurers under paragraph (p) and
645 assessable insureds.

646 b. After accounting for the Citizens policyholder
647 surcharge imposed under sub-subparagraph i., when the remaining
648 projected deficit incurred in a particular calendar year exceeds
649 6 percent of the aggregate statewide direct written premium for
650 the subject lines of business for the prior calendar year, the
651 corporation shall levy regular assessments on assessable
652 insurers under paragraph (p) and on assessable insureds in an
653 amount equal to the greater of 6 percent of the deficit or 6
654 percent of the aggregate statewide direct written premium for
655 the subject lines of business for the prior calendar year. Any
656 remaining deficit shall be recovered through emergency
657 assessments under sub-subparagraph d.

658 c. Each assessable insurer's share of the amount being
659 assessed under sub-subparagraph a. or sub-subparagraph b. shall
660 be in the proportion that the assessable insurer's direct

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

661 written premium for the subject lines of business for the year
662 preceding the assessment bears to the aggregate statewide direct
663 written premium for the subject lines of business for that year.
664 The assessment percentage applicable to each assessable insured
665 is the ratio of the amount being assessed under sub-subparagraph
666 a. or sub-subparagraph b. to the aggregate statewide direct
667 written premium for the subject lines of business for the prior
668 year. Assessments levied by the corporation on assessable
669 insurers under sub-subparagraphs a. and b. shall be paid as
670 required by the corporation's plan of operation and paragraph
671 (p). Assessments levied by the corporation on assessable
672 insureds under sub-subparagraphs a. and b. shall be collected by
673 the surplus lines agent at the time the surplus lines agent
674 collects the surplus lines tax required by s. 626.932 and shall
675 be paid to the Florida Surplus Lines Service Office at the time
676 the surplus lines agent pays the surplus lines tax to the
677 Florida Surplus Lines Service Office. Upon receipt of regular
678 assessments from surplus lines agents, the Florida Surplus Lines
679 Service Office shall transfer the assessments directly to the
680 corporation as determined by the corporation.

681 d. Upon a determination by the board of governors that a
682 deficit in an account exceeds the amount that will be recovered
683 through regular assessments under sub-subparagraph a. or sub-
684 subparagraph b., plus the amount that is expected to be
685 recovered through surcharges under sub-subparagraph i., as to
686 the remaining projected deficit the board shall levy, after
687 verification by the office, emergency assessments, for as many
688 years as necessary to cover the deficits, to be collected by

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

689 assessable insurers and the corporation and collected from
690 assessable insureds upon issuance or renewal of policies for
691 subject lines of business, excluding National Flood Insurance
692 policies. The amount of the emergency assessment collected in a
693 particular year shall be a uniform percentage of that year's
694 direct written premium for subject lines of business and all
695 accounts of the corporation, excluding National Flood Insurance
696 Program policy premiums, as annually determined by the board and
697 verified by the office. The office shall verify the arithmetic
698 calculations involved in the board's determination within 30
699 days after receipt of the information on which the determination
700 was based. Notwithstanding any other provision of law, the
701 corporation and each assessable insurer that writes subject
702 lines of business shall collect emergency assessments from its
703 policyholders without such obligation being affected by any
704 credit, limitation, exemption, or deferment. Emergency
705 assessments levied by the corporation on assessable insureds
706 shall be collected by the surplus lines agent at the time the
707 surplus lines agent collects the surplus lines tax required by
708 s. 626.932 and shall be paid to the Florida Surplus Lines
709 Service Office at the time the surplus lines agent pays the
710 surplus lines tax to the Florida Surplus Lines Service Office.
711 The emergency assessments so collected shall be transferred
712 directly to the corporation on a periodic basis as determined by
713 the corporation and shall be held by the corporation solely in
714 the applicable account. The aggregate amount of emergency
715 assessments levied for an account under this sub-subparagraph in
716 any calendar year may, at the discretion of the board of

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

717 governors, be less than but may not exceed the greater of 10
718 percent of the amount needed to cover the deficit, plus
719 interest, fees, commissions, required reserves, and other costs
720 associated with financing of the original deficit, or 10 percent
721 of the aggregate statewide direct written premium for subject
722 lines of business and for all accounts of the corporation for
723 the prior year, plus interest, fees, commissions, required
724 reserves, and other costs associated with financing the deficit.

725 e. The corporation may pledge the proceeds of assessments,
726 projected recoveries from the Florida Hurricane Catastrophe
727 Fund, other insurance and reinsurance recoverables, policyholder
728 surcharges and other surcharges, and other funds available to
729 the corporation as the source of revenue for and to secure bonds
730 issued under paragraph (p), bonds or other indebtedness issued
731 under subparagraph (c)3., or lines of credit or other financing
732 mechanisms issued or created under this subsection, or to retire
733 any other debt incurred as a result of deficits or events giving
734 rise to deficits, or in any other way that the board determines
735 will efficiently recover such deficits. The purpose of the lines
736 of credit or other financing mechanisms is to provide additional
737 resources to assist the corporation in covering claims and
738 expenses attributable to a catastrophe. As used in this
739 subsection, the term "assessments" includes regular assessments
740 under sub-subparagraph a., sub-subparagraph b., or subparagraph
741 (p)1. and emergency assessments under sub-subparagraph d.
742 Emergency assessments collected under sub-subparagraph d. are
743 not part of an insurer's rates, are not premium, and are not
744 subject to premium tax, fees, or commissions; however, failure

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

745 to pay the emergency assessment shall be treated as failure to
746 pay premium. The emergency assessments under sub-subparagraph d.
747 shall continue as long as any bonds issued or other indebtedness
748 incurred with respect to a deficit for which the assessment was
749 imposed remain outstanding, unless adequate provision has been
750 made for the payment of such bonds or other indebtedness
751 pursuant to the documents governing such bonds or other
752 indebtedness.

753 f. As used in this subsection for purposes of any deficit
754 incurred on or after January 25, 2007, the term "subject lines
755 of business" means insurance written by assessable insurers or
756 procured by assessable insureds for all property and casualty
757 lines of business in this state, but not including workers'
758 compensation or medical malpractice. As used in the sub-
759 subparagraph, the term "property and casualty lines of business"
760 includes all lines of business identified on Form 2, Exhibit of
761 Premiums and Losses, in the annual statement required of
762 authorized insurers by s. 624.424 and any rule adopted under
763 this section, except for those lines identified as accident and
764 health insurance and except for policies written under the
765 National Flood Insurance Program or the Federal Crop Insurance
766 Program. For purposes of this sub-subparagraph, the term
767 "workers' compensation" includes both workers' compensation
768 insurance and excess workers' compensation insurance.

769 g. The Florida Surplus Lines Service Office shall
770 determine annually the aggregate statewide written premium in
771 subject lines of business procured by assessable insureds and
772 shall report that information to the corporation in a form and

Amendment No.

773 at a time the corporation specifies to ensure that the
774 corporation can meet the requirements of this subsection and the
775 corporation's financing obligations.

776 h. The Florida Surplus Lines Service Office shall verify
777 the proper application by surplus lines agents of assessment
778 percentages for regular assessments and emergency assessments
779 levied under this subparagraph on assessable insureds and shall
780 assist the corporation in ensuring the accurate, timely
781 collection and payment of assessments by surplus lines agents as
782 required by the corporation.

783 i. (I) If a deficit is incurred in any account in 2008 or
784 thereafter, the board of governors shall levy a Citizens
785 policyholder surcharge against all policyholders of the
786 corporation.

787 (II) The policyholder's liability for the Citizens
788 policyholder surcharge attaches on the date of the order levying
789 the surcharge. The Citizens policyholder surcharge is payable
790 upon cancellation or termination of the policy, upon renewal of
791 the policy, or upon issuance of a new policy by Citizens within
792 the first 12 months after the date of the levy or the period of
793 time necessary to fully collect the Citizens policyholder
794 surcharge amount.

795 (III) The Citizens policyholder surcharge for a 12-month
796 period, which shall be levied collected at the time of issuance
797 or renewal of a policy, as a uniform percentage of the premium
798 for the policy of up to 15 percent of such premium, which funds
799 shall be used to offset the deficit.

Amendment No.

800 (IV) The corporation may not levy any regular assessments
801 under sub-subparagraph a. or sub-subparagraph b. with respect to
802 a particular year's deficit until the corporation has first
803 levied a Citizens policyholder surcharge under this sub-
804 subparagraph in the full amount authorized by this sub-
805 subparagraph.

806 (V) Citizens policyholder surcharges under this sub-
807 subparagraph are not considered premium and are not subject to
808 commissions, fees, or premium taxes. However, failure to pay
809 such surcharges shall be treated as failure to pay premium.

810 j. If the amount of any assessments or surcharges
811 collected from corporation policyholders, assessable insurers or
812 their policyholders, or assessable insureds exceeds the amount
813 of the deficits, such excess amounts shall be remitted to and
814 retained by the corporation in a reserve to be used by the
815 corporation, as determined by the board of governors and
816 approved by the office, to pay claims or reduce any past,
817 present, or future plan-year deficits or to reduce outstanding
818 debt.

819 (c) The plan of operation of the corporation:

820 1. Must provide for adoption of residential property and
821 casualty insurance policy forms and commercial residential and
822 nonresidential property insurance forms, which forms must be
823 approved by the office prior to use. The corporation shall adopt
824 the following policy forms:

825 a. Standard personal lines policy forms that are
826 comprehensive multiperil policies providing full coverage of a

Amendment No.

827 residential property equivalent to the coverage provided in the
828 private insurance market under an HO-3, HO-4, or HO-6 policy.

829 b. Basic personal lines policy forms that are policies
830 similar to an HO-8 policy or a dwelling fire policy that provide
831 coverage meeting the requirements of the secondary mortgage
832 market, but which coverage is more limited than the coverage
833 under a standard policy.

834 c. Commercial lines residential and nonresidential policy
835 forms that are generally similar to the basic perils of full
836 coverage obtainable for commercial residential structures and
837 commercial nonresidential structures in the admitted voluntary
838 market.

839 d. Personal lines and commercial lines residential
840 property insurance forms that cover the peril of wind only. The
841 forms are applicable only to residential properties located in
842 areas eligible for coverage under the high-risk account referred
843 to in sub-subparagraph (b)2.a.

844 e. Commercial lines nonresidential property insurance
845 forms that cover the peril of wind only. The forms are
846 applicable only to nonresidential properties located in areas
847 eligible for coverage under the high-risk account referred to in
848 sub-subparagraph (b)2.a.

849 f. The corporation may adopt variations of the policy
850 forms listed in sub-subparagraphs a.-e. that contain more
851 restrictive coverage.

852 2.a. Must provide that the corporation adopt a program in
853 which the corporation and authorized insurers enter into quota
854 share primary insurance agreements for hurricane coverage, as

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

855 defined in s. 627.4025(2)(a), for eligible risks, and adopt
856 property insurance forms for eligible risks which cover the
857 peril of wind only. As used in this subsection, the term:

858 (I) "Quota share primary insurance" means an arrangement
859 in which the primary hurricane coverage of an eligible risk is
860 provided in specified percentages by the corporation and an
861 authorized insurer. The corporation and authorized insurer are
862 each solely responsible for a specified percentage of hurricane
863 coverage of an eligible risk as set forth in a quota share
864 primary insurance agreement between the corporation and an
865 authorized insurer and the insurance contract. The
866 responsibility of the corporation or authorized insurer to pay
867 its specified percentage of hurricane losses of an eligible
868 risk, as set forth in the quota share primary insurance
869 agreement, may not be altered by the inability of the other
870 party to the agreement to pay its specified percentage of
871 hurricane losses. Eligible risks that are provided hurricane
872 coverage through a quota share primary insurance arrangement
873 must be provided policy forms that set forth the obligations of
874 the corporation and authorized insurer under the arrangement,
875 clearly specify the percentages of quota share primary insurance
876 provided by the corporation and authorized insurer, and
877 conspicuously and clearly state that neither the authorized
878 insurer nor the corporation may be held responsible beyond its
879 specified percentage of coverage of hurricane losses.

880 (II) "Eligible risks" means personal lines residential and
881 commercial lines residential risks that meet the underwriting
882 criteria of the corporation and are located in areas that were

Amendment No.

883 eligible for coverage by the Florida Windstorm Underwriting
884 Association on January 1, 2002.

885 b. The corporation may enter into quota share primary
886 insurance agreements with authorized insurers at corporation
887 coverage levels of 90 percent and 50 percent.

888 c. If the corporation determines that additional coverage
889 levels are necessary to maximize participation in quota share
890 primary insurance agreements by authorized insurers, the
891 corporation may establish additional coverage levels. However,
892 the corporation's quota share primary insurance coverage level
893 may not exceed 90 percent.

894 d. Any quota share primary insurance agreement entered
895 into between an authorized insurer and the corporation must
896 provide for a uniform specified percentage of coverage of
897 hurricane losses, by county or territory as set forth by the
898 corporation board, for all eligible risks of the authorized
899 insurer covered under the quota share primary insurance
900 agreement.

901 e. Any quota share primary insurance agreement entered
902 into between an authorized insurer and the corporation is
903 subject to review and approval by the office. However, such
904 agreement shall be authorized only as to insurance contracts
905 entered into between an authorized insurer and an insured who is
906 already insured by the corporation for wind coverage.

907 f. For all eligible risks covered under quota share
908 primary insurance agreements, the exposure and coverage levels
909 for both the corporation and authorized insurers shall be
910 reported by the corporation to the Florida Hurricane Catastrophe

Amendment No.

911 Fund. For all policies of eligible risks covered under quota
912 share primary insurance agreements, the corporation and the
913 authorized insurer shall maintain complete and accurate records
914 for the purpose of exposure and loss reimbursement audits as
915 required by Florida Hurricane Catastrophe Fund rules. The
916 corporation and the authorized insurer shall each maintain
917 duplicate copies of policy declaration pages and supporting
918 claims documents.

919 g. The corporation board shall establish in its plan of
920 operation standards for quota share agreements which ensure that
921 there is no discriminatory application among insurers as to the
922 terms of quota share agreements, pricing of quota share
923 agreements, incentive provisions if any, and consideration paid
924 for servicing policies or adjusting claims.

925 h. The quota share primary insurance agreement between the
926 corporation and an authorized insurer must set forth the
927 specific terms under which coverage is provided, including, but
928 not limited to, the sale and servicing of policies issued under
929 the agreement by the insurance agent of the authorized insurer
930 producing the business, the reporting of information concerning
931 eligible risks, the payment of premium to the corporation, and
932 arrangements for the adjustment and payment of hurricane claims
933 incurred on eligible risks by the claims adjuster and personnel
934 of the authorized insurer. Entering into a quota sharing
935 insurance agreement between the corporation and an authorized
936 insurer shall be voluntary and at the discretion of the
937 authorized insurer.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

938 3. May provide that the corporation may employ or
939 otherwise contract with individuals or other entities to provide
940 administrative or professional services that may be appropriate
941 to effectuate the plan. The corporation shall have the power to
942 borrow funds, by issuing bonds or by incurring other
943 indebtedness, and shall have other powers reasonably necessary
944 to effectuate the requirements of this subsection, including,
945 without limitation, the power to issue bonds and incur other
946 indebtedness in order to refinance outstanding bonds or other
947 indebtedness. The corporation may, but is not required to, seek
948 judicial validation of its bonds or other indebtedness under
949 chapter 75. The corporation may issue bonds or incur other
950 indebtedness, or have bonds issued on its behalf by a unit of
951 local government pursuant to subparagraph (p)2., in the absence
952 of a hurricane or other weather-related event, upon a
953 determination by the corporation, subject to approval by the
954 office, that such action would enable it to efficiently meet the
955 financial obligations of the corporation and that such
956 financings are reasonably necessary to effectuate the
957 requirements of this subsection. The corporation is authorized
958 to take all actions needed to facilitate tax-free status for any
959 such bonds or indebtedness, including formation of trusts or
960 other affiliated entities. The corporation shall have the
961 authority to pledge assessments, projected recoveries from the
962 Florida Hurricane Catastrophe Fund, other reinsurance
963 recoverables, market equalization and other surcharges, and
964 other funds available to the corporation as security for bonds
965 or other indebtedness. In recognition of s. 10, Art. I of the

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

966 State Constitution, prohibiting the impairment of obligations of
967 contracts, it is the intent of the Legislature that no action be
968 taken whose purpose is to impair any bond indenture or financing
969 agreement or any revenue source committed by contract to such
970 bond or other indebtedness.

971 4.a. Must require that the corporation operate subject to
972 the supervision and approval of a board of governors consisting
973 of eight individuals who are residents of this state, from
974 different geographical areas of this state. The Governor, the
975 Chief Financial Officer, the President of the Senate, and the
976 Speaker of the House of Representatives shall each appoint two
977 members of the board. At least one of the two members appointed
978 by each appointing officer must have demonstrated expertise in
979 insurance. The Chief Financial Officer shall designate one of
980 the appointees as chair. All board members serve at the pleasure
981 of the appointing officer. All members of the board of governors
982 are subject to removal at will by the officers who appointed
983 them. All board members, including the chair, must be appointed
984 to serve for 3-year terms beginning annually on a date
985 designated by the plan. However, for the first term beginning on
986 or after July 1, 2009, each appointing officer shall appoint one
987 member of the board for a 2-year term and one member for a 3-
988 year term. Any board vacancy shall be filled for the unexpired
989 term by the appointing officer. The Chief Financial Officer
990 shall appoint a technical advisory group to provide information
991 and advice to the board of governors in connection with the
992 board's duties under this subsection. The executive director and
993 senior managers of the corporation shall be engaged by the board

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

994 and serve at the pleasure of the board. Any executive director
995 appointed on or after July 1, 2006, is subject to confirmation
996 by the Senate. The executive director is responsible for
997 employing other staff as the corporation may require, subject to
998 review and concurrence by the board.

999 b. The board shall create a Market Accountability Advisory
1000 Committee to assist the corporation in developing awareness of
1001 its rates and its customer and agent service levels in
1002 relationship to the voluntary market insurers writing similar
1003 coverage. The members of the advisory committee shall consist of
1004 the following 11 persons, one of whom must be elected chair by
1005 the members of the committee: four representatives, one
1006 appointed by the Florida Association of Insurance Agents, one by
1007 the Florida Association of Insurance and Financial Advisors, one
1008 by the Professional Insurance Agents of Florida, and one by the
1009 Latin American Association of Insurance Agencies; three
1010 representatives appointed by the insurers with the three highest
1011 voluntary market share of residential property insurance
1012 business in the state; one representative from the Office of
1013 Insurance Regulation; one consumer appointed by the board who is
1014 insured by the corporation at the time of appointment to the
1015 committee; one representative appointed by the Florida
1016 Association of Realtors; and one representative appointed by the
1017 Florida Bankers Association. All members must serve for 3-year
1018 terms and may serve for consecutive terms. The committee shall
1019 report to the corporation at each board meeting on insurance
1020 market issues which may include rates and rate competition with
1021 the voluntary market; service, including policy issuance, claims

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1022 processing, and general responsiveness to policyholders,
1023 applicants, and agents; and matters relating to depopulation.

1024 5. Must provide a procedure for determining the
1025 eligibility of a risk for coverage, as follows:

1026 a. Subject to the provisions of s. 627.3517, with respect
1027 to personal lines residential risks, if the risk is offered
1028 coverage from an authorized insurer at the insurer's approved
1029 rate under either a standard policy including wind coverage or,
1030 if consistent with the insurer's underwriting rules as filed
1031 with the office, a basic policy including wind coverage, for a
1032 new application to the corporation for coverage, the risk is not
1033 eligible for any policy issued by the corporation unless the
1034 premium for coverage from the authorized insurer is more than 15
1035 percent greater than the premium for comparable coverage from
1036 the corporation. If the risk is not able to obtain any such
1037 offer, the risk is eligible for either a standard policy
1038 including wind coverage or a basic policy including wind
1039 coverage issued by the corporation; however, if the risk could
1040 not be insured under a standard policy including wind coverage
1041 regardless of market conditions, the risk shall be eligible for
1042 a basic policy including wind coverage unless rejected under
1043 subparagraph 8. However, with regard to a policyholder of the
1044 corporation or a policyholder removed from the corporation
1045 through an assumption agreement until the end of the assumption
1046 period, the policyholder remains eligible for coverage from the
1047 corporation regardless of any offer of coverage from an
1048 authorized insurer or surplus lines insurer. The corporation
1049 shall determine the type of policy to be provided on the basis

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1050 of objective standards specified in the underwriting manual and
1051 based on generally accepted underwriting practices.

1052 (I) If the risk accepts an offer of coverage through the
1053 market assistance plan or an offer of coverage through a
1054 mechanism established by the corporation before a policy is
1055 issued to the risk by the corporation or during the first 30
1056 days of coverage by the corporation, and the producing agent who
1057 submitted the application to the plan or to the corporation is
1058 not currently appointed by the insurer, the insurer shall:

1059 (A) Pay to the producing agent of record of the policy,
1060 for the first year, an amount that is the greater of the
1061 insurer's usual and customary commission for the type of policy
1062 written or a fee equal to the usual and customary commission of
1063 the corporation; or

1064 (B) Offer to allow the producing agent of record of the
1065 policy to continue servicing the policy for a period of not less
1066 than 1 year and offer to pay the agent the greater of the
1067 insurer's or the corporation's usual and customary commission
1068 for the type of policy written.

1069
1070 If the producing agent is unwilling or unable to accept
1071 appointment, the new insurer shall pay the agent in accordance
1072 with sub-sub-sub-subparagraph (A).

1073 (II) When the corporation enters into a contractual
1074 agreement for a take-out plan, the producing agent of record of
1075 the corporation policy is entitled to retain any unearned
1076 commission on the policy, and the insurer shall:

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1077 (A) Pay to the producing agent of record of the
1078 corporation policy, for the first year, an amount that is the
1079 greater of the insurer's usual and customary commission for the
1080 type of policy written or a fee equal to the usual and customary
1081 commission of the corporation; or

1082 (B) Offer to allow the producing agent of record of the
1083 corporation policy to continue servicing the policy for a period
1084 of not less than 1 year and offer to pay the agent the greater
1085 of the insurer's or the corporation's usual and customary
1086 commission for the type of policy written.

1087
1088 If the producing agent is unwilling or unable to accept
1089 appointment, the new insurer shall pay the agent in accordance
1090 with sub-sub-sub-subparagraph (A).

1091 b. With respect to commercial lines residential risks, for
1092 a new application to the corporation for coverage, if the risk
1093 is offered coverage under a policy including wind coverage from
1094 an authorized insurer at its approved rate, the risk is not
1095 eligible for any policy issued by the corporation unless the
1096 premium for coverage from the authorized insurer is more than 15
1097 percent greater than the premium for comparable coverage from
1098 the corporation. If the risk is not able to obtain any such
1099 offer, the risk is eligible for a policy including wind coverage
1100 issued by the corporation. However, with regard to a
1101 policyholder of the corporation or a policyholder removed from
1102 the corporation through an assumption agreement until the end of
1103 the assumption period, the policyholder remains eligible for

Amendment No.

1104 coverage from the corporation regardless of any offer of
1105 coverage from an authorized insurer or surplus lines insurer.

1106 (I) If the risk accepts an offer of coverage through the
1107 market assistance plan or an offer of coverage through a
1108 mechanism established by the corporation before a policy is
1109 issued to the risk by the corporation or during the first 30
1110 days of coverage by the corporation, and the producing agent who
1111 submitted the application to the plan or the corporation is not
1112 currently appointed by the insurer, the insurer shall:

1113 (A) Pay to the producing agent of record of the policy,
1114 for the first year, an amount that is the greater of the
1115 insurer's usual and customary commission for the type of policy
1116 written or a fee equal to the usual and customary commission of
1117 the corporation; or

1118 (B) Offer to allow the producing agent of record of the
1119 policy to continue servicing the policy for a period of not less
1120 than 1 year and offer to pay the agent the greater of the
1121 insurer's or the corporation's usual and customary commission
1122 for the type of policy written.

1123
1124 If the producing agent is unwilling or unable to accept
1125 appointment, the new insurer shall pay the agent in accordance
1126 with sub-sub-sub-subparagraph (A).

1127 (II) When the corporation enters into a contractual
1128 agreement for a take-out plan, the producing agent of record of
1129 the corporation policy is entitled to retain any unearned
1130 commission on the policy, and the insurer shall:

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1131 (A) Pay to the producing agent of record of the
1132 corporation policy, for the first year, an amount that is the
1133 greater of the insurer's usual and customary commission for the
1134 type of policy written or a fee equal to the usual and customary
1135 commission of the corporation; or

1136 (B) Offer to allow the producing agent of record of the
1137 corporation policy to continue servicing the policy for a period
1138 of not less than 1 year and offer to pay the agent the greater
1139 of the insurer's or the corporation's usual and customary
1140 commission for the type of policy written.

1141
1142 If the producing agent is unwilling or unable to accept
1143 appointment, the new insurer shall pay the agent in accordance
1144 with sub-sub-sub-subparagraph (A).

1145 c. For purposes of determining comparable coverage under
1146 sub-subparagraphs a. and b., the comparison shall be based on
1147 those forms and coverages that are reasonably comparable. The
1148 corporation may rely on a determination of comparable coverage
1149 and premium made by the producing agent who submits the
1150 application to the corporation, made in the agent's capacity as
1151 the corporation's agent. A comparison may be made solely of the
1152 premium with respect to the main building or structure only on
1153 the following basis: the same coverage A or other building
1154 limits; the same percentage hurricane deductible that applies on
1155 an annual basis or that applies to each hurricane for commercial
1156 residential property; the same percentage of ordinance and law
1157 coverage, if the same limit is offered by both the corporation
1158 and the authorized insurer; the same mitigation credits, to the

Amendment No.

1159 extent the same types of credits are offered both by the
1160 corporation and the authorized insurer; the same method for loss
1161 payment, such as replacement cost or actual cash value, if the
1162 same method is offered both by the corporation and the
1163 authorized insurer in accordance with underwriting rules; and
1164 any other form or coverage that is reasonably comparable as
1165 determined by the board. If an application is submitted to the
1166 corporation for wind-only coverage in the high-risk account, the
1167 premium for the corporation's wind-only policy plus the premium
1168 for the ex-wind policy that is offered by an authorized insurer
1169 to the applicant shall be compared to the premium for multiperil
1170 coverage offered by an authorized insurer, subject to the
1171 standards for comparison specified in this subparagraph. If the
1172 corporation or the applicant requests from the authorized
1173 insurer a breakdown of the premium of the offer by types of
1174 coverage so that a comparison may be made by the corporation or
1175 its agent and the authorized insurer refuses or is unable to
1176 provide such information, the corporation may treat the offer as
1177 not being an offer of coverage from an authorized insurer at the
1178 insurer's approved rate.

1179 6. Must include rules for classifications of risks and
1180 rates therefor.

1181 7. Must provide that if premium and investment income for
1182 an account attributable to a particular calendar year are in
1183 excess of projected losses and expenses for the account
1184 attributable to that year, such excess shall be held in surplus
1185 in the account. Such surplus shall be available to defray
1186 deficits in that account as to future years and shall be used

Amendment No.

1187 for that purpose prior to assessing assessable insurers and
1188 assessable insureds as to any calendar year.

1189 8. Must provide objective criteria and procedures to be
1190 uniformly applied for all applicants in determining whether an
1191 individual risk is so hazardous as to be uninsurable. In making
1192 this determination and in establishing the criteria and
1193 procedures, the following shall be considered:

1194 a. Whether the likelihood of a loss for the individual
1195 risk is substantially higher than for other risks of the same
1196 class; and

1197 b. Whether the uncertainty associated with the individual
1198 risk is such that an appropriate premium cannot be determined.

1199

1200 The acceptance or rejection of a risk by the corporation shall
1201 be construed as the private placement of insurance, and the
1202 provisions of chapter 120 shall not apply.

1203 9. Must provide that the corporation shall make its best
1204 efforts to procure catastrophe reinsurance at reasonable rates,
1205 to cover its projected 100-year probable maximum loss as
1206 determined by the board of governors.

1207 10. The policies issued by the corporation must provide
1208 that, if the corporation or the market assistance plan obtains
1209 an offer from an authorized insurer to cover the risk at its
1210 approved rates, the risk is no longer eligible for renewal
1211 through the corporation, except as otherwise provided in this
1212 subsection.

1213 11. Corporation policies and applications must include a
1214 notice that the corporation policy could, under this section, be

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1215 replaced with a policy issued by an authorized insurer that does
1216 not provide coverage identical to the coverage provided by the
1217 corporation. The notice shall also specify that acceptance of
1218 corporation coverage creates a conclusive presumption that the
1219 applicant or policyholder is aware of this potential.

1220 12. May establish, subject to approval by the office,
1221 different eligibility requirements and operational procedures
1222 for any line or type of coverage for any specified county or
1223 area if the board determines that such changes to the
1224 eligibility requirements and operational procedures are
1225 justified due to the voluntary market being sufficiently stable
1226 and competitive in such area or for such line or type of
1227 coverage and that consumers who, in good faith, are unable to
1228 obtain insurance through the voluntary market through ordinary
1229 methods would continue to have access to coverage from the
1230 corporation. When coverage is sought in connection with a real
1231 property transfer, such requirements and procedures shall not
1232 provide for an effective date of coverage later than the date of
1233 the closing of the transfer as established by the transferor,
1234 the transferee, and, if applicable, the lender.

1235 13. Must provide that, with respect to the high-risk
1236 account, any assessable insurer with a surplus as to
1237 policyholders of \$25 million or less writing 25 percent or more
1238 of its total countrywide property insurance premiums in this
1239 state may petition the office, within the first 90 days of each
1240 calendar year, to qualify as a limited apportionment company. A
1241 regular assessment levied by the corporation on a limited
1242 apportionment company for a deficit incurred by the corporation

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1243 for the high-risk account in 2006 or thereafter may be paid to
1244 the corporation on a monthly basis as the assessments are
1245 collected by the limited apportionment company from its insureds
1246 pursuant to s. 627.3512, but the regular assessment must be paid
1247 in full within 12 months after being levied by the corporation.
1248 A limited apportionment company shall collect from its
1249 policyholders any emergency assessment imposed under sub-
1250 subparagraph (b)3.d. The plan shall provide that, if the office
1251 determines that any regular assessment will result in an
1252 impairment of the surplus of a limited apportionment company,
1253 the office may direct that all or part of such assessment be
1254 deferred as provided in subparagraph (p)4. However, there shall
1255 be no limitation or deferment of an emergency assessment to be
1256 collected from policyholders under sub-subparagraph (b)3.d.

1257 14. Must provide that the corporation appoint as its
1258 licensed agents only those agents who also hold an appointment
1259 as defined in s. 626.015(3) with an insurer who at the time of
1260 the agent's initial appointment by the corporation is authorized
1261 to write and is actually writing personal lines residential
1262 property coverage, commercial residential property coverage, or
1263 commercial nonresidential property coverage within the state.

1264 15. Must provide, by July 1, 2007, a premium payment plan
1265 option to its policyholders which allows at a minimum for
1266 quarterly and semiannual payment of premiums. A monthly payment
1267 plan may, but is not required to, be offered.

1268 16. Must limit coverage on mobile homes or manufactured
1269 homes built prior to 1994 to actual cash value of the dwelling
1270 rather than replacement costs of the dwelling.

Amendment No.

1271 17. May provide such limits of coverage as the board
1272 determines, consistent with the requirements of this subsection.

1273 18. May require commercial property to meet specified
1274 hurricane mitigation construction features as a condition of
1275 eligibility for coverage.

1276 19.a. Shall require the agent to obtain from any applicant
1277 for coverage the following acknowledgement, signed by the
1278 applicant, and shall require the agent of record to obtain the
1279 following acknowledgment from each corporation policyholder
1280 prior to the policy's first renewal after the effective date of
1281 this act:

1282
1283 ACKNOWLEDGEMENT OF POTENTIAL SURCHARGE AND ASSESSMENT

1284 LIABILITY:

1285 1. I UNDERSTAND, AS A CITIZENS PROPERTY
1286 INSURANCE CORPORATION POLICYHOLDER, THAT IF THE
1287 CORPORATION SUSTAINS A DEFICIT AS A RESULT OF
1288 HURRICANE LOSSES OR FOR ANY OTHER REASON, MY POLICY
1289 COULD BE SUBJECT TO CITIZENS POLICYHOLDER SURCHARGES,
1290 WHICH WOULD BE DUE AND PAYABLE UPON ISSUANCE, RENEWAL,
1291 CANCELLATION, OR TERMINATION OF THE POLICY, AND THAT
1292 THE SURCHARGES COULD BE AS HIGH AS 15 PERCENT OF MY
1293 PREMIUM FOR DEFICITS IN EACH OF THREE CITIZENS
1294 ACCOUNTS, OR A DIFFERENT AMOUNT AS ESTABLISHED BY THE
1295 FLORIDA LEGISLATURE.

1296 2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO
1297 EMERGENCY ASSESSMENTS TO THE SAME EXTENT AS
1298 POLICYHOLDERS OF OTHER INSURANCE COMPANIES.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1299
1300
1301
1302
1303
1304
1305
1306
1307
1308
1309
1310
1311
1312
1313
1314
1315
1316
1317
1318
1319
1320
1321
1322
1323
1324
1325
1326

b. The corporation shall permanently maintain a signed copy of the signed acknowledgement required by this subparagraph, and the agent may also retain a copy.

c. The signed acknowledgement form creates a conclusive presumption that the policyholder understood and accepted his or her potential surcharge and assessment liability as a Citizens policyholder.

~~(y) It is the intent of the Legislature that the amendments to this subsection enacted in 2002 should, over time, reduce the probable maximum windstorm losses in the residual markets and should reduce the potential assessments to be levied on property insurers and policyholders statewide. In furtherance of this intent:~~

~~1. The board shall, on or before February 1 of each year, provide a report to the President of the Senate and the Speaker of the House of Representatives showing the reduction or increase in the 100-year probable maximum loss attributable to wind only coverages and the quota share program under this subsection combined, as compared to the benchmark 100-year probable maximum loss of the Florida Windstorm Underwriting Association. For purposes of this paragraph, the benchmark 100-year probable maximum loss of the Florida Windstorm Underwriting Association shall be the calculation dated February 2001 and based on November 30, 2000, exposures. In order to ensure comparability of data, the board shall use the same methods for calculating its probable maximum loss as were used to calculate the benchmark probable maximum loss.~~

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1327 2. ~~Beginning December 1, 2010, if the report under~~
1328 ~~subparagraph 1. for any year indicates that the 100-year~~
1329 ~~probable maximum loss attributable to wind-only coverages and~~
1330 ~~the quota share program combined does not reflect a reduction of~~
1331 ~~at least 25 percent from the benchmark, the board shall reduce~~
1332 ~~the boundaries of the high-risk area eligible for wind-only~~
1333 ~~coverages under this subsection in a manner calculated to reduce~~
1334 ~~such probable maximum loss to an amount at least 25 percent~~
1335 ~~below the benchmark.~~

1336 3. ~~Beginning February 1, 2015, if the report under~~
1337 ~~subparagraph 1. for any year indicates that the 100-year~~
1338 ~~probable maximum loss attributable to wind-only coverages and~~
1339 ~~the quota share program combined does not reflect a reduction of~~
1340 ~~at least 50 percent from the benchmark, the boundaries of the~~
1341 ~~high-risk area eligible for wind-only coverages under this~~
1342 ~~subsection shall be reduced by the elimination of any area that~~
1343 ~~is not seaward of a line 1,000 feet inland from the Intracoastal~~
1344 ~~Waterway.~~

1345 (y) ~~(z)~~ In enacting the provisions of this section, the
1346 Legislature recognizes that both the Florida Windstorm
1347 Underwriting Association and the Residential Property and
1348 Casualty Joint Underwriting Association have entered into
1349 financing arrangements that obligate each entity to service its
1350 debts and maintain the capacity to repay funds secured under
1351 these financing arrangements. It is the intent of the
1352 Legislature that nothing in this section be construed to
1353 compromise, diminish, or interfere with the rights of creditors
1354 under such financing arrangements. It is further the intent of

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1355 the Legislature to preserve the obligations of the Florida
1356 Windstorm Underwriting Association and Residential Property and
1357 Casualty Joint Underwriting Association with regard to
1358 outstanding financing arrangements, with such obligations
1359 passing entirely and unchanged to the corporation and,
1360 specifically, to the applicable account of the corporation. So
1361 long as any bonds, notes, indebtedness, or other financing
1362 obligations of the Florida Windstorm Underwriting Association or
1363 the Residential Property and Casualty Joint Underwriting
1364 Association are outstanding, under the terms of the financing
1365 documents pertaining to them, the governing board of the
1366 corporation shall have and shall exercise the authority to levy,
1367 charge, collect, and receive all premiums, assessments,
1368 surcharges, charges, revenues, and receipts that the
1369 associations had authority to levy, charge, collect, or receive
1370 under the provisions of subsection (2) and this subsection,
1371 respectively, as they existed on January 1, 2002, to provide
1372 moneys, without exercise of the authority provided by this
1373 subsection, in at least the amounts, and by the times, as would
1374 be provided under those former provisions of subsection (2) or
1375 this subsection, respectively, so that the value, amount, and
1376 collectability of any assets, revenues, or revenue source
1377 pledged or committed to, or any lien thereon securing such
1378 outstanding bonds, notes, indebtedness, or other financing
1379 obligations will not be diminished, impaired, or adversely
1380 affected by the amendments made by this act and to permit
1381 compliance with all provisions of financing documents pertaining
1382 to such bonds, notes, indebtedness, or other financing

Amendment No.

1383 obligations, or the security or credit enhancement for them, and
1384 any reference in this subsection to bonds, notes, indebtedness,
1385 financing obligations, or similar obligations, of the
1386 corporation shall include like instruments or contracts of the
1387 Florida Windstorm Underwriting Association and the Residential
1388 Property and Casualty Joint Underwriting Association to the
1389 extent not inconsistent with the provisions of the financing
1390 documents pertaining to them.

1391 (z)~~(aa)~~ The corporation shall not require the securing of
1392 flood insurance as a condition of coverage if the insured or
1393 applicant executes a form approved by the office affirming that
1394 flood insurance is not provided by the corporation and that if
1395 flood insurance is not secured by the applicant or insured in
1396 addition to coverage by the corporation, the risk will not be
1397 covered for flood damage. A corporation policyholder electing
1398 not to secure flood insurance and executing a form as provided
1399 herein making a claim for water damage against the corporation
1400 shall have the burden of proving the damage was not caused by
1401 flooding. Notwithstanding other provisions of this subsection,
1402 the corporation may deny coverage to an applicant or insured who
1403 refuses to execute the form described herein.

1404 (aa)~~(bb)~~ A salaried employee of the corporation who
1405 performs policy administration services subsequent to the
1406 effectuation of a corporation policy is not required to be
1407 licensed as an agent under the provisions of s. 626.112.

1408 (bb)~~(cc)~~ By February 1, 2007, the corporation shall submit
1409 a report to the President of the Senate, the Speaker of the
1410 House of Representatives, the minority party leaders of the

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1411 Senate and the House of Representatives, and the chairs of the
1412 standing committees of the Senate and the House of
1413 Representatives having jurisdiction over matters relating to
1414 property and casualty insurance. In preparing the report, the
1415 corporation shall consult with the Office of Insurance
1416 Regulation, the Department of Financial Services, and any other
1417 party the corporation determines appropriate. The report must
1418 include all findings and recommendations on the feasibility of
1419 requiring authorized insurers that issue and service personal
1420 and commercial residential policies and commercial
1421 nonresidential policies that provide coverage for basic property
1422 perils except for the peril of wind to issue and service for a
1423 fee personal and commercial residential policies and commercial
1424 nonresidential policies providing coverage for the peril of wind
1425 issued by the corporation. The report must include:

1426 1. The expense savings to the corporation of issuing and
1427 servicing such policies as determined by a cost-benefit
1428 analysis.

1429 2. The expenses and liability to authorized insurers
1430 associated with issuing and servicing such policies.

1431 3. The effect on service to policyholders of the
1432 corporation relating to issuing and servicing such policies.

1433 4. The effect on the producing agent of the corporation of
1434 issuing and servicing such policies.

1435 5. Recommendations as to the amount of the fee which
1436 should be paid to authorized insurers for issuing and servicing
1437 such policies.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1438 6. The effect that issuing and servicing such policies
1439 will have on the corporation's number of policies, total insured
1440 value, and probable maximum loss.

1441 ~~(cc)~~ There shall be no liability on the part of, and
1442 no cause of action of any nature shall arise against, producing
1443 agents of record of the corporation or employees of such agents
1444 for insolvency of any take-out insurer.

1445 ~~(dd)~~ The assets of the corporation may be invested and
1446 managed by the State Board of Administration.

1447 ~~(ee)~~ The office may establish a pilot program to offer
1448 optional sinkhole coverage in one or more counties or other
1449 territories of the corporation for the purpose of implementing
1450 s. 627.706, as amended by s. 30, chapter 2007-1, Laws of
1451 Florida. Under the pilot program, the corporation is not
1452 required to issue a notice of nonrenewal to exclude sinkhole
1453 coverage upon the renewal of existing policies, but may exclude
1454 such coverage using a notice of coverage change.

1455 Section 9. Paragraph (b) of subsection (2) of section
1456 627.4133, Florida Statutes, is amended to read:

1457 627.4133 Notice of cancellation, nonrenewal, or renewal
1458 premium.—

1459 (2) With respect to any personal lines or commercial
1460 residential property insurance policy, including, but not
1461 limited to, any homeowner's, mobile home owner's, farmowner's,
1462 condominium association, condominium unit owner's, apartment
1463 building, or other policy covering a residential structure or
1464 its contents:

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1465 (b) The insurer shall give the named insured written
1466 notice of nonrenewal, cancellation, or termination at least 100
1467 days prior to the effective date of the nonrenewal,
1468 cancellation, or termination. However, the insurer shall give at
1469 least 100 days' written notice, or written notice by June 1,
1470 whichever is earlier, for any nonrenewal, cancellation, or
1471 termination that would be effective between June 1 and November
1472 30. The notice must include the reason or reasons for the
1473 nonrenewal, cancellation, or termination, except that:

1474 1. The insurer shall give the named insured written notice
1475 of nonrenewal, cancellation, or termination at least 180 days
1476 prior to the effective date of the nonrenewal, cancellation, or
1477 termination for a named insured whose residential structure has
1478 been insured by that insurer or an affiliated insurer for at
1479 least a 5-year period immediately prior to the date of the
1480 written notice.

1481 2. When cancellation is for nonpayment of premium, at
1482 least 10 days' written notice of cancellation accompanied by the
1483 reason therefor shall be given. As used in this subparagraph,
1484 the term "nonpayment of premium" means failure of the named
1485 insured to discharge when due any of her or his obligations in
1486 connection with the payment of premiums on a policy or any
1487 installment of such premium, whether the premium is payable
1488 directly to the insurer or its agent or indirectly under any
1489 premium finance plan or extension of credit, or failure to
1490 maintain membership in an organization if such membership is a
1491 condition precedent to insurance coverage. "Nonpayment of
1492 premium" also means the failure of a financial institution to

Amendment No.

1493 honor an insurance applicant's check after delivery to a
1494 licensed agent for payment of a premium, even if the agent has
1495 previously delivered or transferred the premium to the insurer.
1496 If a dishonored check represents the initial premium payment,
1497 the contract and all contractual obligations shall be void ab
1498 initio unless the nonpayment is cured within the earlier of 5
1499 days after actual notice by certified mail is received by the
1500 applicant or 15 days after notice is sent to the applicant by
1501 certified mail or registered mail, and if the contract is void,
1502 any premium received by the insurer from a third party shall be
1503 refunded to that party in full.

1504 3. When such cancellation or termination occurs during the
1505 first 90 days during which the insurance is in force and the
1506 insurance is canceled or terminated for reasons other than
1507 nonpayment of premium, at least 20 days' written notice of
1508 cancellation or termination accompanied by the reason therefor
1509 shall be given except where there has been a material
1510 misstatement or misrepresentation or failure to comply with the
1511 underwriting requirements established by the insurer.

1512 4. The requirement for providing written notice of
1513 nonrenewal by June 1 of any nonrenewal that would be effective
1514 between June 1 and November 30 does not apply to the following
1515 situations, but the insurer remains subject to the requirement
1516 to provide such notice at least 100 days prior to the effective
1517 date of nonrenewal:

1518 a. A policy that is nonrenewed due to a revision in the
1519 coverage for sinkhole losses and catastrophic ground cover

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1520 collapse pursuant to s. 627.706, as amended by s. 30, chapter
1521 2007-1, Laws of Florida.

1522 b. A policy that is nonrenewed by Citizens Property
1523 Insurance Corporation, pursuant to s. 627.351(6), for a policy
1524 that has been assumed by an authorized insurer offering
1525 replacement or renewal coverage to the policyholder.

1526 5. Notwithstanding any other provision of law, an insurer
1527 may cancel or nonrenew a property insurance policy upon a
1528 minimum of 45 days' notice if the office finds that the early
1529 cancellation of some or all of the insurer's policies is
1530 necessary to protect the best interests of the public or
1531 policyholders and the office approves the insurer's plan for
1532 early cancellation or nonrenewal of some or all of its policies.
1533 The office may base such a finding upon the financial condition
1534 of the insurer, lack of adequate reinsurance coverage for
1535 hurricane risk, or other relevant factors. The office may
1536 condition its finding on the consent of the insurer to be placed
1537 in administrative supervision pursuant to s. 624.81 or consent
1538 to the appointment of a receiver under chapter 631.

1539

1540 After the policy has been in effect for 90 days, the policy
1541 shall not be canceled by the insurer except when there has been
1542 a material misstatement, a nonpayment of premium, a failure to
1543 comply with underwriting requirements established by the insurer
1544 within 90 days of the date of effectuation of coverage, or a
1545 substantial change in the risk covered by the policy or when the
1546 cancellation is for all insureds under such policies for a given

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1547 class of insureds. This paragraph does not apply to individually
1548 rated risks having a policy term of less than 90 days.

1549 Section 10. Subsection (3) of section 627.7011, Florida
1550 Statutes, is amended to read:

1551 627.7011 Homeowners' policies; offer of replacement cost
1552 coverage and law and ordinance coverage.—

1553 (3) In the event of a loss for which a dwelling or
1554 personal property is insured on the basis of replacement costs,
1555 the insurer shall initially pay only the depreciated value for
1556 structure and contents repair or replacement, or shall pay 40
1557 percent of the replacement cost value, whichever is higher, and
1558 shall thereafter pay the remaining cost for repair or
1559 replacement of covered property up to the total replacement cost
1560 as the insured submits invoices or receipts for completed
1561 repairs or replacement of covered property ~~the replacement cost~~
1562 ~~without reservation or holdback of any depreciation in value,~~
1563 ~~whether or not the insured replaces or repairs the dwelling or~~
1564 ~~property.~~

1565 Section 11. Effective January 1, 2011, section 627.7031,
1566 Florida Statutes, is created to read:

1567 627.7031 Residential property insurance option.—

1568 (1) An insurer holding a certificate of authority to write
1569 property insurance in this state may offer or renew policies at
1570 rates established in accordance with s. 627.062(2)(1), subject
1571 to all of the requirements and prohibitions of this section.

1572 (2) An insurer offering or renewing policies at rates
1573 established in accordance with s. 627.062(2)(1) may not purchase
1574 coverage from the Florida Hurricane Catastrophe Fund under the

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1575 temporary increase in coverage limit option under s.
1576 215.555(17).

1577 (3) (a) Before the effective date of a newly issued policy
1578 at rates established in accordance with s. 627.062(2)(1) or
1579 before the effective date of a renewal policy at rates
1580 established in accordance with s. 627.062(2)(k), the applicant
1581 or insured must be given the following notice, printed in at
1582 least 12-point boldfaced type:

1583
1584 THE RATE FOR THIS POLICY IS NOT SUBJECT TO FULL RATE
1585 REGULATION BY THE FLORIDA OFFICE OF INSURANCE REGULATION AND MAY
1586 BE HIGHER THAN RATES APPROVED BY THAT OFFICE. A RESIDENTIAL
1587 PROPERTY POLICY SUBJECT TO FULL RATE REGULATION REQUIREMENTS MAY
1588 BE AVAILABLE FROM THIS INSURER, ANOTHER INSURER, OR CITIZENS
1589 PROPERTY INSURANCE CORPORATION. PLEASE DISCUSS YOUR POLICY
1590 OPTIONS WITH AN INSURANCE AGENT WHO CAN PROVIDE A CITIZENS
1591 QUOTE. YOU MAY WISH TO VIEW THE OFFICE OF INSURANCE REGULATION'S
1592 WEBSITE AT WWW.SHOPANDCOMPARERATES.COM FOR MORE INFORMATION
1593 ABOUT CHOICES AVAILABLE TO YOU.

1594
1595 (b) For policies renewed at a rate established in
1596 accordance with s. 627.062(2)(1), the notice described in
1597 paragraph (a) must be provided in writing at the same time as
1598 the renewal notice on a document separate from the renewal
1599 notice, but may be contained within the same mailing as the
1600 renewal notice.

1601 (4) Before the effective date of a newly issued policy at
1602 rates established in accordance with s. 627.062(2)(1), or before

Amendment No.

1603 the effective date of the first renewal at rates established in
1604 accordance with s. 627.062(2)(1) of a policy originally issued
1605 before the effective date of this section, the applicant or
1606 insured must:

1607 (a) Be provided or offered, for comparison purposes, an
1608 estimate of the premium for a policy from Citizens Property
1609 Insurance Corporation reflecting substantially similar
1610 coverages, limits, and deductibles to the extent available.

1611 (b) Provide the insurer or agent with a signed copy of the
1612 following acknowledgement form, which must be retained by the
1613 insurer or agent for at least 3 years. If the acknowledgement
1614 form is signed by the insured or if the insured remits payment
1615 in the amount of the rate established in accordance with s.
1616 627.062(2)(1) after being mailed, otherwise provided, or offered
1617 the comparison specified in paragraph (a), an insurer renewing a
1618 policy at such rate shall be deemed to comply with this section,
1619 and it is presumed that the insured has been informed and
1620 understands the information contained in the comparison and
1621 acknowledgement forms:

1622
1623 ACKNOWLEDGEMENT

1624 1. I HAVE REVIEWED THE REQUIRED DISCLOSURES AND THE
1625 REQUIRED PREMIUM COMPARISON.

1626 2. I UNDERSTAND THAT THE RATE FOR THIS RESIDENTIAL
1627 PROPERTY INSURANCE POLICY IS NOT SUBJECT TO FULL RATE REGULATION
1628 BY THE FLORIDA OFFICE OF INSURANCE REGULATION AND MAY BE HIGHER
1629 THAN RATES APPROVED BY THAT OFFICE.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1630 3. I UNDERSTAND THAT A RESIDENTIAL PROPERTY INSURANCE
1631 POLICY SUBJECT TO FULL RATE REGULATION REQUIREMENTS MAY BE
1632 AVAILABLE FROM CITIZENS PROPERTY INSURANCE CORPORATION.

1633 4. I UNDERSTAND THAT THE FLORIDA OFFICE OF INSURANCE
1634 REGULATION'S WEBSITE WWW.SHOPANDCOMPARERATES.COM CONTAINS
1635 RESIDENTIAL PROPERTY INSURANCE RATE COMPARISON INFORMATION.

1636 5. I UNDERSTAND THAT IF CITIZENS PROPERTY INSURANCE
1637 CORPORATION INCURS A DEFICIT BECAUSE OF HURRICANE LOSSES OR
1638 OTHER LOSSES, I MAY BE REQUIRED TO PAY AN ASSESSMENT BASED UPON
1639 THE PREMIUM FOR THIS POLICY AND THAT A POLICYHOLDER OF CITIZENS
1640 PROPERTY INSURANCE CORPORATION MAY BE REQUIRED TO PAY A
1641 DIFFERENT ASSESSMENT.

1642
1643 (5) The following types of residential property insurance
1644 policies are not eligible for rates established in accordance
1645 with s. 627.062(2)(1) and are not subject to the other
1646 provisions of this section:

1647 (a) Residential property insurance policies that exclude
1648 coverage for the perils of windstorm or hurricane.

1649 (b) Residential property insurance policies that are
1650 subject to a consent decree, agreement, understanding, or other
1651 arrangement between the insurer and the office relating to rates
1652 or premiums for policies removed from Citizens Property
1653 Insurance Corporation.

1654 (6) Notwithstanding s. 627.4133, an insurer that has
1655 issued a policy under this section shall provide the named
1656 insured written notice of nonrenewal at least 180 days before
1657 the effective date of the nonrenewal as to subsequent

Amendment No.

1658 nonrenewals. However, this subsection does not prohibit an
1659 insurer from canceling a policy as permitted under s. 627.4133.
1660 The offer of a policy at rates authorized by this section
1661 constitutes an offer to renew the policy at the rates specified
1662 in the offer and does not constitute a nonrenewal.

1663 Section 12. Subsection (2) of section 631.021, Florida
1664 Statutes, is amended to read:

1665 631.021 Jurisdiction of delinquency proceeding; venue;
1666 change of venue; exclusiveness of remedy; appeal.-

1667 (2) The venue of a delinquency proceeding or summary
1668 proceeding against a domestic, foreign, or alien insurer shall
1669 be in the Circuit Court of Leon County. The Circuit Court of
1670 Leon County is also the venue for any collateral actions against
1671 an insurer's affiliate, including, but not limited to, voidable
1672 or fraudulent transfers made by an insurer or affiliate; actions
1673 that constitute a breach of fiduciary duty by an officer,
1674 director, or agent; or misreporting or misrepresenting what is
1675 property, funds, or assets of the insurer, including premium and
1676 unearned commissions.

1677 Section 13. Section 627.7065, Florida Statutes, is
1678 repealed.

1679 Section 14. Except as otherwise specifically provided in
1680 this act, this act shall take effect July 1, 2010.

1681

1682

1683

1684

T I T L E A M E N D M E N T

1685

Remove the entire title and insert:

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1686 An act relating to property insurance; amending s. 215.555,
1687 F.S.; extending a repeal date for an exemption of medical
1688 malpractice insurance premiums from emergency assessments;
1689 amending s. 624.407, F.S.; specifying an additional surplus
1690 requirement for certain domestic insurers; amending s. 624.408,
1691 F.S.; specifying an additional surplus requirement for certain
1692 domestic insurers; deleting obsolete surplus requirement
1693 provisions; amending s. 627.0613, F.S.; revising annual
1694 reporting requirements for the consumer advocate; providing a
1695 definition; amending s. 627.062, F.S.; prohibiting the Office of
1696 Insurance Regulation from interfering with certain insurer
1697 rights; revising provisions relating to separate filings limited
1698 to adjustments of rates for reinsurance or financing costs;
1699 authorizing certain insurers to use a rate different from
1700 otherwise applicable filed rates; prohibiting the consideration
1701 of certain policies when making a specified calculation;
1702 preserving the authority of the Office of Insurance Regulation
1703 to disapprove rates as inadequate or disapprove a rate filing
1704 for using certain rating factors; authorizing the office to
1705 direct an insurer to make a specified type of rate filing under
1706 certain circumstances; providing construction relating to
1707 certifications; amending s. 627.0621, F.S.; revising provisions
1708 relating to transparency in rate regulation; amending s.
1709 627.0629, F.S.; revising legislative intent relating to
1710 residential property insurance rate filings; deleting a
1711 requirement that the office develop and make available a method
1712 for insurers to establish discounts, credits, or rate
1713 differentials for certain hurricane mitigation measures;

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1714 revising restrictions relating to including the cost of
1715 reinsurance for certain purposes; requiring the office to
1716 contract with a private entity to develop a comprehensive
1717 consumer information program; specifying program criteria;
1718 requiring the office to conduct a cost benefit analysis on a
1719 program implementation plan; requiring review and approval by
1720 the Financial Services Commission; amending s. 627.351, F.S.;
1721 providing requirements for attachment and payment of the
1722 Citizens policyholder surcharge; prohibiting the corporation
1723 from levying certain regular assessments until after levying the
1724 full amount of a Citizens policyholder surcharge; requiring the
1725 corporation's plan of operation to require agents to obtain an
1726 acknowledgement of potential surcharge and assessment liability
1727 from applicants and policyholders; requiring the corporation to
1728 permanently retain a copy of such acknowledgments; specifying
1729 that the acknowledgement creates a conclusive presumption of
1730 understanding and acceptance by the policyholder; deleting an
1731 obsolete legislative intent provision; amending s. 627.4133,
1732 F.S.; authorizing an insurer to cancel or nonrenew property
1733 insurance policies under certain circumstances; specifying
1734 duties of the office; amending s. 627.7011, F.S.; specifying
1735 criteria for payment of dwelling and personal property
1736 replacement costs; creating s. 627.7031, F.S.; authorizing
1737 certain insurers to offer or renew policies at rates established
1738 under certain circumstances; prohibiting certain insurers from
1739 purchasing TICL option coverage from the Florida Hurricane
1740 Catastrophe Fund under certain circumstances; requiring that
1741 certain policies contain a specified rate notice; requiring

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No.

1742 insurers to offer applicants or insureds an estimate of the
1743 premium for a policy from Citizens Property Insurance
1744 Corporation reflecting similar coverage, limits, and
1745 deductibles; requiring applicants or insureds to provide a
1746 signed premium comparison acknowledgement; specifying criteria
1747 for insurer compliance with certain requirements; specifying
1748 acknowledgement contents; requiring insurers and agents to
1749 retain a copy of the acknowledgement for a specified time;
1750 specifying a presumption created by a signed acknowledgement;
1751 specifying types of residential property insurance policies that
1752 are not eligible for certain rates or subject to other
1753 requirements; requiring written notice of certain nonrenewals;
1754 preserving insurer authority to cancel policies; specifying a
1755 criterion for what constitutes an offer to renew a policy;
1756 amending s. 631.021, F.S.; specifying additional venue criteria
1757 for the Circuit Court of Leon County; repealing s. 627.7065,
1758 F.S., relating to database of information relating to sinkholes,
1759 the Department of Financial Services, and the Department of
1760 Environmental Protection; providing effective dates.

Adopted
3/17/10

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

COUNCIL/COMMITTEE ACTION

ADOPTED	<input checked="" type="checkbox"/>	(Y/N)
ADOPTED AS AMENDED	<input type="checkbox"/>	(Y/N)
ADOPTED W/O OBJECTION	<input type="checkbox"/>	(Y/N)
FAILED TO ADOPT	<input type="checkbox"/>	(Y/N)
WITHDRAWN	<input type="checkbox"/>	(Y/N)
OTHER	<input type="checkbox"/>	

1 Council/Committee hearing bill: Insurance, Business & Financial
 2 Affairs Policy Committee
 3 Representative Nelson offered the following:

4
 5 **Amendment to Amendment (32458) by Representative Proctor**
 6 **(with title amendment)**

7 Between lines 1676 and 1677, insert:

8 Section 13. Subsection (1), paragraph (b) of subsection
 9 (2), and subsections (5), (7), and (8) of section 627.707,
 10 Florida Statutes, are amended to read:

11 627.707 Standards for investigation of sinkhole claims by
 12 insurers; nonrenewals.—Upon receipt of a claim for a sinkhole
 13 loss, an insurer must meet the following standards in
 14 investigating a claim:

15 (1) The insurer must make an inspection of the insured's
 16 premises to determine if there has been physical damage to the
 17 structure which is consistent with ~~may be the result of~~ sinkhole
 18 loss activity.

Amendment No. 1A

19 (2) Following the insurer's initial inspection, the
20 insurer shall engage a professional engineer or a professional
21 geologist to conduct testing as provided in s. 627.7072 to
22 determine the cause of the loss within a reasonable professional
23 probability and issue a report as provided in s. 627.7073, if:

24 (b) The policyholder demands testing in accordance with
25 this section or s. 627.7072 and coverage under the policy is
26 available if sinkhole loss is verified.

27 (5) (a) Subject to paragraph (b), if a sinkhole loss is
28 verified, the insurer shall pay to stabilize the land and
29 building and repair the foundation in accordance with the
30 recommendations of the professional engineer as provided under
31 s. 627.7073, with notice to ~~and in consultation with~~ the
32 policyholder, subject to the coverage and terms of the policy.
33 The insurer shall pay for other repairs to the structure and
34 contents in accordance with the terms of the policy.

35 (b) The insurer may limit its payment to the actual cash
36 value of the sinkhole loss, not including underpinning or
37 grouting or any other repair technique performed below the
38 existing foundation of the building, until the policyholder
39 enters into a contract for the performance of building
40 stabilization or foundation repairs. After the policyholder
41 enters into the contract, the insurer shall pay the amounts
42 necessary to begin and perform such repairs as the work is
43 performed and the expenses are incurred. The insurer may not
44 require the policyholder to advance payment for such repairs. If
45 repair covered by a personal lines residential property
46 insurance policy has begun and the professional engineer

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

47 selected or approved by the insurer determines that the repair
48 cannot be completed within the policy limits, the insurer must
49 either complete the professional engineer's recommended repair
50 or tender the policy limits to the policyholder without a
51 reduction for the repair expenses incurred.

52 1. The policyholder shall enter into such contract for
53 repairs within 90 days after the insurance company approves
54 coverage for a sinkhole loss to prevent additional damage to the
55 building or structure. The 90-day time period may be extended
56 for an additional reasonable time period if the policyholder is
57 unable to find a qualified person or entity to contract for such
58 repairs within the 90-day time period based upon factors beyond
59 the policyholder's control.

60 2. The stabilization and all other repairs to the
61 structure and contents must be completed within 12 months after
62 entering into the contract for repairs as described in
63 subparagraph 1. unless there is a mutual agreement between the
64 insurer and the insured, the stabilization and all other repairs
65 cannot be completed due to factors beyond the control of the
66 insured which reasonably prevent completion, the claim is
67 involved with the neutral evaluation process under s. 627.7074
68 or the claim is in litigation.

69 (c) Upon the insurer's obtaining the written approval of
70 the policyholder and any lienholder, the insurer may make
71 payment directly to the persons selected by the policyholder to
72 perform the land and building stabilization and foundation
73 repairs. The decision by the insurer to make payment to such
74 persons does not hold the insurer liable for the work performed.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

75 (7) If the insurer obtains, pursuant to s. 627.7073,
76 written certification that there is no sinkhole loss ~~or that the~~
77 ~~cause of the damage was not sinkhole activity~~, and if the
78 policyholder has submitted the sinkhole claim without good faith
79 grounds for submitting such claim, the policyholder shall
80 reimburse the insurer for 50 percent of the actual costs of the
81 analyses and services provided under ss. 627.7072 and 627.7073;
82 however, a policyholder is not required to reimburse an insurer
83 more than \$2,500 with respect to any claim. A policyholder is
84 required to pay reimbursement under this subsection only if the
85 insurer, prior to ordering the analysis under s. 627.7072,
86 informs the policyholder in writing of the policyholder's
87 potential liability for reimbursement and gives the policyholder
88 the opportunity to withdraw the claim.

89 (8) No insurer shall nonrenew any policy of property
90 insurance on the basis of filing of claims for partial loss
91 caused by sinkhole damage or clay shrinkage as long as the total
92 of such payments does not exceed the ~~current~~ policy limits of
93 coverage for property damage for the policy in effect on the
94 date of the loss, and provided the insured has repaired the
95 structure in accordance with the engineering recommendations
96 upon which any payment or policy proceeds were based.

97 Section 14. Section 627.7073, Florida Statutes, is amended
98 to read:

99 627.7073 Sinkhole reports.—

100 (1) Upon completion of testing as provided in s. 627.7072,
101 the professional engineer or professional geologist shall issue
102 a report and certification to the insurer, with an additional

Amendment No. 1A

103 copy and certification for the insurer to forward to and the
104 policyholder as provided in this section.

105 (a) Sinkhole loss is verified if, based upon tests
106 performed in accordance with s. 627.7072, a professional
107 engineer or a professional geologist issues a written report and
108 certification stating:

109 1. That the cause of the actual physical and structural
110 damage is sinkhole activity within a reasonable professional
111 probability.

112 2. That the analyses conducted were of sufficient scope to
113 identify sinkhole activity as the cause of damage within a
114 reasonable professional probability.

115 3. A description of the tests performed.

116 4. A recommendation by the professional engineer of
117 methods for stabilizing the land and building and for making
118 repairs to the foundation.

119 (b) If sinkhole activity is eliminated as the cause of
120 damage to the structure, the professional engineer or
121 professional geologist shall issue a written report and
122 certification to the policyholder and the insurer stating:

123 1. That the cause of the damage is not sinkhole activity
124 within a reasonable professional probability.

125 2. That the analyses and tests conducted were of
126 sufficient scope to eliminate sinkhole activity as the cause of
127 damage within a reasonable professional probability.

128 3. A statement of the cause of the damage within a
129 reasonable professional probability.

130 4. A description of the tests performed.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

131 (c) The respective findings, opinions, and recommendations
132 of the professional engineer or professional geologist as to the
133 cause of distress to the property and the findings, opinions,
134 and recommendations of the professional engineer as to land and
135 building stabilization and foundation repair as required by s.
136 627.707(2), shall be presumed correct. The presumption of
137 correctness is based upon the public policy concerns relating to
138 the availability and affordability of sinkhole coverage, to
139 provide consistency in claims handling and reduce the number of
140 disputed sinkhole claims and is therefore a presumption shifting
141 the burden of proof by clear and convincing evidence under s.
142 90.304.

143 (2) (a) Any insurer that has paid a claim for a sinkhole
144 loss shall file a copy of the report and certification, prepared
145 pursuant to subsection (1), including the legal description of
146 the real property and the name of the property owner and the
147 amount paid by the insurer, with the county clerk of court, who
148 shall record the report and certification. The insurer shall
149 also file a copy of any report prepared on behalf of the insured
150 or their representative that indicates that sinkhole loss caused
151 the damage claimed. The insurer shall bear the cost of filing
152 and recording of one or more reports ~~the report~~ and
153 certification. There shall be no cause of action or liability
154 against an insurer for compliance with this section. The
155 recording of the report and certification does not:

156 1. Constitute a lien, encumbrance, or restriction on the
157 title to the real property or constitute a defect in the title
158 to the real property;

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

159 2. Create any cause of action or liability against any
160 grantor of the real property for breach of any warranty of good
161 title or warranty against encumbrances; or

162 3. Create any cause of action or liability against any
163 title insurer that insures the title to the real property.

164 (b) The seller of real property upon which a sinkhole
165 claim has been made by the seller and paid by the insurer shall
166 disclose to the buyer of such property that a claim has been
167 paid, the amount of the payment, and whether or not the full
168 amount of the proceeds were used to repair the sinkhole damage.
169 The seller shall also provide to the buyer a copy of both the
170 report prepared pursuant to subsection (1) or any report
171 prepared on behalf of the insured.

172 Section 15. Section 627.7074, Florida Statutes, is amended
173 to read:

174 627.7074 Alternative procedure for resolution of disputed
175 sinkhole insurance claims.—

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

177 (a) "Neutral evaluation" means the alternative dispute
178 resolution provided for in this section.

179 (b) "Neutral evaluator" means a professional engineer or a
180 professional geologist who has completed a course of study in
181 alternative dispute resolution designed or approved by the
182 department for use in the neutral evaluation process, who is
183 determined to be fair and impartial.

184 (2) (a) The department shall certify and maintain a list of
185 persons who are neutral evaluators.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

186 (b) The department shall prepare a consumer information
187 pamphlet for distribution by insurers to policyholders which
188 clearly describes the neutral evaluation process and includes
189 information and forms necessary for the policyholder to request
190 a neutral evaluation.

191 (3) Neutral evaluation is available to either party if a
192 sinkhole report has been issued pursuant to s. 627.7073.
193 Following the receipt of the report provided under s. 627.7073
194 or the denial of a claim for a sinkhole loss, the insurer shall
195 notify the policyholder of his or her right to participate in
196 the neutral evaluation program under this section. Neutral
197 evaluation supersedes the alternative dispute resolution process
198 under s. 627.7015 but does not supersede the appraisal clause,
199 if provided by the insurance policy. The insurer shall provide
200 to the policyholder the consumer information pamphlet prepared
201 by the department pursuant to paragraph (2) (b).

202 (4) Neutral evaluation is nonbinding, but mandatory if
203 requested by either party. A request for neutral evaluation may
204 be filed with the department by the policyholder or the insurer
205 on a form approved by the department. The request for neutral
206 evaluation must state the reason for the request and must
207 include an explanation of all the issues in dispute at the time
208 of the request. Filing a request for neutral evaluation tolls
209 the applicable time requirements for filing suit for a period of
210 60 days following the conclusion of the neutral evaluation
211 process or the time prescribed in s. 95.11, whichever is later.

212 (5) Neutral evaluation shall be conducted as an informal
213 process in which formal rules of evidence and procedure need not

Amendment No. 1A

214 be observed. A party to neutral evaluation is not required to
215 attend neutral evaluation if a representative of the party
216 attends and has the authority to make a binding decision on
217 behalf of the party. All parties shall participate in the
218 evaluation in good faith.

219 (6) The insurer shall pay the costs associated with the
220 neutral evaluation.

221 (7) Upon receipt of a request for neutral evaluation, the
222 department shall provide the parties a list of certified neutral
223 evaluators. The parties shall mutually select a neutral
224 evaluator from the list and promptly inform the department. If
225 the parties cannot agree to a neutral evaluator within 10
226 business days, the department shall allow the parties to submit
227 requests to disqualify neutral evaluators on the list for cause.
228 For purposes of this subsection, a ground for cause is only
229 required to be found by the department when:

230 (a) A familial relationship exists between the neutral
231 evaluator and either party or their representatives within the
232 third degree;

233 (b) The proposed neutral evaluator has, in a professional
234 capacity, previously represented either party or their
235 representatives in the same or a substantially related matter;

236 (c) The proposed neutral evaluator has, in a professional
237 capacity, represented another person in the same or a
238 substantially related matter and that person's interests are
239 materially adverse to the interests of the parties; or

240 (d) The proposed neutral evaluator works in the same firm
241 or corporation as a person who has, in a professional capacity,

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

242 previously represented either party or their respective
243 representatives in the same or a substantially related matter.

244
245 The department shall appoint a neutral evaluator from the
246 department list and if requested by either party, shall appoint
247 a neutral evaluator who can determine both causation and method
248 of repair. The department shall allow each party to disqualify
249 one neutral evaluator without cause. Upon selection or
250 appointment, the department shall promptly refer the request to
251 the neutral evaluator. Within 5 business days after the
252 referral, the neutral evaluator shall notify the policyholder
253 and the insurer of the date, time, and place of the neutral
254 evaluation conference. The conference may be held by telephone,
255 if feasible and desirable. The neutral evaluation conference
256 shall be held within 45 days after the receipt of the request by
257 the department. For purposes of this paragraph, the term
258 "substantially related matter" means participation by the
259 neutral evaluator on the same claim, property, or any adjacent
260 property.

261 (8) The department shall adopt rules of procedure for the
262 neutral evaluation process.

263 (9) For policyholders not represented by an attorney, a
264 consumer affairs specialist of the department or an employee
265 designated as the primary contact for consumers on issues
266 relating to sinkholes under s. 20.121 shall be available for
267 consultation to the extent that he or she may lawfully do so.

268 (10) Evidence of an offer to settle a claim during the
269 neutral evaluation process, as well as any relevant conduct or

Amendment No. 1A

270 statements made in negotiations concerning the offer to settle a
271 claim, is inadmissible to prove liability or absence of
272 liability for the claim or its value, except as provided in
273 subsection (13).

274 (11) Regardless of when invoked, any court proceeding
275 related to the subject matter of the neutral evaluation shall be
276 stayed pending completion of the neutral evaluation and for 5
277 days after the filing of the neutral evaluator's report with the
278 court.

279 (12) If the neutral evaluator, based upon his or her
280 professional training and credentials, is only qualified to
281 determine the causation issue or the method of repair issue, the
282 department shall allow the neutral evaluator to enlist the
283 assistance of another professional from the qualified neutral
284 evaluators list, not previously stricken by parties with respect
285 to the subject evaluation, who, based upon his or her
286 professional training and credentials, is able to provide an
287 opinion as to the other disputed issue. Any professional who, if
288 appointed as the neutral evaluator would be disqualified for any
289 reason enumerated in subsection (7), must be disqualified. In
290 addition, the neutral evaluator may use the service of other
291 experts or professionals on the qualified neutral evaluators
292 list as necessary to ensure that all items in dispute are
293 addressed in order to complete the neutral evaluation. The
294 neutral evaluator may request that the entity that performed
295 testing pursuant to s. 627.7072 perform such additional
296 reasonable testing deemed necessary in the professional opinion
297 of the neutral evaluator to complete the neutral evaluation.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

298 ~~(13)-(12)~~ For all matters that are not resolved by the
299 parties at the conclusion of the neutral evaluation, the neutral
300 evaluator shall prepare a report stating that in his or her
301 opinion the sinkhole loss has been verified or eliminated within
302 a reasonable degree of professional probability and, if
303 verified, whether the sinkhole loss has caused any structural or
304 cosmetic damage to the building and, if so, the need for and
305 estimated costs of stabilizing the land and any covered
306 structures or buildings and other appropriate remediation or
307 structural repairs that are necessary due to the sinkhole loss.
308 The evaluator's report shall be sent to all parties in
309 attendance at the neutral evaluation and to the department.

310 ~~(14)-(13)~~ The recommendation of the neutral evaluator is
311 not binding on any party, and the parties retain access to
312 court. The neutral evaluator's written recommendation is
313 admissible in any ~~subsequent~~ action or proceeding relating to
314 the claim or to the cause of action giving rise to the claim.

315 ~~(15)-(14)~~ If the neutral evaluator first verifies the
316 existence of a sinkhole and, second, recommends the need for and
317 estimates costs of stabilizing the land and any covered
318 structures or buildings and other appropriate remediation or
319 structural repairs, which costs exceed the amount that the
320 insurer has offered to pay the policyholder, the insurer is
321 liable to the policyholder for up to \$2,500 in attorney's fees
322 for the attorney's participation in the neutral evaluation
323 process. For purposes of this subsection, the term "offer to
324 pay" means a written offer signed by the insurer or its legal
325 representative and delivered to the policyholder within 10 days

Amendment No. 1A

326 after the insurer receives notice that a request for neutral
327 evaluation has been made under this section.

328 ~~.(16)(15)~~ If the insurer timely agrees in writing to comply
329 and timely complies with the recommendation of the neutral
330 evaluator, but the policyholder declines to resolve the matter
331 in accordance with the recommendation of the neutral evaluator
332 pursuant to this section:

333 (a) The insurer is not liable for extracontractual damages
334 related to a claim for a sinkhole loss but only as related to
335 the issues determined by the neutral evaluation process. This
336 section does not affect or impair claims for extracontractual
337 damages unrelated to the issues determined by the neutral
338 evaluation process contained in this section; and

339 (b) The actions of the insurer are not a confession of
340 judgment or an admission of liability and the insurer shall is
341 not be liable for attorney's fees under s. 627.428 or other
342 provisions of the insurance code unless the policyholder obtains
343 a judgment that is more favorable than the recommendation of the
344 neutral evaluator.

345 (17) If the insurer agrees to comply with the neutral
346 evaluator's report, payment for stabilizing the land and
347 building and repairing the foundation shall be made in
348 accordance with the terms and conditions of the applicable
349 insurance policy.

350

351

352

353

T I T L E A M E N D M E N T

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1A

354 Remove line 1757 and insert:
355 for the Circuit Court of Leon county; amending s. 627.707, F.S.;
356 amending s. 627.7073, F.S.; amending s. 627.7074, F.S.;
357 repealing s. 627.7065,

Adopted
3/17/10

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1B

COUNCIL/COMMITTEE ACTION

ADOPTED	<input checked="" type="checkbox"/>	(Y/N)
ADOPTED AS AMENDED	<input type="checkbox"/>	(Y/N)
ADOPTED W/O OBJECTION	<input type="checkbox"/>	(Y/N)
FAILED TO ADOPT	<input type="checkbox"/>	(Y/N)
WITHDRAWN	<input type="checkbox"/>	(Y/N)
OTHER	<input type="checkbox"/>	

1 Council/Committee hearing bill: Insurance, Business & Financial
 2 Affairs Policy Committee
 3 Representative Nelson offered the following:

4
 5 **Amendment to Amendment (32458) by Representative Proctor**
 6 **(with title amendment)**

7 Between lines 1678 and 1679, insert:

8 Section 1. Section 627.41341, Florida Statutes, is created
 9 to read:

10 627.41341 Notice of Change in Policy Terms.--

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

12 (a) "Change in Policy Terms" means the modification,
 13 addition or deletion of any term, coverage, duty or condition
 14 from the prior policy. The correction of typographical or
 15 scrivener's errors, or mandated legislative changes, is not a
 16 "change in policy terms".

17 (b) "Policy" means a written contract of personal lines
 18 insurance or written agreement for or effecting insurance, or
 19 the certificate thereof, by whatever name called, and includes

Amendment No. 1B

20 all clauses, riders, endorsements, and papers which are a part
21 thereof. The term "policy" does not include a binder as defined
22 in s. 627.420 unless the duration of the binder period exceeds
23 60 days.

24 (c) "Renewal" means the issuance and delivery by an
25 insurer of a policy superseding at the end of the policy period
26 a policy previously issued and delivered by the same insurer, or
27 the issuance and delivery of a certificate or notice extending
28 the term of a policy beyond its policy period or term. Any
29 policy with a policy period or term of less than 6 months or any
30 policy with no fixed expiration date shall for the purpose of
31 this section be considered as if written for successive policy
32 periods or terms of 6 months.

33 (2) A renewal policy may contain a change in policy terms.
34 If a renewal policy contains a change in policy terms, the
35 insurer shall give the named insured a written Notice of Change
36 in Policy Terms that shall be enclosed with the written notice
37 of renewal premium required by s. 627.4133 and s. 627.728.

38 (3) While not required, United States postal proof of
39 mailing or registered mailing of the Notice of Change in Policy
40 Terms to the named insured at the address shown in the policy
41 shall be sufficient proof of notice.

42 (4) Receipt of payment of the premium for the renewal
43 policy by the insurer shall be deemed to be acceptance of the
44 new policy terms by the named insured.

45 (5) If an insurer fails to provide the Notice of Change in
46 Policy Terms required under this section, the original policy
47 terms shall remain in effect until the next renewal and the

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1B

48 proper service of the Notice of Change in Policy Terms or until
49 the effective date of replacement coverage obtained by the named
50 insured, whichever occurs first.

51 (6) The intent of this section is:

52 (a) To allow an insurer to make a change in policy terms
53 without nonrenewing policyholders that the insurer wishes to
54 continue insuring.

55 (b) To alleviate the concern and confusion to the
56 policyholders caused by the required policy nonrenewal for the
57 limited issue when an insurer intends to renew the insurance
58 policy but the new policy contains a change in policy terms.

59 (c) To encourage policyholders to discuss their coverages
60 with their insurance agent.

61

62

63 **T I T L E A M E N D M E N T**

64 Remove line(s) 1760 and insert:

65 Environmental Protection; creating s. 627.41341, F.S.; providing
66 effective dates.

W/D 3/17/10

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1C

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	<input checked="" type="checkbox"/>	(Y/N)
OTHER	___	

1 Council/Committee hearing bill: Insurance, Business & Financial
 2 Affairs Policy Committee
 3 Representative(s) Nehr offered the following:

4
 5 **Amendment to Amendment (32458) by Representative Proctor**
 6 **(with title amendment)**

7 Between lines 1676 and 1677, insert:

8 Section 13. Section 624.611, Florida Statutes, is created
 9 to read:

10 624.611 Catastrophe Contracts.--

11 An insurer may annually submit a plan to the office in advance
 12 of the hurricane season, to use financial contracts other than
 13 reinsurance contracts to provide catastrophe loss funding. In
 14 the plan, the insurer must demonstrate that the coverage,
 15 together with its reinsurance program, will provide adequate
 16 protection for policyholders in the event of a natural
 17 catastrophe. If the contract does not provide for coverage that
 18 is highly correlated with the actual losses of the insurer, the
 19 insurer must demonstrate its ability to cover the basis risk

Amendment No. 1C

20 created by this lack of correlation. If the office approves the
21 plan, the insurer may purchase the contracts and take credit for
22 reinsurance for amounts expected or due from other parties to
23 the contracts in accordance with any terms, conditions, or
24 limitations established by the office.

25
26
27

T I T L E A M E N D M E N T

28
29 Remove line 1757 and insert:
30 for the Circuit Court of Leon County; creating s. 624.611, F.S.,
31 allowing the use of specified financial contracts to provide
32 catastrophe loss funding; providing requirements for the use of
33 such contracts; providing for credit for reinsurance for use of
34 such contracts; repealing s. 627.7065,

Adopted
3/17/10

COUNCIL/COMMITTEE AMENDMENT
Bill No. HB 447 (2010)

Amendment No. 1D

COUNCIL/COMMITTEE ACTION

ADOPTED	<input checked="" type="checkbox"/>	(Y/N)
ADOPTED AS AMENDED	<input type="checkbox"/>	(Y/N)
ADOPTED W/O OBJECTION	<input type="checkbox"/>	(Y/N)
FAILED TO ADOPT	<input type="checkbox"/>	(Y/N)
WITHDRAWN	<input type="checkbox"/>	(Y/N)
OTHER	<input type="checkbox"/>	

1 Council/Committee hearing bill: Insurance, Business & Financial
 2 Affairs Policy Committee
 3 Representative(s) Hays offered the following:

4
 5 **Amendment to Amendment (32458) by Representative Proctor**
 6 **(with title amendment)**

7 Between lines 1676 and 1677, insert:

8 Section 13. In the interest of full disclosure and
 9 transparency to insurance policy owners and since most
 10 insurance policies sold in this state are subject to
 11 assessments to make up for the funding deficiencies of the
 12 Citizens Property Insurance Corporation or the Florida
 13 Hurricane Catastrophe Fund, the following warning shall be
 14 printed in bold type of not less than 16 points and shall be
 15 displayed on the declarations page or on the renewal notice of
 16 every insurance policy sold or issued in this state that is or
 17 may be subject to assessment by the Citizens Property Insurance
 18 Corporation or the Florida Hurricane Catastrophe Fund:

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 447 (2010)

Amendment No. 1D

WARNING

20
21 The premium you are about to pay may NOT be the full cost of
22 this insurance policy. If a hurricane strikes Florida, you may
23 be forced to pay additional moneys to offset the inability of
24 the state-owned Citizens Property Insurance Corporation or the
25 Florida Hurricane Catastrophe Fund to pay claims resulting from
26 the losses due to the hurricane.

27
28
29
30
31 -----
32 **T I T L E A M E N D M E N T**

33 Remove line 1757 and insert:
34 for the Circuit Court of Leon County; specifying a required
35 notice for insurance policies issued or renewed in this state;
36 providing notice requirements; repealing s. 627.7065,

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

HB 751 : Automatic Renewal of Service Contracts

Favorable With Committee Substitute

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Carl Domino	X				
Eric Eisnaugle	X				
Anitere Flores	X				
Tom Grady	X				
D. Alan Hays	X				
Evan Jenne	X				
Janet Long				X	
Peter Nehr				X	
Bryan Nelson				X	
Kevin Rader	X				
Dwayne Taylor	X				
John Wood	X				
Ritch Workman				X	
Pat Patterson (Chair)	X				
Total Yeas: 10 Total Nays: 0					

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Adopted
3/17/10

Amendment No. 1

Bill No. 751

COUNCIL/COMMITTEE ACTION

ADOPTED	<input checked="" type="checkbox"/> (Y/N)
ADOPTED AS AMENDED	<input type="checkbox"/> (Y/N)
ADOPTED W/O OBJECTION	<input type="checkbox"/> (Y/N)
FAILED TO ADOPT	<input type="checkbox"/> (Y/N)
WITHDRAWN	<input type="checkbox"/> (Y/N)
OTHER	<input type="checkbox"/>

Council/Committee hearing bill: Insurance, Business & Financial
Affairs Policy Committee

Representative(s) McBurney offered the following:

Amendment (with directory and title amendments)

Delete line(s) 40 to 69 insert:

that has an automatic renewal provision, unless the consumer
cancels that contract, shall disclose the automatic renewal
provision clearly and conspicuously in the contract or contract
offer.

(b) Any seller that sells or offers to sell any service to
a consumer pursuant to a service contract the term of which is a
specified period of 12 months or more and that automatically
renews for a specified period of more than 1 month, unless the
consumer cancels the contract, shall provide the consumer with
written or electronic notification of the automatic renewal
provision. Notification shall be provided to the consumer no
less than 30 days or no more than 60 days before the
cancellation deadline pursuant to the automatic renewal

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1

21 provision. Such notification shall disclose clearly and
22 conspicuously:

23 1. That unless the consumer cancels the contract the
24 contract will automatically renew.

25 2. Methods by which the consumer may obtain details of the
26 automatic renewal provision and cancellation procedure, whether
27 by contracting the seller at a specified telephone number or
28 address, by referring to the contract, or by any other method.

29 (c) A seller that fails to comply with the requirements of
30 this subsection is in violation of this subsection unless the
31 seller demonstrates that:

32 1. As part of the seller's routine business practice, the
33 seller has established and implemented written procedures to
34 comply with this section and enforces compliance with the
35 procedures.

36 2. Any failure to comply with this subsection is the result
37 of error; and

38

39

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

HB 885 : Life Insurance

Favorable

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Carl Domino	X				
Eric Eisnaugle	X				
Anitere Flores	X				
Tom Grady	X				
D. Alan Hays	X				
Evan Jenne	X				
Janet Long				X	
Peter Nehr	X				
Bryan Nelson				X	
Kevin Rader	X				
Dwayne Taylor	X				
John Wood	X				
Ritch Workman				X	
Pat Patterson (Chair)	X				
Total Yeas: 11		Total Nays: 0			

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

HB 1049 : City of Eustis, Lake County

Favorable

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Carl Domino	X				
Eric Eisnaugle	X				
Anitere Flores	X				
Tom Grady	X				
D. Alan Hays	X				
Evan Jenne	X				
Janet Long				X	
Peter Nehr	X				
Bryan Nelson				X	
Kevin Rader	X				
Dwayne Taylor	X				
John Wood	X				
Ritch Workman				X	
Pat Patterson (Chair)	X				
Total Yeas: 11 Total Nays: 0					

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

HB 1051 : City of Tavares, Lake County

Favorable

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Carl Domino	X				
Eric Eisnaugle	X				
Anitere Flores	X				
Tom Grady	X				
D. Alan Hays	X				
Evan Jenne	X				
Janet Long				X	
Peter Nehr	X				
Bryan Nelson				X	
Kevin Rader	X				
Dwayne Taylor	X				
John Wood	X				
Ritch Workman				X	
Pat Patterson (Chair)	X				
Total Yeas: 11		Total Nays: 0			

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

COMMITTEE MEETING REPORT

Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

CS/HB 1247 : Hillsborough County

Favorable

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Carl Domino	X				
Eric Eisnaugle	X				
Anitere Flores	X				
Tom Grady	X				
D. Alan Hays	X				
Evan Jenne	X				
Janet Long				X	
Peter Nehr	X				
Bryan Nelson				X	
Kevin Rader	X				
Dwayne Taylor	X				
John Wood	X				
Ritch Workman				X	
Pat Patterson (Chair)	X				
Total Yeas: 11		Total Nays: 0			

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

COMMITTEE MEETING REPORT
Insurance, Business & Financial Affairs Policy Committee

3/17/2010 2:15:00PM

Location: Webster Hall (212 Knott)

HB 1253 : Continuing Care Facilities

Favorable With Committee Substitute

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Carl Domino	X				
Eric Eisnaugle	X				
Anitere Flores	X				
Tom Grady	X				
D. Alan Hays	X				
Evan Jenne	X				
Janet Long				X	
Peter Nehr	X				
Bryan Nelson				X	
Kevin Rader	X				
Dwayne Taylor	X				
John Wood	X				
Ritch Workman				X	
Pat Patterson (Chair)	X				
Total Yeas: 11		Total Nays: 0			

Committee meeting was reported out: Wednesday, March 17, 2010 5:55:14PM

Adopted
3/17/10

COUNCIL/COMMITTEE AMENDMENT
Bill No. HB 1253 (2010)

Amendment No.

COUNCIL/COMMITTEE ACTION

ADOPTED (Y/N)

ADOPTED AS AMENDED (Y/N)

ADOPTED W/O OBJECTION (Y/N)

FAILED TO ADOPT (Y/N)

WITHDRAWN (Y/N)

OTHER

1 Council/Committee hearing bill: Insurance, Business & Financial
 2 Affairs Policy Committee
 3 Representative Proctor offered the following:

Amendment (with title amendment)

Remove lines 142-160

T I T L E A M E N D M E N T

Remove lines 5-8 and insert:

references; amending s. 651.022, F.S.; increasing the