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LEGISLATIVE ACTION

Senate	.	House
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The Committee on Budget (Wise) recommended the following:

Senate Amendment (with title amendment)

Delete lines 1362 - 1366
and insert:

Section 15. Paragraphs (a), (b), (c), (d), (v), and (y) of subsection (6) of section 627.351, Florida Statutes, are amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(a)1. ~~It is~~ The public purpose of this subsection is to ensure the existence of an orderly market for property insurance for Floridians and Florida businesses. The Legislature finds that private insurers are unwilling or unable to provide



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14 affordable property insurance coverage in this state to the
15 extent sought and needed. The absence of affordable property
16 insurance threatens the public health, safety, and welfare and
17 ~~likewise threatens~~ the economic health of the state. The state
18 therefore has a compelling public interest and a public purpose
19 to assist in assuring that property in the state is insured and
20 ~~that it is~~ insured at affordable rates so as to facilitate the
21 remediation, reconstruction, and replacement of damaged or
22 destroyed property in order to reduce or avoid ~~the~~ negative
23 effects ~~otherwise resulting~~ to the public health, safety, and
24 welfare, to the economy of the state, and to the revenues of the
25 state and local governments which are needed to provide for the
26 public welfare. It is necessary, therefore, to provide
27 affordable property insurance to applicants who are in good
28 faith entitled to procure insurance through the voluntary market
29 but are unable to do so. The Legislature intends ~~by this~~
30 ~~subsection~~ that affordable property insurance be provided and
31 that it continue to be provided, as long as necessary, through
32 Citizens Property Insurance Corporation, a government entity
33 that is an integral part of the state, and that is not a private
34 insurance company. To that end, Citizens Property Insurance
35 Corporation shall strive to increase the availability of
36 affordable property insurance in this state, while achieving
37 efficiencies and economies, and while providing service to
38 policyholders, applicants, and agents which is no less than the
39 quality generally provided in the voluntary market, for the
40 achievement of the foregoing public purposes. Because it is
41 essential for this government entity to have the maximum
42 financial resources to pay claims following a catastrophic



43 hurricane, it is the intent of the Legislature that Citizens
44 Property Insurance Corporation continue to be an integral part
45 of the state and that the income of the corporation ~~be exempt~~
46 ~~from federal income taxation~~ and that interest on the debt
47 obligations issued by the corporation be exempt from federal
48 income taxation.

49 2. As of July 1, 2002, the Residential Property and
50 Casualty Joint Underwriting Association originally created by
51 this statute shall be known, ~~as of July 1, 2002,~~ as the Citizens
52 Property Insurance Corporation. The corporation shall provide
53 ~~insurance for~~ residential and commercial property insurance, for
54 applicants who are in good faith entitled, but are unable, to
55 procure insurance through the voluntary market. ~~The corporation~~
56 ~~shall operate pursuant to a plan of operation approved by order~~
57 ~~of the Financial Services Commission. The plan is subject to~~
58 ~~continuous review by the commission. The commission may, by~~
59 ~~order, withdraw approval of all or part of a plan if the~~
60 ~~commission determines that conditions have changed since~~
61 ~~approval was granted and that the purposes of the plan require~~
62 ~~changes in the plan. The corporation shall continue to operate~~
63 ~~pursuant to the plan of operation approved by the Office of~~
64 ~~Insurance Regulation until October 1, 2006.~~ For the purposes of
65 this subsection, residential coverage includes both personal
66 lines residential coverage, which consists of the type of
67 coverage provided by homeowner's, mobile home owner's, dwelling,
68 tenant's, condominium unit owner's, and similar policies, and
69 commercial lines residential coverage, which consists of the
70 type of coverage provided by condominium association, apartment
71 building, and similar policies.



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72 3. Effective January 1, 2009, a personal lines residential
73 structure that has a dwelling replacement cost of \$2 million or
74 more, or a single condominium unit that has a combined dwelling
75 and content replacement cost of \$2 million or more is not
76 eligible for coverage by the corporation. Such dwellings insured
77 by the corporation on December 31, 2008, may continue to be
78 covered by the corporation until the end of the policy term.
79 However, such dwellings ~~that are insured by the corporation and~~
80 ~~become ineligible for coverage due to the provisions of this~~
81 ~~subparagraph~~ may reapply and obtain coverage if the property
82 owner provides the corporation with a sworn affidavit from one
83 or more insurance agents, on a form provided by the corporation,
84 stating that the agents have made their best efforts to obtain
85 coverage and that the property has been rejected for coverage by
86 at least one authorized insurer and at least three surplus lines
87 insurers. If such conditions are met, the dwelling may be
88 insured by the corporation for up to 3 years, after which time
89 the dwelling is ineligible for coverage. The office shall
90 approve the method used by the corporation for valuing the
91 dwelling replacement cost for the purposes of this subparagraph.
92 If a policyholder is insured by the corporation before ~~prior to~~
93 being determined to be ineligible pursuant to this subparagraph
94 and such policyholder files a lawsuit challenging the
95 determination, the policyholder may remain insured by the
96 corporation until the conclusion of the litigation.

97 4. It is the intent of the Legislature that policyholders,
98 applicants, and agents of the corporation receive service and
99 treatment of the highest possible level but never less than that
100 generally provided in the voluntary market. It is also ~~is~~



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101 intended that the corporation be held to service standards no
102 less than those applied to insurers in the voluntary market by
103 the office with respect to responsiveness, timeliness, customer
104 courtesy, and overall dealings with policyholders, applicants,
105 or agents of the corporation.

106 ~~5. Effective January 1, 2009, a personal lines residential~~
107 ~~structure that is located in the "wind borne debris region," as~~
108 ~~defined in s. 1609.2, International Building Code (2006), and~~
109 ~~that has an insured value on the structure of \$750,000 or more~~
110 ~~is not eligible for coverage by the corporation unless the~~
111 ~~structure has opening protections as required under the Florida~~
112 ~~Building Code for a newly constructed residential structure in~~
113 ~~that area. A residential structure shall be deemed to comply~~
114 ~~with the requirements of this subparagraph if it has shutters or~~
115 ~~opening protections on all openings and if such opening~~
116 ~~protections complied with the Florida Building Code at the time~~
117 ~~they were installed.~~

118
119 ===== T I T L E A M E N D M E N T =====

120 And the title is amended as follows:

121 Delete line 112

122 and insert:

123 by the act; amending s. 627.351, F.S.; deleting an
124 obsolete provision; deleting a limitation that
125 prohibits Citizens Property Insurance Corporation from
126 insuring certain structures located in the wind-borne
127 debris region; renaming the