

1 A bill to be entitled
2 An act relating to insurance; amending s. 215.555,
3 F.S.; revising the calculation of amount of losses
4 below which an insurer is not entitled to
5 reimbursement from the Florida Hurricane Catastrophe
6 Fund for certain contract years; requiring the formula
7 for determining actuarially indicated premiums to
8 include a cash build-up factor in contract years only
9 under certain circumstances; deleting obsolete
10 language; limiting the amount of the cash build-up
11 factor; revising the definition of the term "covered
12 policy" in relation to certain collateral protection
13 insurance policies; amending s. 440.381, F.S.;
14 revising the annual audit requirement for construction
15 classes to apply to policies having estimated annual
16 premiums over a specified threshold; creating s.
17 624.46227, F.S.; authorizing any association, trust,
18 or pool created for the purpose of forming a risk
19 management mechanism or providing self-insurance for a
20 public entity to use communications media technology
21 to establish a quorum and conduct business; amending
22 s. 626.221, F.S.; exempting certain applicants for
23 licensure as all-lines adjusters from a required
24 examination; amending s. 626.856, F.S.; revising the
25 definition of the term "company employee adjuster";

26 | reenacting and amending s. 627.062, F.S.; authorizing
27 | the use of a certain modeling indication for
28 | residential property insurance rate filings; amending
29 | s. 627.0629, F.S.; authorizing insurers to file
30 | certain insurance rating plans based on certain
31 | windstorm mitigation construction standards if certain
32 | requirements are met; amending s. 627.0665, F.S.;
33 | revising notification requirements for insurers that
34 | have automatic bank withdrawal agreements with
35 | insureds to include notices when withdrawal amounts
36 | increase above a specified threshold; reenacting and
37 | amending s. 627.351, F.S.; revising conditions for
38 | determining the ineligibility of condominiums for
39 | wind-only coverage; amending s. 627.421, F.S.;
40 | deleting a requirement for electronic transmissions of
41 | certain documents to include specified notices;
42 | deleting a requirement that paper copies of policies
43 | be provided upon request; amending ss. 627.701 and
44 | 627.712, F.S.; revising policyholder acknowledgment
45 | statement requirements for property insurance policies
46 | having certain hurricane deductibles or windstorm or
47 | contents coverage exclusions, respectively; amending
48 | s. 627.7152, F.S.; revising the definition of the term
49 | "assignment agreement"; specifying the addresses to
50 | which a notice of intent must be served; amending s.

51 627.7276, F.S.; revising notice requirements for motor
52 vehicle policies that do not provide coverage for
53 bodily injury and property damage liability; amending
54 ss. 634.171, 634.317, and 634.419, F.S.; authorizing
55 licensed personal lines or general lines agents to
56 solicit, negotiate, advertise, or sell motor vehicle
57 service agreements, home warranty contracts, and
58 service warranty contracts, respectively, without a
59 sales representative license; making technical
60 changes; reenacting ss. 624.424(10) and 627.351(6)(v),
61 F.S., relating to annual statements and other
62 information and Citizens Property Insurance
63 Corporation, respectively, to incorporate the
64 amendment made to s. 215.555, F.S., in references
65 thereto; reenacting s. 626.8734(1)(b), F.S., relating
66 to nonresident all-lines adjuster license
67 qualifications, to incorporate the amendment made to
68 s. 626.221, F.S., in a reference thereto; reenacting
69 s. 626.865(1)(e), F.S., relating to public adjuster's
70 qualifications, to incorporate the amendment made to
71 s. 626.856, F.S., in a reference thereto; reenacting
72 s. 627.7153(1) and (2)(d), F.S., relating to policies
73 restricting assignment of post-loss benefits under a
74 property insurance policy, to incorporate the
75 amendment made to s. 627.7152, F.S., in references

76 thereto; providing effective dates.

77
78 Be It Enacted by the Legislature of the State of Florida:

79
80 Section 1. Effective June 1, 2022, paragraph (e) of
81 subsection (2) of section 215.555, Florida Statutes, is amended
82 to read:

83 215.555 Florida Hurricane Catastrophe Fund.—

84 (2) DEFINITIONS.—As used in this section:

85 (e) "Retention" means the amount of losses below which an
86 insurer is not entitled to reimbursement from the fund. An
87 insurer's retention shall be calculated as follows:

88 1. The board shall calculate and report to each insurer
89 the retention multiples for that year. For the contract year
90 beginning June 1, 2022 ~~2005~~, the retention multiple shall be
91 equal to \$4.5 billion divided by the total estimated
92 reimbursement premium for the contract year; for subsequent
93 years, the retention multiple shall be equal to \$4.5 billion,
94 adjusted based upon the reported exposure for the contract year
95 occurring 2 years before the particular contract year to reflect
96 the percentage growth in exposure to the fund for covered
97 policies since 2021 ~~2004~~, divided by the total estimated
98 reimbursement premium for the contract year. Total reimbursement
99 premium for purposes of the calculation under this subparagraph
100 shall be estimated using the assumption that all insurers have

101 selected the 90-percent coverage level.

102 2. The retention multiple as determined under subparagraph
103 1. shall be adjusted to reflect the coverage level elected by
104 the insurer. For insurers electing the 90-percent coverage
105 level, the adjusted retention multiple is 100 percent of the
106 amount determined under subparagraph 1. For insurers electing
107 the 75-percent coverage level, the retention multiple is 120
108 percent of the amount determined under subparagraph 1. For
109 insurers electing the 45-percent coverage level, the adjusted
110 retention multiple is 200 percent of the amount determined under
111 subparagraph 1.

112 3. An insurer shall determine its provisional retention by
113 multiplying its provisional reimbursement premium by the
114 applicable adjusted retention multiple and shall determine its
115 actual retention by multiplying its actual reimbursement premium
116 by the applicable adjusted retention multiple.

117 4. For insurers who experience multiple covered events
118 causing loss during the contract year, beginning June 1, 2005,
119 each insurer's full retention shall be applied to each of the
120 covered events causing the two largest losses for that insurer.
121 For each other covered event resulting in losses, the insurer's
122 retention shall be reduced to one-third of the full retention.
123 The reimbursement contract shall provide for the reimbursement
124 of losses for each covered event based on the full retention
125 with adjustments made to reflect the reduced retentions on or

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126 after January 1 of the contract year provided the insurer
 127 reports its losses as specified in the reimbursement contract.

128 Section 2. Paragraph (b) of subsection (5) of section
 129 215.555, Florida Statutes, is amended to read:

130 215.555 Florida Hurricane Catastrophe Fund.—

131 (5) REIMBURSEMENT PREMIUMS.—

132 (b) The State Board of Administration shall select an
 133 independent consultant to develop a formula for determining the
 134 actuarially indicated premium to be paid to the fund. The
 135 formula shall specify, for each zip code or other limited
 136 geographical area, the amount of premium to be paid by an
 137 insurer for each \$1,000 of insured value under covered policies
 138 in that zip code or other area. In establishing premiums, the
 139 board shall consider the coverage elected under paragraph (4) (b)
 140 and any factors that tend to enhance the actuarial
 141 sophistication of ratemaking for the fund, including
 142 deductibles, type of construction, type of coverage provided,
 143 relative concentration of risks, and other such factors deemed
 144 by the board to be appropriate. The formula must provide for a
 145 cash build-up factor only in a contract year in which the fund's
 146 cash balance at the end of the previous calendar year is less
 147 than \$10 billion and for 2 subsequent contract years after the
 148 year in which such a cash build-up factor is triggered. ~~For the~~
 149 ~~2009-2010 contract year, the factor is 5 percent. For the 2010-~~
 150 ~~2011 contract year, the factor is 10 percent. For the 2011-2012~~

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151 ~~contract year, the factor is 15 percent. For the 2012-2013~~
152 ~~contract year, the factor is 20 percent. For the 2013-2014~~
153 ~~contract year and thereafter,~~ The factor is and may not exceed
154 25 percent. The formula may provide for a procedure to determine
155 the premiums to be paid by new insurers that begin writing
156 covered policies after the beginning of a contract year, taking
157 into consideration when the insurer starts writing covered
158 policies, the potential exposure of the insurer, the potential
159 exposure of the fund, the administrative costs to the insurer
160 and to the fund, and any other factors deemed appropriate by the
161 board. The formula must be approved by unanimous vote of the
162 board. The board may, at any time, revise the formula pursuant
163 to the procedure provided in this paragraph.

164 Section 3. Effective June 1, 2023, paragraph (c) of
165 subsection (2) of section 215.555, Florida Statutes, is amended
166 to read:

167 215.555 Florida Hurricane Catastrophe Fund.—

168 (2) DEFINITIONS.—As used in this section:

169 (c) "Covered policy" means any insurance policy covering
170 residential property in this state, including, but not limited
171 to, any homeowner, mobile home owner, farm owner, condominium
172 association, condominium unit owner, tenant, or apartment
173 building policy, or any other policy covering a residential
174 structure or its contents issued by any authorized insurer,
175 including a commercial self-insurance fund holding a certificate

176 of authority issued by the Office of Insurance Regulation under
 177 s. 624.462, the Citizens Property Insurance Corporation, and any
 178 joint underwriting association or similar entity created under
 179 law. The term ~~"covered policy"~~ includes any collateral
 180 protection insurance policy covering personal residences which
 181 protects both the borrower's and the lender's financial
 182 interests, in an amount at least equal to the coverage amount
 183 for the dwelling in place under the lapsed homeowner's policy,
 184 the coverage amount that the homeowner has been notified of by
 185 the collateral protection insurer, or the coverage amount that
 186 the homeowner requests from the collateral protection insurer,
 187 if such collateral protection insurance policy can be accurately
 188 reported as required in subsection (5). Additionally, covered
 189 policies include policies covering the peril of wind removed
 190 from the Florida Residential Property and Casualty Joint
 191 Underwriting Association or from the Citizens Property Insurance
 192 Corporation, created under s. 627.351(6), or from the Florida
 193 Windstorm Underwriting Association, created under s. 627.351(2),
 194 by an authorized insurer under the terms and conditions of an
 195 executed assumption agreement between the authorized insurer and
 196 such association or Citizens Property Insurance Corporation.
 197 Each assumption agreement between the association and such
 198 authorized insurer or Citizens Property Insurance Corporation
 199 must be approved by the Office of Insurance Regulation before
 200 the effective date of the assumption, and the Office of

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201 Insurance Regulation must provide written notification to the
 202 board within 15 working days after such approval. "Covered
 203 policy" does not include any policy that excludes wind coverage
 204 or hurricane coverage or any reinsurance agreement and does not
 205 include any policy otherwise meeting this definition which is
 206 issued by a surplus lines insurer or a reinsurer. All commercial
 207 residential excess policies and all deductible buy-back policies
 208 that, based on sound actuarial principles, require individual
 209 ratemaking must ~~shall~~ be excluded by rule if the actuarial
 210 soundness of the fund is not jeopardized. For this purpose, the
 211 term "excess policy" means a policy that provides insurance
 212 protection for large commercial property risks and that provides
 213 a layer of coverage above a primary layer insured by another
 214 insurer.

215 Section 4. Subsection (3) of section 440.381, Florida
 216 Statutes, is amended to read:

217 440.381 Application for coverage; reporting payroll;
 218 payroll audit procedures; penalties.-

219 (3) The Financial Services Commission, in consultation
 220 with the department, shall establish by rule minimum
 221 requirements for audits of payroll and classifications ~~in order~~
 222 to ensure that the appropriate premium is charged for workers'
 223 compensation coverage. The rules must ~~shall~~ ensure that audits
 224 performed by both carriers and employers are adequate to provide
 225 that all sources of payments to employees, subcontractors, and

226 independent contractors are ~~have been~~ reviewed and that the
 227 accuracy of classification of employees is ~~has been~~ verified.
 228 The rules must require ~~shall provide~~ that employers in all
 229 classes other than the construction class be audited at least
 230 ~~not less frequently than~~ biennially and may provide for more
 231 frequent audits of employers in specified classifications based
 232 on factors such as amount of premium, type of business, loss
 233 ratios, or other relevant factors. ~~In no event shall~~ Employers
 234 in the construction class, generating more than the amount of
 235 premium required to be experience rated must, be audited at
 236 least less than annually. The annual audits required for
 237 construction classes must ~~shall~~ consist of physical onsite
 238 audits for policies only if the estimated annual premium is
 239 \$10,000 or more. Payroll verification audit rules must include,
 240 but need not be limited to, the use of state and federal reports
 241 of employee income, payroll and other accounting records,
 242 certificates of insurance maintained by subcontractors, and
 243 duties of employees. At the completion of an audit, the employer
 244 or officer of the corporation and the auditor must print and
 245 sign their names on the audit document and attach proof of
 246 identification to the audit document.

247 Section 5. Section 624.46227, Florida Statutes, is created
 248 to read:

249 624.46227 Meeting requirements.—Any association, trust, or
 250 pool authorized by state law and created for the purpose of

251 forming a risk management mechanism or providing self-insurance
 252 for public entities in the state may use communications media
 253 technology to establish a quorum and conduct business.

254 Section 6. Paragraph (j) of subsection (2) of section
 255 626.221, Florida Statutes, is amended to read:

256 626.221 Examination requirement; exemptions.—

257 (2) However, an examination is not necessary for any of
 258 the following:

259 (j) An applicant for license as an all-lines adjuster who
 260 has the designation of Accredited Claims Adjuster (ACA) from a
 261 regionally accredited postsecondary institution in this state,
 262 Associate in Claims (AIC) from the Insurance Institute of
 263 America, Professional Claims Adjuster (PCA) from the
 264 Professional Career Institute, Professional Property Insurance
 265 Adjuster (PPIA) from the HurriClaim Training Academy, Certified
 266 Adjuster (CA) from ALL LINES Training, Certified Claims Adjuster
 267 (CCA) from AE21 Incorporated, Claims Adjuster Certified
 268 Professional (CACP) from WebCE, Inc., Accredited Insurance
 269 Claims Specialist (AICS) from Encore Claim Services, Certified
 270 All Lines Adjuster (CALA) from Kaplan, or Universal Claims
 271 Certification (UCC) from Claims and Litigation Management
 272 Alliance (CLM) whose curriculum has been approved by the
 273 department and which includes comprehensive analysis of basic
 274 property and casualty lines of insurance and testing at least
 275 equal to that of standard department testing for the all-lines

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276 | adjuster license. The department shall adopt rules establishing
 277 | standards for the approval of curriculum.

278 | Section 7. Section 626.856, Florida Statutes, is amended
 279 | to read:

280 | 626.856 "Company employee adjuster" defined.—A "company
 281 | employee adjuster" means a person licensed as an all-lines
 282 | adjuster who is appointed and employed on an insurer's staff of
 283 | adjusters, by an affiliate, or by a wholly owned subsidiary of
 284 | the insurer, and who undertakes on behalf of such insurer or
 285 | other insurers under common control or ownership to ascertain
 286 | and determine the amount of any claim, loss, or damage payable
 287 | under a contract of insurance, or undertakes to effect
 288 | settlement of such claim, loss, or damage.

289 | Section 8. Paragraph (j) of subsection (2) of section
 290 | 627.062, Florida Statutes, is amended, and paragraph (k) of that
 291 | subsection is reenacted for the purpose of incorporating the
 292 | amendment made by this act to section 215.555, Florida Statutes,
 293 | to read:

294 | 627.062 Rate standards.—

295 | (2) As to all such classes of insurance:

296 | (j) With respect to residential property insurance rate
 297 | filings, the rate filing:

298 | 1. Must account for mitigation measures undertaken by
 299 | policyholders to reduce hurricane losses.

300 | 2. May use a modeling indication that is the weighted or

301 straight average of two or more hurricane loss projection models
 302 found by the commission to be accurate or reliable under s.
 303 627.0628.

304 (k)1. A residential property insurer may make a separate
 305 filing limited solely to an adjustment of its rates for
 306 reinsurance, the cost of financing products used as a
 307 replacement for reinsurance, financing costs incurred in the
 308 purchase of reinsurance, and the actual cost paid due to the
 309 application of the cash build-up factor pursuant to s.
 310 215.555(5) (b) if the insurer:

311 a. Elects to purchase financing products such as a
 312 liquidity instrument or line of credit, in which case the cost
 313 included in filing for the liquidity instrument or line of
 314 credit may not result in a premium increase exceeding 3 percent
 315 for any individual policyholder. All costs contained in the
 316 filing may not result in an overall premium increase of more
 317 than 15 percent for any individual policyholder.

318 b. Includes in the filing a copy of all of its
 319 reinsurance, liquidity instrument, or line of credit contracts;
 320 proof of the billing or payment for the contracts; and the
 321 calculation upon which the proposed rate change is based
 322 demonstrating that the costs meet the criteria of this section.

323 2. An insurer that purchases reinsurance or financing
 324 products from an affiliated company may make a separate filing
 325 only if the costs for such reinsurance or financing products are

326 | charged at or below charges made for comparable coverage by
 327 | nonaffiliated reinsurers or financial entities making such
 328 | coverage or financing products available in this state.

329 | 3. An insurer may make only one filing per 12-month period
 330 | under this paragraph.

331 | 4. An insurer that elects to implement a rate change under
 332 | this paragraph must file its rate filing with the office at
 333 | least 45 days before the effective date of the rate change.
 334 | After an insurer submits a complete filing that meets all of the
 335 | requirements of this paragraph, the office has 45 days after the
 336 | date of the filing to review the rate filing and determine if
 337 | the rate is excessive, inadequate, or unfairly discriminatory.

338 |
 339 | The provisions of this subsection do not apply to workers'
 340 | compensation, employer's liability insurance, and motor vehicle
 341 | insurance.

342 | Section 9. Subsection (9) is added to section 627.0629,
 343 | Florida Statutes, to read:

344 | 627.0629 Residential property insurance; rate filings.—

345 | (9) An insurer may file with the office a personal lines
 346 | residential property insurance rating plan that provides
 347 | justified premium discounts, credits, or other rate
 348 | differentials based on windstorm mitigation construction
 349 | standards developed by an independent, nonprofit scientific
 350 | research organization, if such standards meet the requirements

351 of this section.

352 Section 10. Section 627.0665, Florida Statutes, is amended
353 to read:

354 627.0665 Automatic bank withdrawal agreements;
355 notification required.—Any insurer licensed to issue insurance
356 in the state which ~~who~~ has an automatic bank withdrawal
357 agreement with an insured party for the payment of insurance
358 premiums for any type of insurance shall give the named insured
359 at least 15 days advance written notice of any increase in
360 policy premiums which results in the next automatic bank
361 withdrawal being increased by more than \$10. Such notice must be
362 provided before ~~prior to~~ any automatic bank withdrawal of the ~~an~~
363 increased premium amount.

364 Section 11. Paragraph (a) of subsection (6) of section
365 627.351, Florida Statutes, is amended, and paragraph (n) of that
366 subsection is reenacted for the purpose of incorporating the
367 amendment made by this act to section 215.555, Florida Statutes,
368 to read:

369 627.351 Insurance risk apportionment plans.—

370 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

374 1. The Legislature finds that private insurers are
375 unwilling or unable to provide affordable property insurance

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376 coverage in this state to the extent sought and needed. The
377 absence of affordable property insurance threatens the public
378 health, safety, and welfare and likewise threatens the economic
379 health of the state. The state therefore has a compelling public
380 interest and a public purpose to assist in assuring that
381 property in the state is insured and that it is insured at
382 affordable rates so as to facilitate the remediation,
383 reconstruction, and replacement of damaged or destroyed property
384 in order to reduce or avoid the negative effects otherwise
385 resulting to the public health, safety, and welfare, to the
386 economy of the state, and to the revenues of the state and local
387 governments which are needed to provide for the public welfare.
388 It is necessary, therefore, to provide affordable property
389 insurance to applicants who are in good faith entitled to
390 procure insurance through the voluntary market but are unable to
391 do so. The Legislature intends, therefore, that affordable
392 property insurance be provided and that it continue to be
393 provided, as long as necessary, through Citizens Property
394 Insurance Corporation, a government entity that is an integral
395 part of the state, and that is not a private insurance company.
396 To that end, the corporation shall strive to increase the
397 availability of affordable property insurance in this state,
398 while achieving efficiencies and economies, and while providing
399 service to policyholders, applicants, and agents which is no
400 less than the quality generally provided in the voluntary

401 market, for the achievement of the foregoing public purposes.
402 Because it is essential for this government entity to have the
403 maximum financial resources to pay claims following a
404 catastrophic hurricane, it is the intent of the Legislature that
405 the corporation continue to be an integral part of the state and
406 that the income of the corporation be exempt from federal income
407 taxation and that interest on the debt obligations issued by the
408 corporation be exempt from federal income taxation.

409 2. The Residential Property and Casualty Joint
410 Underwriting Association originally created by this statute
411 shall be known as the Citizens Property Insurance Corporation.
412 The corporation shall provide insurance for residential and
413 commercial property, for applicants who are entitled, but, in
414 good faith, are unable to procure insurance through the
415 voluntary market. The corporation shall operate pursuant to a
416 plan of operation approved by order of the Financial Services
417 Commission. The plan is subject to continuous review by the
418 commission. The commission may, by order, withdraw approval of
419 all or part of a plan if the commission determines that
420 conditions have changed since approval was granted and that the
421 purposes of the plan require changes in the plan. For the
422 purposes of this subsection, residential coverage includes both
423 personal lines residential coverage, which consists of the type
424 of coverage provided by homeowner, mobile home owner, dwelling,
425 tenant, condominium unit owner, and similar policies; and

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426 commercial lines residential coverage, which consists of the
427 type of coverage provided by condominium association, apartment
428 building, and similar policies.

429 3. With respect to coverage for personal lines residential
430 structures:

431 a. Effective January 1, 2014, a structure that has a
432 dwelling replacement cost of \$1 million or more, or a single
433 condominium unit that has a combined dwelling and contents
434 replacement cost of \$1 million or more, is not eligible for
435 coverage by the corporation. Such dwellings insured by the
436 corporation on December 31, 2013, may continue to be covered by
437 the corporation until the end of the policy term. The office
438 shall approve the method used by the corporation for valuing the
439 dwelling replacement cost for the purposes of this subparagraph.
440 If a policyholder is insured by the corporation before being
441 determined to be ineligible pursuant to this subparagraph and
442 such policyholder files a lawsuit challenging the determination,
443 the policyholder may remain insured by the corporation until the
444 conclusion of the litigation.

445 b. Effective January 1, 2015, a structure that has a
446 dwelling replacement cost of \$900,000 or more, or a single
447 condominium unit that has a combined dwelling and contents
448 replacement cost of \$900,000 or more, is not eligible for
449 coverage by the corporation. Such dwellings insured by the
450 corporation on December 31, 2014, may continue to be covered by

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451 the corporation only until the end of the policy term.

452 c. Effective January 1, 2016, a structure that has a
453 dwelling replacement cost of \$800,000 or more, or a single
454 condominium unit that has a combined dwelling and contents
455 replacement cost of \$800,000 or more, is not eligible for
456 coverage by the corporation. Such dwellings insured by the
457 corporation on December 31, 2015, may continue to be covered by
458 the corporation until the end of the policy term.

459 d. Effective January 1, 2017, a structure that has a
460 dwelling replacement cost of \$700,000 or more, or a single
461 condominium unit that has a combined dwelling and contents
462 replacement cost of \$700,000 or more, is not eligible for
463 coverage by the corporation. Such dwellings insured by the
464 corporation on December 31, 2016, may continue to be covered by
465 the corporation until the end of the policy term.

466
467 The requirements of sub-subparagraphs b.-d. do not apply in
468 counties where the office determines there is not a reasonable
469 degree of competition. In such counties a personal lines
470 residential structure that has a dwelling replacement cost of
471 less than \$1 million, or a single condominium unit that has a
472 combined dwelling and contents replacement cost of less than \$1
473 million, is eligible for coverage by the corporation.

474 4. It is the intent of the Legislature that policyholders,
475 applicants, and agents of the corporation receive service and

476 treatment of the highest possible level but never less than that
477 generally provided in the voluntary market. It is also intended
478 that the corporation be held to service standards no less than
479 those applied to insurers in the voluntary market by the office
480 with respect to responsiveness, timeliness, customer courtesy,
481 and overall dealings with policyholders, applicants, or agents
482 of the corporation.

483 5.a. Effective January 1, 2009, a personal lines
484 residential structure that is located in the "wind-borne debris
485 region," as defined in s. 1609.2, International Building Code
486 (2006), and that has an insured value on the structure of
487 \$750,000 or more is not eligible for coverage by the corporation
488 unless the structure has opening protections as required under
489 the Florida Building Code for a newly constructed residential
490 structure in that area. A residential structure is deemed to
491 comply with this sub-subparagraph if it has shutters or opening
492 protections on all openings and if such opening protections
493 complied with the Florida Building Code at the time they were
494 installed.

495 b. Any major structure, as defined in s. 161.54(6)(a),
496 that is newly constructed, or rebuilt, repaired, restored, or
497 remodeled to increase the total square footage of finished area
498 by more than 25 percent, pursuant to a permit applied for after
499 July 1, 2015, is not eligible for coverage by the corporation if
500 the structure is seaward of the coastal construction control

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501 line established pursuant to s. 161.053 or is within the Coastal
 502 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
 503 3510.

504 6. With respect to wind-only coverage for commercial lines
 505 residential condominiums, ~~effective July 1, 2014,~~ a condominium
 506 may shall be deemed ineligible for coverage when if 50 percent
 507 or more of the units are rented more than eight times in a
 508 calendar year for a rental agreement period of less than 30
 509 days.

510 (n)1. Rates for coverage provided by the corporation must
 511 be actuarially sound and subject to s. 627.062, except as
 512 otherwise provided in this paragraph. The corporation shall file
 513 its recommended rates with the office at least annually. The
 514 corporation shall provide any additional information regarding
 515 the rates which the office requires. The office shall consider
 516 the recommendations of the board and issue a final order
 517 establishing the rates for the corporation within 45 days after
 518 the recommended rates are filed. The corporation may not pursue
 519 an administrative challenge or judicial review of the final
 520 order of the office.

521 2. In addition to the rates otherwise determined pursuant
 522 to this paragraph, the corporation shall impose and collect an
 523 amount equal to the premium tax provided in s. 624.509 to
 524 augment the financial resources of the corporation.

525 3. After the public hurricane loss-projection model under

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526 s. 627.06281 has been found to be accurate and reliable by the
527 Florida Commission on Hurricane Loss Projection Methodology, the
528 model shall be considered when establishing the windstorm
529 portion of the corporation's rates. The corporation may use the
530 public model results in combination with the results of private
531 models to calculate rates for the windstorm portion of the
532 corporation's rates. This subparagraph does not require or allow
533 the corporation to adopt rates lower than the rates otherwise
534 required or allowed by this paragraph.

535 4. The corporation must make a recommended actuarially
536 sound rate filing for each personal and commercial line of
537 business it writes.

538 5. Notwithstanding the board's recommended rates and the
539 office's final order regarding the corporation's filed rates
540 under subparagraph 1., the corporation shall annually implement
541 a rate increase which, except for sinkhole coverage, does not
542 exceed the following for any single policy issued by the
543 corporation, excluding coverage changes and surcharges:

- 544 a. Eleven percent for 2022.
- 545 b. Twelve percent for 2023.
- 546 c. Thirteen percent for 2024.
- 547 d. Fourteen percent for 2025.
- 548 e. Fifteen percent for 2026 and all subsequent years.

549 6. The corporation may also implement an increase to
550 reflect the effect on the corporation of the cash buildup factor

551 pursuant to s. 215.555(5)(b).

552 7. The corporation's implementation of rates as prescribed
553 in subparagraph 5. shall cease for any line of business written
554 by the corporation upon the corporation's implementation of
555 actuarially sound rates. Thereafter, the corporation shall
556 annually make a recommended actuarially sound rate filing for
557 each commercial and personal line of business the corporation
558 writes.

559 Section 12. Subsection (1) of section 627.421, Florida
560 Statutes, is amended to read:

561 627.421 Delivery of policy.—

562 (1) Subject to the insurer's requirement as to payment of
563 premium, every policy shall be mailed, delivered, or
564 electronically transmitted to the insured or to the person
565 entitled thereto not later than 60 days after the effectuation
566 of coverage. Notwithstanding any other provision of law, an
567 insurer may allow a policyholder of personal lines insurance to
568 affirmatively elect delivery of the policy documents, including,
569 but not limited to, policies, endorsements, notices, or
570 documents, by electronic means in lieu of delivery by mail.
571 Electronic transmission of a policy for commercial risks,
572 including, but not limited to, workers' compensation and
573 employers' liability, commercial automobile liability,
574 commercial automobile physical damage, commercial lines
575 residential property, commercial nonresidential property,

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576 farmowners insurance, and the types of commercial lines risks
 577 set forth in s. 627.062(3)(d), constitutes delivery to the
 578 insured or to the person entitled to delivery, unless the
 579 insured or the person entitled to delivery communicates to the
 580 insurer in writing or electronically that he or she does not
 581 agree to delivery by electronic means. ~~Electronic transmission~~
 582 ~~shall include a notice to the insured or to the person entitled~~
 583 ~~to delivery of a policy of his or her right to receive the~~
 584 ~~policy via United States mail rather than via electronic~~
 585 ~~transmission. A paper copy of the policy shall be provided to~~
 586 ~~the insured or to the person entitled to delivery at his or her~~
 587 ~~request.~~

588 Section 13. Paragraph (d) of subsection (4) of section
 589 627.701, Florida Statutes, is amended to read:

590 627.701 Liability of insureds; coinsurance; deductibles.-
 591 (4)

592 (d)1. A personal lines residential property insurance
 593 policy covering a risk valued at less than \$500,000 may not have
 594 a hurricane deductible in excess of 10 percent of the policy
 595 dwelling limits, unless the following conditions are met:

596 a. The policyholder must personally write or type and
 597 provide to the insurer the following statement ~~in his or her own~~
 598 ~~handwriting~~ and sign his or her name, which must also be signed
 599 by every other named insured on the policy, and dated: "I do not
 600 want the insurance on my home to pay for the first (specify

601 dollar value) of damage from hurricanes. I will pay those costs.
 602 My insurance will not."

603 b. If the structure insured by the policy is subject to a
 604 mortgage or lien, the policyholder must provide the insurer with
 605 a written statement from the mortgageholder or lienholder
 606 indicating that the mortgageholder or lienholder approves the
 607 policyholder electing to have the specified deductible.

608 2. A deductible subject to the requirements of this
 609 paragraph applies for the term of the policy and for each
 610 renewal thereafter. Changes to the deductible percentage may be
 611 implemented only as of the date of renewal.

612 3. An insurer shall keep the original copy of the signed
 613 statement required by this paragraph, electronically or
 614 otherwise, and provide a copy to the policyholder providing the
 615 signed statement. A signed statement meeting the requirements of
 616 this paragraph creates a presumption that there was an informed,
 617 knowing election of coverage.

618 4. The commission shall adopt rules providing appropriate
 619 alternative methods for providing the statements required by
 620 this section for policyholders who have a handicapping or
 621 disabling condition that prevents them from providing a
 622 handwritten statement.

623 Section 14. Paragraph (a) of subsection (2) and subsection
 624 (3) of section 627.712, Florida Statutes, are amended to read:

625 627.712 Residential windstorm coverage required;

626 availability of exclusions for windstorm or contents.—

627 (2) A property insurer must make available, at the option
628 of the policyholder, an exclusion of windstorm coverage.

629 (a) The coverage may be excluded only if:

630 1. When the policyholder is a natural person, the
631 policyholder personally writes or types and provides to the
632 insurer the following statement ~~in his or her own handwriting~~
633 and signs his or her name, which must also be signed by every
634 other named insured on the policy, and dated: "I do not want the
635 insurance on my (home/mobile home/condominium unit) to pay for
636 damage from windstorms. I will pay those costs. My insurance
637 will not."

638 2. When the policyholder is other than a natural person,
639 the policyholder provides to the insurer on the policyholder's
640 letterhead the following statement that must be signed by the
641 policyholder's authorized representative and dated: "... (Name of
642 entity)... does not want the insurance on its ...(type of
643 structure)... to pay for damage from windstorms. ...(Name of
644 entity)... will be responsible for these costs. ...(Name of
645 entity's)... insurance will not."

646 (3) An insurer issuing a residential property insurance
647 policy, except for a condominium unit owner policy or a tenant
648 policy, must make available, at the option of the policyholder,
649 an exclusion of coverage for the contents. The coverage may be
650 excluded only if the policyholder personally writes or types and

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651 provides to the insurer the following statement ~~in his or her~~
 652 ~~own handwriting~~ and signs his or her signature, which must also
 653 be signed by every other named insured on the policy, and dated:
 654 "I do not want the insurance on my (home/mobile home) to pay for
 655 the costs to repair or replace any contents that are damaged. I
 656 will pay those costs. My insurance will not."

657 Section 15. Effective upon this act becoming a law,
 658 paragraph (b) of subsection (1) and paragraph (a) of subsection
 659 (9) of section 627.7152, Florida Statutes, are amended to read:

660 627.7152 Assignment agreements.—

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

662 (b) "Assignment agreement" means any instrument by which
 663 post-loss benefits under a residential property insurance policy
 664 or commercial property insurance policy, as that term is defined
 665 in s. 627.0625(1), are assigned or transferred, or acquired in
 666 any manner, in whole or in part, to or from a person providing
 667 services, including, but not limited to, services to inspect,
 668 protect, repair, restore, or replace property or to mitigate
 669 against further damage to the property. The term does not
 670 include any instrument by which a licensed public adjuster as
 671 defined in s. 626.854(1) receives any compensation, payment,
 672 commission, fee, or other thing of value for providing services
 673 under such licensure.

674 (9) (a) An assignee must provide the named insured,
 675 insurer, and the assignor, if not the named insured, with a

676 written notice of intent to initiate litigation before filing
 677 suit under the policy. Such notice must be served at least 10
 678 business days before filing suit, but not before the insurer has
 679 made a determination of coverage under s. 627.70131, by
 680 certified mail, return receipt requested, to the name and
 681 mailing address designated by the insurer in the policy forms or
 682 by electronic delivery to the e-mail address designated by the
 683 insurer in the policy forms ~~at least 10 business days before~~
 684 ~~filing suit, but may not be served before the insurer has made a~~
 685 ~~determination of coverage under s. 627.70131.~~ The notice must
 686 specify the damages in dispute, the amount claimed, and a
 687 presuit settlement demand. Concurrent with the notice, and as a
 688 precondition to filing suit, the assignee must provide the named
 689 insured, insurer, and the assignor, if not the named insured, a
 690 detailed written invoice or estimate of services, including
 691 itemized information on equipment, materials, and supplies; the
 692 number of labor hours; and, in the case of work performed, proof
 693 that the work has been performed in accordance with accepted
 694 industry standards.

695 Section 16. Section 627.7276, Florida Statutes, is amended
 696 to read:

697 627.7276 Notice of limited coverage.—

698 (1) An automobile policy that does not contain coverage
 699 for bodily injury and property damage must include a notice ~~be~~
 700 ~~clearly stamped or printed to the effect~~ that such coverage is

701 not included in the policy in the following manner:

702

703 "THIS POLICY DOES NOT PROVIDE BODILY INJURY AND
 704 PROPERTY DAMAGE LIABILITY INSURANCE OR ANY OTHER
 705 COVERAGE FOR WHICH A SPECIFIC PREMIUM CHARGE IS NOT
 706 MADE, AND DOES NOT COMPLY WITH ANY FINANCIAL
 707 RESPONSIBILITY LAW."

708

709 (2) This notice legend must accompany ~~appear on~~ the policy
 710 declarations ~~declaration~~ page and ~~on the filing back of the~~
 711 ~~policy and be printed in a contrasting color from that used on~~
 712 ~~the policy and in type size at least as large as the type size~~
 713 used on the declarations page ~~larger than the largest type used~~
 714 ~~in the text thereof, as an overprint or by a rubber stamp~~
 715 ~~impression.~~

716 Section 17. Section 634.171, Florida Statutes, is amended
 717 to read:

718 634.171 Salesperson to be licensed and appointed;
 719 exemptions.—Salespersons for motor vehicle service agreement
 720 companies and insurers must ~~shall~~ be licensed, appointed,
 721 renewed, continued, reinstated, or terminated as prescribed in
 722 chapter 626 for insurance representatives in general. However,
 723 they are ~~shall be~~ exempt from all other provisions of chapter
 724 626, including provisions relating to fingerprinting, photo
 725 identification, education, and examination ~~provisions~~.

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726 Applicable license, appointment, and other fees are as ~~shall be~~
727 ~~those~~ prescribed in s. 624.501. A licensed and appointed
728 salesperson is ~~shall be~~ directly responsible and accountable for
729 all acts of her or his employees and other representatives. Each
730 service agreement company or insurer shall, on forms prescribed
731 by the department, within 30 days after termination of the
732 appointment, notify the department of such termination. An ~~No~~
733 employee or a salesperson of a motor vehicle service agreement
734 company or an insurer may not directly or indirectly solicit or
735 negotiate insurance contracts, or hold herself or himself out in
736 any manner to be an insurance agent, unless so qualified,
737 licensed, and appointed therefor under the Florida Insurance
738 Code. A licensed personal lines or general lines agent is not
739 required to be licensed as a salesperson under this section to
740 solicit, negotiate, advertise, or sell motor vehicle service
741 agreements. A motor vehicle service agreement company is not
742 required to be licensed as a salesperson to solicit, sell,
743 issue, or otherwise transact the motor vehicle service
744 agreements issued by the motor vehicle service agreement
745 company.

746 Section 18. Section 634.317, Florida Statutes, is amended
747 to read:

748 634.317 License and appointment required; exemptions. ~~A No~~
749 person may not solicit, negotiate, or effectuate home warranty
750 contracts for remuneration in the ~~this~~ state unless such person

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751 is licensed and appointed as a sales representative. A licensed
752 and appointed sales representative is ~~shall be~~ directly
753 responsible and accountable for all acts of the licensee's
754 employees. A licensed personal lines or general lines agent is
755 not required to be licensed as a sales representative under this
756 section to solicit, negotiate, advertise, or sell home warranty
757 contracts.

758 Section 19. Section 634.419, Florida Statutes, is amended
759 to read:

760 634.419 License and appointment required; exemptions.—~~A No~~
761 person or an entity may not ~~shall~~ solicit, negotiate, advertise,
762 or effectuate service warranty contracts in the ~~this~~ state
763 unless such person or entity is licensed and appointed as a
764 sales representative. Sales representatives are ~~shall be~~
765 responsible for the actions of persons under their supervision.
766 However, a service warranty association licensed as such under
767 this part is ~~shall~~ not ~~be~~ required to be licensed and appointed
768 as a sales representative to solicit, negotiate, advertise, or
769 effectuate its products. A licensed personal lines or general
770 lines agent is not required to be licensed as a sales
771 representative under this section to solicit, negotiate,
772 advertise, or sell service warranty contracts.

773 Section 20. Effective June 1, 2023, for the purpose of
774 incorporating the amendment made by this act to section 215.555,
775 Florida Statutes, in a reference thereto, subsection (10) of

776 section 624.424, Florida Statutes, is reenacted to read:
 777 624.424 Annual statement and other information.—
 778 (10) Each insurer or insurer group doing business in this
 779 state shall file on a quarterly basis in conjunction with
 780 financial reports required by paragraph (1) (a) a supplemental
 781 report on an individual and group basis on a form prescribed by
 782 the commission with information on personal lines and commercial
 783 lines residential property insurance policies in this state. The
 784 supplemental report shall include separate information for
 785 personal lines property policies and for commercial lines
 786 property policies and totals for each item specified, including
 787 premiums written for each of the property lines of business as
 788 described in ss. 215.555(2) (c) and 627.351(6) (a). The report
 789 shall include the following information for each county on a
 790 monthly basis:
 791 (a) Total number of policies in force at the end of each
 792 month.
 793 (b) Total number of policies canceled.
 794 (c) Total number of policies nonrenewed.
 795 (d) Number of policies canceled due to hurricane risk.
 796 (e) Number of policies nonrenewed due to hurricane risk.
 797 (f) Number of new policies written.
 798 (g) Total dollar value of structure exposure under
 799 policies that include wind coverage.
 800 (h) Number of policies that exclude wind coverage.

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801 Section 21. Effective June 1, 2023, for the purpose of
802 incorporating the amendment made by this act to section 215.555,
803 Florida Statutes, in a reference thereto, paragraph (v) of
804 subsection (6) of section 627.351, Florida Statutes, is
805 reenacted to read:

806 627.351 Insurance risk apportionment plans.—

807 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

808 (v)1. Effective July 1, 2002, policies of the Residential
809 Property and Casualty Joint Underwriting Association become
810 policies of the corporation. All obligations, rights, assets and
811 liabilities of the association, including bonds, note and debt
812 obligations, and the financing documents pertaining to them
813 become those of the corporation as of July 1, 2002. The
814 corporation is not required to issue endorsements or
815 certificates of assumption to insureds during the remaining term
816 of in-force transferred policies.

817 2. Effective July 1, 2002, policies of the Florida
818 Windstorm Underwriting Association are transferred to the
819 corporation and become policies of the corporation. All
820 obligations, rights, assets, and liabilities of the association,
821 including bonds, note and debt obligations, and the financing
822 documents pertaining to them are transferred to and assumed by
823 the corporation on July 1, 2002. The corporation is not required
824 to issue endorsements or certificates of assumption to insureds
825 during the remaining term of in-force transferred policies.

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826 3. The Florida Windstorm Underwriting Association and the
827 Residential Property and Casualty Joint Underwriting Association
828 shall take all actions necessary to further evidence the
829 transfers and provide the documents and instruments of further
830 assurance as may reasonably be requested by the corporation for
831 that purpose. The corporation shall execute assumptions and
832 instruments as the trustees or other parties to the financing
833 documents of the Florida Windstorm Underwriting Association or
834 the Residential Property and Casualty Joint Underwriting
835 Association may reasonably request to further evidence the
836 transfers and assumptions, which transfers and assumptions,
837 however, are effective on the date provided under this paragraph
838 whether or not, and regardless of the date on which, the
839 assumptions or instruments are executed by the corporation.
840 Subject to the relevant financing documents pertaining to their
841 outstanding bonds, notes, indebtedness, or other financing
842 obligations, the moneys, investments, receivables, choses in
843 action, and other intangibles of the Florida Windstorm
844 Underwriting Association shall be credited to the coastal
845 account of the corporation, and those of the personal lines
846 residential coverage account and the commercial lines
847 residential coverage account of the Residential Property and
848 Casualty Joint Underwriting Association shall be credited to the
849 personal lines account and the commercial lines account,
850 respectively, of the corporation.

851 4. Effective July 1, 2002, a new applicant for property
 852 insurance coverage who would otherwise have been eligible for
 853 coverage in the Florida Windstorm Underwriting Association is
 854 eligible for coverage from the corporation as provided in this
 855 subsection.

856 5. The transfer of all policies, obligations, rights,
 857 assets, and liabilities from the Florida Windstorm Underwriting
 858 Association to the corporation and the renaming of the
 859 Residential Property and Casualty Joint Underwriting Association
 860 as the corporation does not affect the coverage with respect to
 861 covered policies as defined in s. 215.555(2)(c) provided to
 862 these entities by the Florida Hurricane Catastrophe Fund. The
 863 coverage provided by the fund to the Florida Windstorm
 864 Underwriting Association based on its exposures as of June 30,
 865 2002, and each June 30 thereafter shall be redesignated as
 866 coverage for the coastal account of the corporation.
 867 Notwithstanding any other provision of law, the coverage
 868 provided by the fund to the Residential Property and Casualty
 869 Joint Underwriting Association based on its exposures as of June
 870 30, 2002, and each June 30 thereafter shall be transferred to
 871 the personal lines account and the commercial lines account of
 872 the corporation. Notwithstanding any other provision of law, the
 873 coastal account shall be treated, for all Florida Hurricane
 874 Catastrophe Fund purposes, as if it were a separate
 875 participating insurer with its own exposures, reimbursement

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876 premium, and loss reimbursement. Likewise, the personal lines
877 and commercial lines accounts shall be viewed together, for all
878 fund purposes, as if the two accounts were one and represent a
879 single, separate participating insurer with its own exposures,
880 reimbursement premium, and loss reimbursement. The coverage
881 provided by the fund to the corporation shall constitute and
882 operate as a full transfer of coverage from the Florida
883 Windstorm Underwriting Association and Residential Property and
884 Casualty Joint Underwriting Association to the corporation.

885 Section 22. For the purpose of incorporating the amendment
886 made by this act to section 626.221, Florida Statutes, in a
887 reference thereto, paragraph (b) of subsection (1) of section
888 626.8734, Florida Statutes, is reenacted to read:

889 626.8734 Nonresident all-lines adjuster license
890 qualifications.—

891 (1) The department shall issue a license to an applicant
892 for a nonresident all-lines adjuster license upon determining
893 that the applicant has paid the applicable license fees required
894 under s. 624.501 and:

895 (b) Has passed to the satisfaction of the department a
896 written Florida all-lines adjuster examination of the scope
897 prescribed in s. 626.241(6); however, the requirement for the
898 examination does not apply to:

899 1. An applicant who is licensed as an all-lines adjuster
900 in his or her home state if that state has entered into a

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901 reciprocal agreement with the department;

902 2. An applicant who is licensed as a nonresident all-lines
 903 adjuster in a state other than his or her home state and a
 904 reciprocal agreement with the appropriate official of the state
 905 of licensure has been entered into with the department; or

906 3. An applicant who holds a certification set forth in s.
 907 626.221(2)(j).

908 Section 23. For the purpose of incorporating the amendment
 909 made by this act to section 626.856, Florida Statutes, in a
 910 reference thereto, paragraph (e) of subsection (1) of section
 911 626.865, Florida Statutes, as amended by CS/CS/CS HB 959, 2022
 912 Regular Session, is reenacted to read:

913 626.865 Public adjuster's qualifications, bond.—

914 (1) The department shall issue a license to an applicant
 915 for a public adjuster's license upon determining that the
 916 applicant has paid the applicable fees specified in s. 624.501
 917 and possesses the following qualifications:

918 (e) Has been licensed and appointed in this state as a
 919 nonresident public adjuster on a continual basis for the
 920 previous 6 months, or has been licensed as an all-lines
 921 adjuster, and has been appointed on a continual basis for the
 922 previous 6 months as a public adjuster apprentice under s.
 923 626.8561, as an independent adjuster under s. 626.855, or as a
 924 company employee adjuster under s. 626.856.

925 Section 24. Effective upon this act becoming a law, for

926 | the purpose of incorporating the amendment made by this act to
 927 | section 627.7152, Florida Statutes, in references thereto,
 928 | subsection (1) and paragraph (d) of subsection (2) of section
 929 | 627.7153, Florida Statutes, are reenacted to read:

930 | 627.7153 Policies restricting assignment of post-loss
 931 | benefits under a property insurance policy.—

932 | (1) As used in this section, the term "assignment
 933 | agreement" has the same meaning as provided in s. 627.7152.

934 | (2) An insurer may make available a policy that restricts
 935 | in whole or in part an insured's right to execute an assignment
 936 | agreement only if all of the following conditions are met:

937 | (d) Each restricted policy include on its face the
 938 | following notice in 18-point uppercase and boldfaced type:

939 |
 940 | THIS POLICY DOES NOT ALLOW THE UNRESTRICTED ASSIGNMENT
 941 | OF POST-LOSS INSURANCE BENEFITS. BY SELECTING THIS
 942 | POLICY, YOU WAIVE YOUR RIGHT TO FREELY ASSIGN OR
 943 | TRANSFER THE POST-LOSS PROPERTY INSURANCE BENEFITS
 944 | AVAILABLE UNDER THIS POLICY TO A THIRD PARTY OR TO
 945 | OTHERWISE FREELY ENTER INTO AN ASSIGNMENT AGREEMENT AS
 946 | THE TERM IS DEFINED IN SECTION 627.7152 OF THE FLORIDA
 947 | STATUTES.

948 | Section 25. Except as otherwise expressly provided in this
 949 | act and except for this section, which shall take effect upon
 950 | this act becoming a law, this act shall take effect July 1,

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951 | 2022.