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2024 Legislature

1  
 2 An act relating to insurance; amending s. 624.3161,  
 3 F.S.; revising the entities for which the Office of  
 4 Insurance Regulation is required to conduct market  
 5 conduct examinations; amending s. 624.424, F.S.;  
 6 requiring insurers and insurer groups to file a  
 7 specified supplemental report on a monthly basis;  
 8 requiring that such report include certain information  
 9 for each zip code; amending s. 624.4305, F.S.;  
 10 authorizing the Financial Services Commission to adopt  
 11 rules relating to notice of nonrenewal of residential  
 12 property insurance policies; amending s. 624.46226,  
 13 F.S.; revising the requirements for public housing  
 14 authority self-insurance funds; amending s. 626.9201,  
 15 F.S.; prohibiting insurers from canceling and  
 16 nonrenewing policies covering dwellings and  
 17 residential properties damaged as a result hurricanes  
 18 or wind losses within certain timeframes; providing  
 19 exceptions to prohibitions against insurers' policy  
 20 cancellations and nonrenewals within certain  
 21 timeframes under certain circumstances; providing  
 22 construction; authorizing the Financial Services  
 23 Commission to adopt rules and the Commissioner of  
 24 Insurance Regulation to issue orders; amending s.  
 25 627.062, F.S.; specifying requirements for rate

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

26 filings if certain models are used; amending s.  
 27 627.351, F.S.; revising requirements for certain  
 28 policies issued by Citizens Property Insurance  
 29 Corporation which are not subject to certain rate  
 30 increase limitations; amending s. 627.4133, F.S.;  
 31 prohibiting eligible surplus lines insurers from  
 32 canceling and nonrenewing policies covering dwellings  
 33 and residential properties damaged by covered perils  
 34 within certain timeframes; revising circumstances and  
 35 timeframes under which authorized insurers are  
 36 prohibited from canceling and nonrenewing policies  
 37 covering dwellings and residential properties damaged  
 38 by covered perils within certain timeframes; providing  
 39 exceptions to such prohibitions against eligible  
 40 surplus lines insurers within certain timeframes;  
 41 revising exceptions to such prohibitions against  
 42 authorized insurers within certain timeframes;  
 43 revising conditions under which a structure is deemed  
 44 to be repaired; revising the definition of the term  
 45 "insurer" to include eligible surplus lines insurers;  
 46 defining the term "damage"; authorizing the  
 47 commissioner to issue orders under certain  
 48 circumstances; providing applicability; amending s.  
 49 627.7011, F.S.; revising the definition of the term  
 50 "authorized inspector" to include licensed roofing

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

51 contractors for the purpose of homeowners' insurance  
52 policies; amending ss. 628.011 and 628.061, F.S.;  
53 conforming provisions to changes made by the act;  
54 amending s. 628.801, F.S.; revising requirements for  
55 rules adopted for insurers that are members of an  
56 insurance holding company; deleting an obsolete date;  
57 authorizing the office to adopt rules; amending s.  
58 629.011, F.S.; defining terms; repealing s. 629.021,  
59 F.S., relating to the definition of the term  
60 "reciprocal insurer"; repealing s. 629.061, F.S.,  
61 relating to attorney; amending s. 629.081, F.S.;  
62 revising the procedure for persons to organize as a  
63 domestic reciprocal insurer; specifying requirements  
64 for the permit application; requiring that the  
65 application be accompanied by a specified fee;  
66 requiring that the office evaluate and grant or deny  
67 the permit application in accordance with specified  
68 provisions; removing the requirement that a specified  
69 declaration be acknowledged by an attorney; amending  
70 s. 629.091, F.S.; providing requirements for the  
71 application for a certificate of authority to operate  
72 as a domestic reciprocal insurer; requiring the office  
73 to grant the authorization for reciprocal insurers to  
74 issue nonassessable policies under certain  
75 circumstances; requiring that certificates of

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

76 authority be issued in the name of the reciprocal  
 77 insurer to its attorney in fact; creating s. 629.094,  
 78 F.S.; requiring a domestic reciprocal insurer to meet  
 79 certain requirements to maintain its eligibility for a  
 80 certificate of authority; amending s. 629.101, F.S.;  
 81 revising requirements for the power of attorney given  
 82 by subscribers of a domestic reciprocal insurer to the  
 83 attorney in fact; conforming provisions to changes  
 84 made by the act; creating s. 629.225, F.S.;  
 85 prohibiting persons from acquiring certain securities  
 86 or ownership interests of certain attorneys in fact  
 87 and controlling companies of certain attorneys in  
 88 fact; providing an exception; authorizing certain  
 89 persons to request that the office waive certain  
 90 requirements; providing that the office may waive  
 91 certain requirements if specified determinations are  
 92 made; specifying the requirements of an application to  
 93 the office relating to certain acquisitions; requiring  
 94 that such application be accompanied by a specified  
 95 fee; requiring that amendments be filed with the  
 96 office under certain circumstances; specifying the  
 97 manner in which the acquisition application must be  
 98 reviewed; authorizing the office, and requiring the  
 99 office if a request for a proceeding is filed, to  
 100 conduct a proceeding within a specified timeframe to

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

101 consider the appropriateness of such application;  
102 requiring that certain time periods be tolled;  
103 requiring that written requests for a proceeding be  
104 filed within a certain timeframe; authorizing certain  
105 persons to take all steps to conclude the acquisition  
106 during the pendency of the proceeding or review  
107 period; requiring the office to order a proposed  
108 acquisition disapproved and that actions to conclude  
109 the acquisition be ceased under certain circumstances;  
110 prohibiting certain persons from making certain  
111 changes during the pendency of the office's review of  
112 an acquisition; providing an exception; defining the  
113 terms "material change in the operation of the  
114 attorney in fact" and "material change in the  
115 management of the attorney in fact"; requiring the  
116 office to approve or disapprove certain changes upon  
117 making certain findings; requiring that a proceeding  
118 be conducted within a certain timeframe; requiring  
119 that recommended orders and final orders be issued  
120 within a certain timeframe; specifying the  
121 circumstances under which the office may disapprove an  
122 acquisition; specifying that certain persons have the  
123 burden of proof; requiring the office to approve an  
124 acquisition upon certain findings; specifying that  
125 certain votes are not valid and that certain

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

126 acquisitions are void; specifying that certain  
127 provisions may be enforced by an injunction; creating  
128 a private right of action in favor of the attorney in  
129 fact or the controlling company to enforce certain  
130 provisions; providing that a certain demand upon the  
131 office is not required before certain legal actions;  
132 providing that the office is not a necessary party to  
133 certain actions; specifying the persons who are deemed  
134 designated for service of process and who have  
135 submitted to the administrative jurisdiction of the  
136 office; providing that approval by the office does not  
137 constitute a certain recommendation; providing that  
138 certain actions are unlawful; providing criminal  
139 penalties; providing a statute of limitations;  
140 authorizing a person to rebut a presumption of control  
141 by filing certain disclaimers; specifying the contents  
142 of such disclaimer; specifying that, after a  
143 disclaimer is filed, the attorney in fact is relieved  
144 of a certain duty; authorizing the office to order  
145 certain persons to cease acquisition of the attorney  
146 in fact or controlling company and divest themselves  
147 of any stock or ownership interest under certain  
148 circumstances; requiring the office to suspend or  
149 revoke the reciprocal certificate of authority under  
150 certain circumstances; specifying that the attorney in

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

151 fact is deemed to be hazardous to its policyholders if  
152 the reciprocal insurer is subject to suspension or  
153 revocation; authorizing the office to offer the  
154 reciprocal insurer the ability to cure any suspension  
155 or revocation under certain circumstances; providing  
156 applicability; creating s. 629.227, F.S.; specifying  
157 the information as to the background and identity of  
158 certain persons which must be furnished by such  
159 persons; creating s. 629.229, F.S.; prohibiting  
160 certain persons from serving in specified positions of  
161 reciprocal insurers or insurers under certain  
162 circumstances; amending s. 629.261, F.S.; removing  
163 provisions relating to certain authorizations for  
164 reciprocal insurers; prohibiting reciprocal insurers  
165 from issuing or renewing nonassessable policies or  
166 converting assessable policies to nonassessable  
167 policies under certain circumstances; providing  
168 applicability; amending s. 629.291, F.S.; providing  
169 that certain insurers that merge are governed by the  
170 insurance code; prohibiting domestic stock insurers  
171 from converting to reciprocal insurers; requiring that  
172 specified plans be filed with the office and that such  
173 plans contain certain information; authorizing the  
174 conversion of assessable reciprocal insurers to  
175 nonassessable reciprocal insurers under certain

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

176 | circumstances; providing certain procedures when  
 177 | certain reciprocal insurers convert; authorizing  
 178 | reciprocal insurers to issue contingent liability  
 179 | policies in another state under certain circumstances;  
 180 | creating s. 629.525, F.S.; requiring the commission to  
 181 | adopt, amend, or repeal certain rules; amending s.  
 182 | 766.302, F.S.; revising the manner in which reasonable  
 183 | charges for expenses for family residential or  
 184 | custodial care are determined; amending s. 766.314,  
 185 | F.S.; revising the prohibition relating to the Florida  
 186 | Birth-Related Neurological Injury Compensation Plan  
 187 | accepting new claims; requiring the Florida Birth-  
 188 | Related Neurological Injury Compensation Association,  
 189 | in consultation with specified entities, to submit, by  
 190 | a specified date, a specified report to the Governor,  
 191 | the Chief Financial Officer, and the Legislature;  
 192 | specifying requirements for the report; amending ss.  
 193 | 163.01 and 626.9531, F.S.; conforming provisions to  
 194 | changes made by the act; providing effective dates.

195

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

197

198 | Section 1. Subsection (1) of section 624.3161, Florida  
 199 | Statutes, is amended to read:

200 | 624.3161 Market conduct examinations.—



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CS/CS/HB 1611, Engrossed 2

2024 Legislature

201 (1) As often as it deems necessary, the office shall  
 202 examine each licensed rating organization, each advisory  
 203 organization, each group, association, carrier, as defined in s.  
 204 440.02, or other organization of insurers which engages in joint  
 205 underwriting or joint reinsurance, the attorney in fact of each  
 206 reciprocal insurer, and each authorized insurer transacting in  
 207 this state any class of insurance to which ~~the provisions of~~  
 208 chapter 627 is ~~are~~ applicable. The examination must ~~shall~~ be for  
 209 the purpose of ascertaining compliance by the person examined  
 210 with the applicable provisions of chapters 440, 624, 626, 627,  
 211 and 635.

212 Section 2. Paragraph (a) of subsection (10) of section  
 213 624.424, Florida Statutes, is amended to read:

214 624.424 Annual statement and other information.—

215 (10) (a) By January 1, 2025, and each month thereafter,  
 216 each insurer or insurer group doing business in this state shall  
 217 file on a monthly ~~quarterly~~ basis ~~in conjunction with financial~~  
 218 ~~reports required by paragraph (1) (a)~~ a supplemental report on an  
 219 individual and group basis on a form prescribed by the  
 220 commission with information on personal lines and commercial  
 221 lines residential property insurance policies in this state. The  
 222 supplemental report must ~~shall~~ include separate information for  
 223 personal lines property policies and for commercial lines  
 224 property policies and totals for each item specified, including  
 225 premiums written for each of the property lines of business as

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

226 described in ss. 215.555(2) (c) and 627.351(6) (a). The report  
 227 must ~~shall~~ include the following information for each zip code  
 228 ~~county on a monthly basis:~~

- 229 1. Total number of policies in force at the end of each  
 230 month.
- 231 2. Total number of policies canceled.
- 232 3. Total number of policies nonrenewed.
- 233 4. Number of policies canceled due to hurricane risk.
- 234 5. Number of policies nonrenewed due to hurricane risk.
- 235 6. Number of new policies written.
- 236 7. Total dollar value of structure exposure under policies  
 237 that include wind coverage.
- 238 8. Number of policies that exclude wind coverage.
- 239 9. Number of claims open each month.
- 240 10. Number of claims closed each month.
- 241 11. Number of claims pending each month.
- 242 12. Number of claims in which either the insurer or  
 243 insured invoked any form of alternative dispute resolution, and  
 244 specifying which form of alternative dispute resolution was  
 245 used.

246 Section 3. Section 624.4305, Florida Statutes, is amended  
 247 to read:

248 624.4305 Nonrenewal of residential property insurance  
 249 policies.—Any insurer planning to nonrenew more than 10,000  
 250 residential property insurance policies in this state within a

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

251 12-month period shall give notice in writing to the Office of  
 252 Insurance Regulation for informational purposes 90 days before  
 253 the issuance of any notices of nonrenewal. The notice provided  
 254 to the office must set forth the insurer's reasons for such  
 255 action, the effective dates of nonrenewal, and any arrangements  
 256 made for other insurers to offer coverage to affected  
 257 policyholders. The commission may adopt rules to administer this  
 258 section.

259 Section 4. Effective upon this act becoming a law,  
 260 paragraph (d) of subsection (1) of section 624.46226, Florida  
 261 Statutes, is amended to read:

262 624.46226 Public housing authorities self-insurance funds;  
 263 exemption for taxation and assessments.—

264 (1) Notwithstanding any other provision of law, any two or  
 265 more public housing authorities in the state as defined in  
 266 chapter 421 may form a self-insurance fund for the purpose of  
 267 pooling and spreading liabilities of its members as to any one  
 268 or combination of casualty risk or real or personal property  
 269 risk of every kind and every interest in such property against  
 270 loss or damage from any hazard or cause and against any loss  
 271 consequential to such loss or damage, provided the self-  
 272 insurance fund that is created:

273 (d) Maintains a continuing program of excess insurance  
 274 coverage and reinsurance ~~reserve evaluation~~ to protect the  
 275 financial stability of the fund ~~in an amount and manner~~

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

276 ~~determined by a qualified and independent actuary. The program~~  
 277 ~~must, at a minimum, this program must:~~

278 1. Include a net retention in an amount and manner  
 279 selected by the administrator, ratified by the governing body,  
 280 and certified by a qualified actuary;

281 2. Include reinsurance or ~~Purchase~~ excess insurance from  
 282 authorized insurance carriers or eligible surplus lines  
 283 insurers; and

284 3. Be certified by a qualified actuary as to the program's  
 285 adequacy. This certification must be submitted simultaneously  
 286 with the certifications required under paragraphs (b) and (c).

287 ~~2. Retain a per-loss occurrence that does not exceed~~  
 288 ~~\$350,000.~~

289  
 290 A for-profit or not-for-profit corporation, limited liability  
 291 company, or other similar business entity in which a public  
 292 housing authority holds an ownership interest or participates in  
 293 its governance under s. 421.08(8) may join a self-insurance fund  
 294 formed under this section in which such public housing authority  
 295 participates. Such for-profit or not-for-profit corporation,  
 296 limited liability company, or other similar business entity may  
 297 join the self-insurance fund solely to insure risks related to  
 298 public housing.

299 Section 5. Subsection (2) of section 626.9201, Florida  
 300 Statutes, is amended, and subsection (1) of that section is

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

301 republished, to read:

302 626.9201 Notice of cancellation or nonrenewal.—

303 (1) An insurer issuing a policy providing coverage for  
304 property, casualty, surety, or marine insurance must give the  
305 first named insured at least 45 days' advance written notice of  
306 nonrenewal. If the policy is not to be renewed, the written  
307 notice shall state the reasons as to why the policy is not to be  
308 renewed. This subsection does not apply:

309 (a) If the insurer has manifested its willingness to  
310 renew, and the offer is not rescinded prior to expiration of the  
311 policy; or

312 (b) If a notice of cancellation for nonpayment of premium  
313 is provided under subsection (2).

314 (2) An insurer issuing a policy providing coverage for  
315 property, casualty, surety, or marine insurance must give the  
316 named insured written notice of cancellation or termination  
317 other than nonrenewal at least 45 days before the effective date  
318 of the cancellation or termination, including in the written  
319 notice the reasons for the cancellation or termination, except  
320 that:

321 (a) If cancellation is for nonpayment of premium, at least  
322 10 days' written notice of cancellation accompanied by the  
323 reason for cancellation must be given. As used in this  
324 paragraph, the term "nonpayment of premium" means the failure of  
325 the named insured to discharge when due any of his or her

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

326 obligations in connection with the payment of premiums on a  
 327 policy or an installment of such a premium, whether the premium  
 328 or installment is payable directly to the insurer or its agent  
 329 or indirectly under any plan for financing premiums or extension  
 330 of credit or the failure of the named insured to maintain  
 331 membership in an organization if such membership is a condition  
 332 precedent to insurance coverage. The term also includes the  
 333 failure of a financial institution to honor the check of an  
 334 applicant for insurance which was delivered to a licensed agent  
 335 for payment of a premium, even if the agent previously delivered  
 336 or transferred the premium to the insurer. If a correctly  
 337 dishonored check represents payment of the initial premium, the  
 338 contract and all contractual obligations are void ab initio  
 339 unless the nonpayment is cured within the earlier of 5 days  
 340 after actual notice by certified mail is received by the  
 341 applicant or 15 days after notice is sent to the applicant by  
 342 certified mail or registered mail, and, if the contract is void,  
 343 any premium received by the insurer from a third party must  
 344 ~~shall~~ be refunded to that party in full; ~~and~~

345 (b) If cancellation or termination occurs during the first  
 346 90 days during which the insurance is in force and if the  
 347 insurance is canceled or terminated for reasons other than  
 348 nonpayment, at least 20 days' written notice of cancellation or  
 349 termination accompanied by the reason for cancellation or  
 350 termination must be given, except if there has been a material

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

351 misstatement or misrepresentation or failure to comply with the  
352 underwriting requirements established by the insurer; ~~and-~~

353 (c)1. Upon a declaration of an emergency pursuant to s.  
354 252.36 and the filing of an order by the Commissioner of  
355 Insurance Regulation, an insurer may not cancel or nonrenew a  
356 personal residential or commercial residential property  
357 insurance policy covering a dwelling or residential property  
358 located in this state which has been damaged as a result of a  
359 hurricane or wind loss that is the subject of the declaration of  
360 emergency for 90 days after the dwelling or residential property  
361 has been repaired. A dwelling or residential property is deemed  
362 to be repaired when substantially completed and restored to the  
363 extent that the dwelling or residential property is insurable by  
364 another insurer that is writing policies in this state.

365 2. An insurer or agent may cancel or nonrenew such a  
366 policy before the repair of the dwelling or residential  
367 property:

368 a. Upon 10 days' notice for nonpayment of premium; or

369 b. Upon 45 days' notice:

370 (I) For a material misstatement or fraud related to the  
371 claim;

372 (II) If the insurer determines that the insured has  
373 unreasonably caused a delay in the repair of the dwelling or  
374 residential property;

375 (III) If the insurer or its agent has made a reasonable

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

376 written inquiry to the insured as to the status of the repair,  
 377 sent by certified mail, return receipt requested, and the  
 378 insured has failed within 30 calendar days to provide  
 379 information that is responsive to the inquiry to either the  
 380 address or e-mail account designated by the insurer or its  
 381 agent; or

382 (IV) If the insurer has paid policy limits.

383 3. If the insurer elects to nonrenew a policy covering a  
 384 dwelling or residential property that has been damaged, the  
 385 insurer must provide at least 90 days' notice to the insured  
 386 that the insurer intends to nonrenew the policy 90 days after  
 387 the property has been repaired.

388 4. This paragraph does not prevent the insurer from  
 389 canceling or nonrenewing the policy 90 days after the repair is  
 390 completed for the same reasons the insurer would otherwise have  
 391 canceling or nonrenewed the policy but for the limitations  
 392 imposed in subparagraph 1.

393 5. The commission may adopt rules, and the Commissioner of  
 394 Insurance Regulation may issue orders, necessary to implement  
 395 this paragraph.

396 Section 6. Paragraph (j) of subsection (2) of section  
 397 627.062, Florida Statutes, is amended to read:

398 627.062 Rate standards.—

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

400 (j) With respect to residential property insurance rate



ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

401 filings, the rate filing:

402 1. Must account for mitigation measures undertaken by  
403 policyholders to reduce hurricane losses and windstorm losses.

404 2. May use a modeling indication that is the weighted or  
405 straight average of two or more hurricane loss projection models  
406 found by the Florida Commission on Hurricane Loss Projection  
407 Methodology to be accurate or reliable pursuant to s. 627.0628.

408 If an averaged model is used under this section, the same  
409 averaged model must be used throughout this state. If a weighted  
410 average is used, the insurer must provide the office with an  
411 actuarial justification for using the weighted average which  
412 shows that the weighted average results in a rate that is  
413 reasonable, adequate, and fair.

414  
415 The provisions of this subsection do not apply to workers'  
416 compensation, employer's liability insurance, and motor vehicle  
417 insurance.

418 Section 7. Paragraph (n) of subsection (6) of section  
419 627.351, Florida Statutes, is amended to read:

420 627.351 Insurance risk apportionment plans.—

421 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

422 (n)1. Rates for coverage provided by the corporation must  
423 be actuarially sound pursuant to s. 627.062 and not competitive  
424 with approved rates charged in the admitted voluntary market so  
425 that the corporation functions as a residual market mechanism to

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

426 provide insurance only when insurance cannot be procured in the  
427 voluntary market, except as otherwise provided in this  
428 paragraph. The office shall provide the corporation such  
429 information as would be necessary to determine whether rates are  
430 competitive. The corporation shall file its recommended rates  
431 with the office at least annually. The corporation shall provide  
432 any additional information regarding the rates which the office  
433 requires. The office shall consider the recommendations of the  
434 board and issue a final order establishing the rates for the  
435 corporation within 45 days after the recommended rates are  
436 filed. The corporation may not pursue an administrative  
437 challenge or judicial review of the final order of the office.

438 2. In addition to the rates otherwise determined pursuant  
439 to this paragraph, the corporation shall impose and collect an  
440 amount equal to the premium tax provided in s. 624.509 to  
441 augment the financial resources of the corporation.

442 3. After the public hurricane loss-projection model under  
443 s. 627.06281 has been found to be accurate and reliable by the  
444 Florida Commission on Hurricane Loss Projection Methodology, the  
445 model shall be considered when establishing the windstorm  
446 portion of the corporation's rates. The corporation may use the  
447 public model results in combination with the results of private  
448 models to calculate rates for the windstorm portion of the  
449 corporation's rates. This subparagraph does not require or allow  
450 the corporation to adopt rates lower than the rates otherwise

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

451 required or allowed by this paragraph.

452 4. The corporation must make a recommended actuarially  
 453 sound rate filing for each personal and commercial line of  
 454 business it writes.

455 5. Notwithstanding the board's recommended rates and the  
 456 office's final order regarding the corporation's filed rates  
 457 under subparagraph 1., the corporation shall annually implement  
 458 a rate increase which, except for sinkhole coverage, does not  
 459 exceed the following for any single policy issued by the  
 460 corporation, excluding coverage changes and surcharges:

- 461 a. Twelve percent for 2023.
- 462 b. Thirteen percent for 2024.
- 463 c. Fourteen percent for 2025.
- 464 d. Fifteen percent for 2026 and all subsequent years.

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

468 7. The corporation's implementation of rates as prescribed  
 469 in subparagraphs 5. and 8. shall cease for any line of business  
 470 written by the corporation upon the corporation's implementation  
 471 of actuarially sound rates. Thereafter, the corporation shall  
 472 annually make a recommended actuarially sound rate filing that  
 473 is not competitive with approved rates in the admitted voluntary  
 474 market for each commercial and personal line of business the  
 475 corporation writes.

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

476           8. ~~The following~~ New or renewal personal lines policies  
 477 that do not cover a primary residence ~~written on or after~~  
 478 ~~November 1, 2023,~~ are not subject to the rate increase  
 479 limitations in subparagraph 5., but may not be charged more than  
 480 50 percent above, nor less than, the prior year's established  
 481 rate for the corporation:

482           a. ~~Policies that do not cover a primary residence;~~

483           b. ~~New policies under which the coverage for the insured~~  
 484 ~~risk, before the date of application with the corporation, was~~  
 485 ~~last provided by an insurer determined by the office to be~~  
 486 ~~unsound or an insurer placed in receivership under chapter 631;~~  
 487 ~~or~~

488           c. ~~Subsequent renewals of those policies, including the~~  
 489 ~~new policies in sub-subparagraph b., under which the coverage~~  
 490 ~~for the insured risk, before the date of application with the~~  
 491 ~~corporation, was last provided by an insurer determined by the~~  
 492 ~~office to be unsound or an insurer placed in receivership under~~  
 493 ~~chapter 631.~~

494           9. As used in this paragraph, the term "primary residence"  
 495 means the dwelling that is the policyholder's primary home or is  
 496 a rental property that is the primary home of the tenant, and  
 497 which the policyholder or tenant occupies for more than 9 months  
 498 of each year.

499           Section 8. Paragraph (a) of subsection (5) of section  
 500 627.7011, Florida Statutes, is amended to read:

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

501           627.7011 Homeowners' policies; offer of replacement cost  
502 coverage and law and ordinance coverage.—

503           (5)(a) As used in this subsection, the term "authorized  
504 inspector" means an inspector who is approved by the insurer and  
505 who is:

- 506           1. A home inspector licensed under s. 468.8314;
- 507           2. A building code inspector certified under s. 468.607;
- 508           3. A general, building, or residential contractor licensed  
509 under s. 489.111 or a roofing contractor;
- 510           4. A professional engineer licensed under s. 471.015;
- 511           5. A professional architect licensed under s. 481.213; or
- 512           6. Any other individual or entity recognized by the  
513 insurer as possessing the necessary qualifications to properly  
514 complete a general inspection of a residential structure insured  
515 with a homeowner's insurance policy.

516           Section 9. Section 628.011, Florida Statutes, is amended  
517 to read:

518           628.011 Scope of part.—This part applies only to domestic  
519 ~~stock~~ insurers, mutual insurers, and captive insurers, except  
520 that s. 628.341(2) applies also as to foreign and alien  
521 insurers.

522           Section 10. Section 628.061, Florida Statutes, is amended  
523 to read:

524           628.061 Investigation of proposed organization.—In  
525 connection with any proposal to organize or incorporate a

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

526 domestic insurer, the office shall make an investigation of:

527 (1) The character, reputation, financial standing, and  
 528 motives of the organizers, incorporators, and subscribers  
 529 organizing the proposed insurer or any attorney in fact.

530 (2) The character, financial responsibility, insurance  
 531 experience, and business qualifications of its proposed  
 532 officers, members of its subscribers' advisory committee, or  
 533 officers of its attorney in fact.

534 (3) The character, financial responsibility, business  
 535 experience, and standing of the proposed stockholders and  
 536 directors, including the stockholders and directors of any  
 537 attorney in fact.

538 Section 11. Subsections (1), (2), and (5) of section  
 539 628.801, Florida Statutes, are amended to read:

540 628.801 Insurance holding companies; registration;  
 541 regulation.—

542 (1) An insurer that is authorized to do business in this  
 543 state and that is a member of an insurance holding company  
 544 shall, on or before April 1 of each year, register with the  
 545 office and file a registration statement and be subject to  
 546 regulation with respect to its relationship to the holding  
 547 company as provided by law or rule. The commission shall adopt  
 548 rules establishing the information and statement form required  
 549 for registration and the manner in which registered insurers and  
 550 their affiliates are regulated. The rules apply to domestic

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

551 insurers, foreign insurers, and commercially domiciled insurers,  
 552 except for foreign insurers domiciled in states that are  
 553 currently accredited by the NAIC. Except to the extent of any  
 554 conflict with this code, the rules must include all requirements  
 555 and standards of the Insurance Holding Company System Model  
 556 Regulation and ss. 4 and 5 of the Insurance Holding Company  
 557 System Regulatory Act ~~and the Insurance Holding Company System~~  
 558 ~~Model Regulation~~ of the NAIC, as adopted in December 2020 ~~2010~~.  
 559 The commission may adopt subsequent amendments thereto if the  
 560 methodology remains substantially consistent. The rules may  
 561 include a prohibition on oral contracts between affiliated  
 562 entities. Material transactions between an insurer and its  
 563 affiliates must ~~shall~~ be filed with the office as provided by  
 564 rule.

565 (2) ~~Effective January 1, 2015,~~ The ultimate controlling  
 566 person of every insurer subject to registration shall also file  
 567 an annual enterprise risk report on or before April 1. As used  
 568 in this subsection, the term "ultimate controlling person" means  
 569 a person who is not controlled by any other person. The report  
 570 must, to the best of the ultimate controlling person's knowledge  
 571 and belief, ~~must~~ identify the material risks within the  
 572 insurance holding company system that could pose enterprise risk  
 573 to the insurer. The report must ~~shall~~ be filed with the lead  
 574 state office of the insurance holding company system as  
 575 determined by the procedures within the Financial Analysis

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

576 Handbook adopted by the NAIC and is confidential and exempt from  
 577 public disclosure as provided in s. 624.4212.

578 (a) An insurer may satisfy this requirement by providing  
 579 the office with the most recently filed parent corporation  
 580 reports that have been filed with the Securities and Exchange  
 581 Commission which provide the appropriate enterprise risk  
 582 information.

583 (b) The term "enterprise risk" means an activity,  
 584 circumstance, event, or series of events involving one or more  
 585 affiliates of an insurer which, if not remedied promptly, are  
 586 likely to have a materially adverse effect upon the financial  
 587 condition or liquidity of the insurer or its insurance holding  
 588 company system as a whole, including anything that would cause  
 589 the insurer's risk-based capital to fall into company action  
 590 level as set forth in s. 624.4085 or would cause the insurer to  
 591 be in a hazardous financial condition.

592 (c) The office may adopt rules for filing the annual  
 593 enterprise risk report in accordance with the Insurance Holding  
 594 Company System Regulatory Act and the Insurance Holding Company  
 595 System Model Regulation of the NAIC, as adopted in December  
 596 2020.

597 ~~(5) Effective January 1, 2015,~~ The failure to file a  
 598 registration statement, or a summary of the registration  
 599 statement, or the enterprise risk filing report required by this  
 600 section within the time specified for filing is a violation of



ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

601 this section.

602 Section 12. Section 629.011, Florida Statutes, is amended  
603 to read:

604 629.011 Definitions ~~"Reciprocal insurance" defined.~~ As  
605 used in this part, the term:

606 (1) "Affiliated person" of another person means any of the  
607 following:

608 (a) The spouse of the other person.

609 (b)1. The parents of the other person or their lineal  
610 descendants.

611 2. The parents of the other person's spouse or their  
612 lineal descendants.

613 (c) A person who directly or indirectly owns or controls,  
614 or holds with the power to vote, 10 percent or more of the  
615 outstanding voting securities of the other person.

616 (d) A person who directly or indirectly owns 10 percent or  
617 more of the outstanding voting securities that are directly or  
618 indirectly owned or controlled, or held with the power to vote,  
619 by the other person.

620 (e) A person or group of persons who directly or  
621 indirectly control, are controlled by, or are under common  
622 control with the other person.

623 (f) A director, officer, trustee, partner, owner, manager,  
624 joint venturer, or employee, or another person who is performing  
625 duties similar to those of persons in such positions, of the

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

626 other person.

627 (g) If the other person is an investment company, any  
 628 investment adviser of such company or any member of an advisory  
 629 board of such company.

630 (h) If the other person is an unincorporated investment  
 631 company not having a board of directors, the depositor of such  
 632 company.

633 (i) A person who has entered into an agreement, written or  
 634 unwritten, to act in concert with the other person in acquiring,  
 635 or limiting the disposition of:

636 1. Securities of an attorney in fact or controlling  
 637 company that is a stock corporation; or

638 2. An ownership interest of an attorney in fact or  
 639 controlling company that is not a stock corporation.

640 (2) "Attorney in fact" or "attorney" means the attorney in  
 641 fact of a reciprocal insurer. The attorney in fact may be an  
 642 individual, a corporation, or another person.

643 (3) "Controlling company" means a person, corporation,  
 644 trust, limited liability company, association, or other entity  
 645 owning, directly or indirectly, 10 percent or more of the voting  
 646 securities of one or more attorneys in fact that are stock  
 647 corporations, or 10 percent or more of the ownership interest of  
 648 one or more attorneys in fact that are not stock corporations.

649 (4) "Reciprocal insurance" ~~means is that resulting from~~ an  
 650 interexchange among persons, known as "subscribers," of

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

651 reciprocal agreements of indemnity, the interexchange being  
 652 effectuated through an "attorney in fact" common to all such  
 653 persons.

654 (5) "Reciprocal insurer" means an unincorporated  
 655 aggregation of subscribers operating individually and  
 656 collectively through an attorney in fact to provide reciprocal  
 657 insurance among themselves.

658 Section 13. Section 629.021, Florida Statutes, is  
 659 repealed.

660 Section 14. Section 629.061, Florida Statutes, is  
 661 repealed.

662 Section 15. Section 629.081, Florida Statutes, is amended  
 663 to read:

664 629.081 Organization of reciprocal insurer.—

665 (1) Twenty-five or more persons domiciled in this state  
 666 may organize a domestic reciprocal insurer by applying and make  
 667 application to the office for a permit to do so. A domestic  
 668 reciprocal insurer may not be formed unless the persons so  
 669 proposing have first received a permit from the office a  
 670 certificate of authority to transact insurance.

671 (2) The permit application, to be filed by the organizers  
 672 or the proposed attorney in fact, must be in writing and made in  
 673 accordance with forms prescribed by the commission. In addition  
 674 to any applicable requirements of s. 628.051 and other relevant  
 675 statutes, the application must include all of the following

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

676 ~~shall fulfill the requirements of and shall execute and file~~  
677 ~~with the office, when applying for a certificate of authority, a~~  
678 ~~declaration setting forth:~~

679 (a) The name of the proposed reciprocal insurer, which  
680 must be in accordance with s. 629.051.†

681 (b) The location of the insurer's principal office, which  
682 must ~~shall~~ be the same as that of the proposed attorney in fact  
683 and must ~~shall~~ be maintained within this state.†

684 (c) The kinds of insurance proposed to be transacted.†

685 (d) The names and addresses of the original 25 or more  
686 subscribers.†

687 (e) The proposed designation and appointment of the  
688 proposed attorney in fact and a copy of the proposed power of  
689 attorney.†

690 (f) The names and addresses of the officers and directors  
691 of the proposed attorney in fact, if a corporation, or of its  
692 members, if other than a corporation.†

693 (g) The background information as specified in s. 629.227  
694 for all officers, directors, managers, and those in equivalent  
695 positions of the proposed attorney in fact as well as for any  
696 person with an ownership interest of 10 percent or more in the  
697 proposed attorney in fact.

698 (h) The articles of incorporation and bylaws, or  
699 equivalent documents, of the proposed attorney in fact, dated  
700 within the last year and appropriately certified.

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

701        (i) The proposed charter powers of the subscribers'  
 702        advisory committee, and the names and terms of office of the  
 703        members thereof, as well as the background information as  
 704        specified in s. 629.227 for each proposed member.‡  
 705        ~~(h) That all moneys paid to the reciprocal shall, after~~  
 706        ~~deducting therefrom any sum payable to the attorney, be held in~~  
 707        ~~the name of the insurer and for the purposes specified in the~~  
 708        ~~subscribers' agreement;~~  
 709        (j)(i) A copy of the proposed subscribers' agreement.‡  
 710        ~~(j) A statement that each of the original subscribers has~~  
 711        ~~in good faith applied for insurance of a kind proposed to be~~  
 712        ~~transacted, and that the insurer has received from each such~~  
 713        ~~subscriber the full premium or premium deposit required for the~~  
 714        ~~policy applied for, for a term of not less than 6 months at an~~  
 715        ~~adequate rate theretofore filed with and approved by the office;~~  
 716        ~~(k) A statement of the financial condition of the insurer,~~  
 717        ~~a schedule of its assets, and a statement that the surplus as~~  
 718        ~~required by s. 629.071 is on hand; and~~  
 719        ~~(l) A copy of each policy, endorsement, and application~~  
 720        ~~form it then proposes to issue or use.~~  
 721        (1) Any other pertinent information and documents as  
 722        reasonably requested by the office.  
 723        (3) The filing must be accompanied by the application fee  
 724        required by s. 624.501(1)(a).  
 725        (4) The office shall evaluate and grant or deny the permit

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

726 application in accordance with ss. 628.061, 628.071, and other  
 727 relevant provisions of the code.

728  
 729 ~~Such declaration shall be acknowledged by the attorney before an~~  
 730 ~~officer authorized to take acknowledgments.~~

731 Section 16. Section 629.091, Florida Statutes, is amended  
 732 to read:

733 629.091 Reciprocal certificate of authority.-

734 (1) A domestic reciprocal insurer may seek a certificate  
 735 of authority only after obtaining a permit.

736 (2) To apply for a certificate of authority as a domestic  
 737 reciprocal insurer, the attorney in fact of an applicant who has  
 738 previously received a permit from the office may file an  
 739 application for a certificate of authority in accordance with  
 740 forms prescribed by the commission which, in addition to  
 741 applicable requirements of ss. 624.404, 624.411, 624.413, and  
 742 other relevant statutes, consists of all of the following:

743 (a) Executed copies of any proposed or draft documents  
 744 required as part of the permit application.

745 (b) A statement affirming that all moneys paid to the  
 746 reciprocal insurer shall, after deducting therefrom any sum  
 747 payable to the attorney in fact, be held in the name of the  
 748 insurer and for the purposes specified in the subscribers'  
 749 agreement.

750 (c) A statement that each of the original subscribers has

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

751 in good faith applied for insurance of a kind proposed to be  
 752 transacted, and that the insurer has received from each such  
 753 subscriber the full premium or premium deposit required for the  
 754 policy applied for, for a term of not less than 6 months at an  
 755 adequate rate that was filed with and approved by the office.

756 (d) A copy of the bond required under s. 629.121.

757 (e) A statement of the financial condition of the insurer,  
 758 a schedule of its assets, and a statement that the surplus as  
 759 required by s. 629.071 is on hand.

760 (f) Such other pertinent information or documents as  
 761 reasonably requested by the office.

762 (3) If the reciprocal insurer intends to issue  
 763 nonassessable policies upon receipt of a certificate of  
 764 authority and if the office determines that the reciprocal  
 765 insurer meets the legal requirements to issue nonassessable  
 766 policies, including the surplus requirements, the office shall  
 767 grant the authorization to issue nonassessable policies.

768 (4) The certificate of authority ~~must~~ ~~of a reciprocal~~  
 769 ~~insurer shall~~ be issued ~~to its attorney~~ in the name of the  
 770 ~~reciprocal~~ insurer to its attorney in fact.

771 Section 17. Section 629.094, Florida Statutes, is created  
 772 to read:

773 629.094 Continued eligibility for certificate of  
 774 authority.-In order to maintain its eligibility for a  
 775 certificate of authority, a domestic reciprocal insurer must

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

776 continue to meet all applicable conditions required for  
 777 receiving the initial permit and certificate of authority under  
 778 the insurance code and the rules adopted thereunder.

779 Section 18. Section 629.101, Florida Statutes, is amended  
 780 to read:

781 629.101 Power of attorney.—

782 (1) The rights and powers of the attorney in fact of a  
 783 reciprocal insurer are ~~shall be~~ as provided in the power of  
 784 attorney given it by the subscribers.

785 (2) The power of attorney must set forth all of the  
 786 following:

787 (a) The powers of the attorney in fact.~~†~~

788 (b) That the attorney in fact is empowered to accept  
 789 service of process on behalf of the insurer in actions against  
 790 the insurer upon contracts exchanged.

791 (c) The place where the office of the attorney in fact is  
 792 maintained.~~†~~

793 (d)-(e) The general services to be performed by the  
 794 attorney in fact.~~†~~

795 (e) That the attorney in fact has a fiduciary duty to the  
 796 subscribers of the reciprocal insurer.

797 (f)-(d) The maximum amount to be deducted from advance  
 798 premiums or deposits to be paid to the attorney in fact and the  
 799 general items of expense in addition to losses~~†~~ to be paid by  
 800 the insurer.~~†~~ ~~and~~



ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

801        (g)~~(e)~~ Except as to nonassessable policies, a provision  
 802 for a contingent several liability of each subscriber in a  
 803 specified amount, which amount may ~~shall be~~ not be less than 5  
 804 nor more than 10 times the premium or premium deposit stated in  
 805 the policy.

806        (3) The power of attorney may:

807        (a) Provide for the right of substitution of the attorney  
 808 in fact and revocation of the power of attorney and rights  
 809 thereunder.~~†~~

810        (b) Impose such restrictions upon the exercise of the  
 811 power as are agreed upon by the subscribers.~~†~~

812        (c) Provide for the exercise of any right reserved to the  
 813 subscribers directly or through their advisory committee.~~† and~~

814        (4)~~(d)~~ The power of attorney must contain other lawful  
 815 provisions deemed advisable.

816        (5)~~(4)~~ The terms of any power of attorney or agreement  
 817 collateral thereto must ~~shall~~ be reasonable and equitable, and  
 818 ~~no~~ such power or agreement may not ~~shall~~ be used or be effective  
 819 in this state unless filed with the office.

820        Section 19. Section 629.225, Florida Statutes, is created  
 821 to read:

822        629.225 Acquisitions.-

823        (1) A person may not, individually or in conjunction with  
 824 an affiliated person of such person, directly or indirectly,  
 825 conclude a tender offer or exchange offer for, enter into any

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

826 agreement to exchange securities for, or otherwise finally  
827 acquire 10 percent or more of the outstanding voting securities  
828 of an attorney in fact that is a stock corporation or of a  
829 controlling company of an attorney in fact that is a stock  
830 corporation; or conclude an acquisition of, or otherwise finally  
831 acquire, 10 percent or more of the ownership interest of an  
832 attorney in fact that is not a stock corporation or of a  
833 controlling company of an attorney in fact that is not a stock  
834 corporation, unless all of the following conditions are met:

835 (a)1. The person or affiliated person has filed with the  
836 office and sent to the principal office of the attorney in fact,  
837 any controlling company of the attorney in fact, the  
838 subscribers' advisory committee, and the domestic reciprocal  
839 insurer a letter of notification regarding the transaction or  
840 proposed transaction no later than 5 days after any form of  
841 tender offer or exchange offer is proposed, or no later than 5  
842 days after the acquisition of the securities or ownership  
843 interest if a tender offer or exchange offer is not involved.  
844 The notification must be provided on forms prescribed by the  
845 commission containing information determined necessary to  
846 understand the transaction and identify all purchasers and  
847 owners involved.

848 2. The subscribers' advisory committee must provide the  
849 notification to the subscribers of the reciprocal insurer within  
850 3 business days. Such notification must be provided on a form

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

851 prescribed by the commission explaining what the notification is  
852 and letting the subscribers know of the filing deadlines for  
853 objecting to the acquisition.

854 (b) The person or affiliated person has filed with the  
855 office an application, signed under oath and prepared on forms  
856 prescribed by the commission, which contains the information  
857 specified in subsection (3). The application must be completed  
858 and filed within 30 days after any form of tender offer or  
859 exchange offer is proposed, or after the acquisition of the  
860 securities if a tender offer or exchange offer is not involved.

861 (c) The office has approved the tender offer or exchange  
862 offer, or acquisition if a tender offer or exchange offer is not  
863 involved.

864 (2) The person or affiliated person filing the notice  
865 required in paragraph (1) (a) may additionally request the office  
866 to waive the requirements of paragraph (1) (b), provided that  
867 there is no change in the ultimate controlling shareholders and  
868 no change in the ownership percentages of the ultimate  
869 controlling shareholders, and no unaffiliated parties acquire  
870 any direct or indirect interest in the attorney in fact. The  
871 office may waive the filing required in paragraph (1) (b) if it  
872 determines that in fact there is no change in the ultimate  
873 controlling shareholders and no change in the ownership  
874 percentages of the ultimate controlling shareholders, and no  
875 unaffiliated parties will acquire any direct or indirect

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

876 | interest in the attorney in fact.

877 |       (3) The application to be filed with the office and  
878 | furnished to the attorney in fact must contain all of the  
879 | following information and any additional information as the  
880 | office deems necessary to determine the character, experience,  
881 | ability, and other qualifications of the person or affiliated  
882 | person of such person for the protection of the reciprocal  
883 | insurer's subscribers and of the public:

884 |       (a) The identity and background information specified in  
885 | s. 629.227 of:

886 |           1. Each person by whom, or on whose behalf, the  
887 | acquisition is to be made; and

888 |           2. Any person who controls, directly or indirectly, such  
889 | other person, including each director, officer, trustee,  
890 | partner, owner, manager, or joint venturer, or another person  
891 | performing duties similar to those of persons in such positions,  
892 | for the person.

893 |       (b) The source and amount of the funds or other  
894 | consideration used, or to be used, in making the acquisition.

895 |       (c) Any plans or proposals that such persons may have made  
896 | to liquidate the attorney in fact or controlling company, to  
897 | sell any of their assets or merge or consolidate them with any  
898 | person, or to make any other major change in their business or  
899 | corporate structure or management.

900 |       (d) The nature and the extent of the controlling interest

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

901 which the person or affiliated person of such person proposes to  
902 acquire, the terms of the proposed acquisition, and the manner  
903 in which the controlling interest is to be acquired of an  
904 attorney in fact or controlling company which is not a stock  
905 corporation.

906 (e) The number of shares or other securities that the  
907 person or affiliated person of such person proposes to acquire,  
908 the terms of the proposed acquisition, and the manner in which  
909 the securities are to be acquired.

910 (f) Information as to any contract, arrangement, or  
911 understanding with any party with respect to any of the  
912 securities of the attorney in fact or controlling company,  
913 including, but not limited to, information relating to the  
914 transfer of any of the securities, option arrangements, puts or  
915 calls, or the giving or withholding of proxies, which  
916 information names the party with whom the contract, arrangement,  
917 or understanding has been entered into and gives the details  
918 thereof.

919 (4) The filing must be accompanied by the fee required  
920 under s. 624.501(1)(a).

921 (5) If any material change occurs in the facts provided in  
922 the application filed with the office pursuant to this section,  
923 or the background information required under s. 629.227, an  
924 amendment specifying such changes must be filed immediately with  
925 the office, and a copy of the amendment must be sent to the

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

926 principal office of the attorney in fact and to the principal  
 927 office of the controlling company.

928 (6) (a) The acquisition application must be reviewed in  
 929 accordance with chapter 120. The office may, on its own  
 930 initiative, or, if requested to do so in writing by a  
 931 substantially affected person, shall conduct a proceeding to  
 932 consider the appropriateness of the proposed filing. Time  
 933 periods for purposes of chapter 120 are tolled during the  
 934 pendency of the proceeding. Any written request for a proceeding  
 935 must be filed with the office within 10 days after the date on  
 936 which notice of the filing is given, or 10 days after the date  
 937 on which notice of the filing is sent to the subscribers by the  
 938 subscribers' advisory committee, whichever is later. During the  
 939 pendency of the proceeding or review period by the office, any  
 940 person or affiliated person complying with the filing  
 941 requirements of this section may proceed and take all steps  
 942 necessary to conclude the acquisition as long as the  
 943 acquisition's becoming final is conditioned upon obtaining  
 944 office approval. However, at any time that the office finds that  
 945 an immediate danger to the public health, safety, and welfare of  
 946 the reciprocal insurer's subscribers exists, the office shall  
 947 immediately order, pursuant to s. 120.569(2)(n), the proposed  
 948 acquisition disapproved and any further steps to conclude the  
 949 acquisition ceased.

950 (b) During the pendency of the office's review of any

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

951 acquisition subject to this section, the acquiring person may  
952 not make any material change in the operation of the attorney in  
953 fact or controlling company unless the office has specifically  
954 approved the change, and the acquiring person may not make any  
955 material change in the management of the attorney in fact unless  
956 advance written notice of the change in management is furnished  
957 to the office. As used in this paragraph, the term "material  
958 change in the operation of the attorney in fact" means a  
959 transaction that disposes of or obligates 5 percent or more of  
960 the capital and surplus of the attorney in fact or of any  
961 domestic reciprocal insurer. The term "material change in the  
962 management of the attorney in fact" means any change in  
963 management involving officers or directors of the attorney in  
964 fact or any person of the attorney in fact or controlling  
965 company having authority to dispose of or obligate 5 percent or  
966 more of the attorney in fact's capital or surplus. The office  
967 must approve a material change in operations if it finds the  
968 applicable provisions of subsection (7) have been met. The  
969 office may disapprove a material change in management if it  
970 finds that the applicable provisions of subsection (7) have not  
971 been met, and, in such case, the attorney in fact shall promptly  
972 change management as acceptable to the office.

973 (c) If a request for a proceeding is filed, the proceeding  
974 must be conducted within 60 days after the date the written  
975 request for a proceeding is received by the office. A

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

976 recommended order must be issued within 20 days after the date  
 977 of the close of the proceedings. A final order must be issued  
 978 within 20 days after the date of the recommended order or, if  
 979 exceptions to the recommended order are filed, within 20 days  
 980 after the date the exceptions are filed.

981 (7) The office may disapprove any acquisition subject to  
 982 this section by any person, or any affiliated person of such  
 983 person, who:

984 (a) Willfully violates this section;

985 (b) In violation of an order issued by the office pursuant  
 986 to subsection (12), fails to divest himself or herself of any  
 987 stock or ownership interest obtained in violation of this  
 988 section or fails to divest himself or herself of any direct or  
 989 indirect control of such stock or ownership interest, within 25  
 990 days after such order; or

991 (c) In violation of an order issued by the office pursuant  
 992 to subsection (12), acquires an additional stock or ownership  
 993 interest in an attorney in fact or controlling company or direct  
 994 or indirect control of such stock or ownership interest, without  
 995 complying with this section.

996 (8) The person filing the application required by this  
 997 section has the burden of proof. The office must approve any  
 998 such acquisition if it finds, on the basis of the record made  
 999 during any proceeding or on the basis of the filed application  
 1000 if no proceeding is conducted, that:



ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1001        (a) The financial condition of the acquiring person will  
1002 not jeopardize the financial stability of the attorney in fact  
1003 or prejudice the interests of the reciprocal insurer's  
1004 subscribers or the public.

1005        (b) Any plan or proposal that the acquiring person has  
1006 made:

1007            1. To liquidate the attorney in fact, sell its assets, or  
1008 merge or consolidate it with any person, or to make any other  
1009 major change in its business or corporate structure or  
1010 management; or

1011            2. To liquidate any controlling company, sell its assets,  
1012 or merge or consolidate it with any person, or to make any major  
1013 change in its business or corporate structure or management  
1014 which would have an effect upon the attorney in fact,

1015  
1016 is fair and free of prejudice to the reciprocal insurer's  
1017 subscribers or to the public.

1018        (c) The competence, experience, and integrity of those  
1019 persons who will control directly or indirectly the operation of  
1020 the attorney in fact indicate that the acquisition is in the  
1021 best interest of the reciprocal insurer's subscribers and in the  
1022 public interest.

1023        (d) The natural persons for whom background information is  
1024 required to be furnished pursuant to this section have such  
1025 backgrounds as to indicate that it is in the best interests of

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1026 the reciprocal insurer's subscribers and in the public interest  
1027 to permit such persons to exercise control over the attorney in  
1028 fact.

1029 (e) The directors and officers, if such attorney in fact  
1030 or controlling company is a stock corporation, or the trustees,  
1031 partners, owners, managers, joint venturers, or other persons  
1032 performing duties similar to those of persons in such positions,  
1033 if such attorney in fact or controlling company is not a stock  
1034 corporation, to be employed after the acquisition have  
1035 sufficient insurance experience and ability to ensure reasonable  
1036 promise of successful operation.

1037 (f) The management of the attorney in fact after the  
1038 acquisition will be competent and trustworthy and will possess  
1039 sufficient managerial experience so as to make the proposed  
1040 operation of the attorney in fact not hazardous to the  
1041 insurance-buying public.

1042 (g) The management of the attorney in fact after the  
1043 acquisition will not include any person who has directly or  
1044 indirectly through ownership, control, reinsurance transactions,  
1045 or other insurance or business relations unlawfully manipulated  
1046 the assets, accounts, finances, or books of any insurer or  
1047 otherwise acted in bad faith with respect thereto.

1048 (h) The acquisition is not likely to be hazardous or  
1049 prejudicial to the reciprocal insurer's subscribers or to the  
1050 public.

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

1051        (i) The effect of the acquisition would not substantially  
1052 lessen competition in the line of insurance for which the  
1053 reciprocal insurer is licensed or certified in this state or  
1054 would not tend to create a monopoly therein.

1055        (9) A vote by the stockholder of record, or by any other  
1056 person, of any security acquired in contravention of this  
1057 section is not valid. Any acquisition contrary to this section  
1058 is void. Upon the petition of the attorney in fact, the  
1059 controlling company, or the reciprocal insurer, the circuit  
1060 court for the county in which the principal office of the  
1061 attorney in fact is located may, without limiting the generality  
1062 of its authority, order the issuance or entry of an injunction  
1063 or other order to enforce this section. There is a private right  
1064 of action in favor of the attorney in fact or controlling  
1065 company to enforce this section. A demand upon the office that  
1066 it perform its functions is not required as a prerequisite to  
1067 any suit by the attorney in fact or controlling company against  
1068 another person, and in no case is the office deemed a necessary  
1069 party to any action by the attorney in fact or controlling  
1070 company to enforce this section. Any person who makes or  
1071 proposes an acquisition requiring the filing of an application  
1072 pursuant to this section, or who files such an application, is  
1073 deemed thereby to have designated the Chief Financial Officer,  
1074 or his or her assistant or deputy or another person in charge of  
1075 his or her office, as such person's agent for service of process

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1076 under this section and is deemed thereby to have submitted  
1077 himself or herself to the administrative jurisdiction of the  
1078 office and to the jurisdiction of the circuit court.

1079 (10) Any approval by the office under this section does  
1080 not constitute a recommendation by the office of the tender  
1081 offer or exchange offer, or the acquisition if a tender offer or  
1082 exchange offer is not involved. It is unlawful for a person to  
1083 represent that the office's approval constitutes a  
1084 recommendation. A person who violates this subsection commits a  
1085 felony of the third degree, punishable as provided in s.  
1086 775.082, s. 775.083, or s. 775.084. The statute-of-limitations  
1087 period for the prosecution of an offense committed under this  
1088 subsection is 5 years.

1089 (11) A person may rebut a presumption of control by filing  
1090 a disclaimer of control with the office on a form prescribed by  
1091 the commission. The disclaimer must fully disclose all material  
1092 relationships and bases for affiliation between the person and  
1093 the attorney in fact as well as the basis for disclaiming the  
1094 affiliation. In lieu of such form, a person or acquiring party  
1095 may file with the office a copy of a Schedule 13G filed with the  
1096 Securities and Exchange Commission pursuant to Rule 13d-1(b) or  
1097 (c), 17 C.F.R. s. 240.13d-1, under the Securities Exchange Act  
1098 of 1934, as amended. After a disclaimer has been filed, the  
1099 attorney in fact is relieved of any duty to register or report  
1100 under this section which may arise out of the attorney in fact's

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1101 relationship with the person unless the office disallows the  
 1102 disclaimer.

1103 (12) If the office determines that any person or any  
 1104 affiliated person of such person has acquired 10 percent or more  
 1105 of the outstanding voting securities of an attorney in fact or  
 1106 controlling company that is a stock corporation, or 10 percent  
 1107 or more of the ownership interest of an attorney in fact or  
 1108 controlling company that is not a stock corporation, without  
 1109 complying with this section, the office may order that the  
 1110 person and any affiliated person of such person cease  
 1111 acquisition of the attorney in fact or controlling company and,  
 1112 if appropriate, divest itself of any stock or ownership interest  
 1113 acquired in violation of this section.

1114 (13) (a) The office shall, if necessary to protect the  
 1115 public interest, suspend or revoke the certificate of authority  
 1116 of the reciprocal insurer whose attorney in fact or controlling  
 1117 company is acquired in violation of this section.

1118 (b) If a reciprocal insurer is subject to suspension or  
 1119 revocation pursuant to paragraph (a), any other reciprocal  
 1120 insurer using the same attorney in fact is also subject to  
 1121 suspension or revocation. In such case, the office may offer any  
 1122 affected reciprocal insurer, through its subscriber  
 1123 representatives, the ability to cure any suspension or  
 1124 revocation by procuring another attorney in fact acceptable to  
 1125 the office or by taking any other action agreed to by the

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1126 office.

1127 (14) This section applies to domestic reciprocal insurers  
 1128 and the attorney in fact of domestic reciprocal insurers. This  
 1129 section does not apply to any acquisition of voting securities  
 1130 or ownership interest of an attorney in fact or of a controlling  
 1131 company by any person who is the owner of a majority of the  
 1132 voting securities or ownership interest with the approval of the  
 1133 office under this section or s. 629.091.

1134 Section 20. Section 629.227, Florida Statutes, is created  
 1135 to read:

1136 629.227 Background information.—The information as to the  
 1137 background and identity of each person about whom information is  
 1138 required to be furnished pursuant to s. 629.081 or s. 629.225  
 1139 must include, but need not be limited to, all of the following:

1140 (1) A sworn biographical statement, on forms adopted by  
 1141 the commission, which must include, but need not be limited to,  
 1142 the following information:

1143 (a) Occupations, positions of employment, and offices held  
 1144 during the past 20 years, including the principal business and  
 1145 address of any business, corporation, or organization where each  
 1146 occupation, position of employment, or office occurred.

1147 (b) Whether, at any time during such 20-year period, the  
 1148 person was convicted of any crime other than a traffic  
 1149 violation.

1150 (c) Whether, during such 20-year period, the person has

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1151 been the subject of any proceeding for the revocation of any  
1152 license and, if so, the nature of the proceeding and the  
1153 disposition of the proceeding.

1154 (d) Whether, during such 20-year period, the person has  
1155 been the subject of any proceeding under the federal Bankruptcy  
1156 Act.

1157 (e) Whether, during such 20-year period, any person or  
1158 other business or organization in which the person was a  
1159 director, officer, trustee, partner, owner, manager, or other  
1160 official has been the subject of any proceeding under the  
1161 federal Bankruptcy Act, either during the time of that person's  
1162 tenure with the business or organization or within 12 months  
1163 thereafter.

1164 (f) Whether, during such 20-year period, the person has  
1165 been enjoined, either temporarily or permanently, by a court of  
1166 competent jurisdiction from violating any federal or state law  
1167 regulating the business of insurance, securities, or banking, or  
1168 from carrying out any particular practice or practices in the  
1169 course of the business of insurance, securities, or banking,  
1170 together with details as to any such event.

1171 (g) Whether, during such 20-year period, the person has  
1172 served as the attorney in fact, a subscribers' advisory  
1173 committee member, or any other manager or officer of a  
1174 reciprocal insurer or insurer that became insolvent or had its  
1175 certificate of authority suspended or revoked.

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1176       (2) A full set of fingerprints of each person, which must  
 1177 be submitted to the department or to a vendor, entity, or agency  
 1178 authorized by s. 943.053(13). The department, vendor, entity, or  
 1179 agency shall forward the fingerprints to the Department of Law  
 1180 Enforcement for state processing, and the Department of Law  
 1181 Enforcement shall forward the fingerprints to the Federal Bureau  
 1182 of Investigation for national processing as described in s.  
 1183 624.34. Fees for state and federal fingerprint processing shall  
 1184 be borne by the person. The state cost for fingerprint  
 1185 processing shall be as provided in s. 943.053(3)(e).

1186       (3) An authorization for release of information in regard  
 1187 to the investigation of such person's background.

1188       (4) Any additional information that the office deems  
 1189 necessary to determine the character, experience, ability, and  
 1190 other qualifications of the person, or affiliated person of such  
 1191 person, for the protection of the reciprocal insurer's  
 1192 subscribers and of the public.

1193       Section 21. Section 629.229, Florida Statutes, is created  
 1194 to read:

1195       629.229 Attorneys in fact, officers, and directors of  
 1196 insolvent reciprocal insurers or other insurers.—A person who  
 1197 served as an attorney in fact, or as an officer, director, or  
 1198 manager of an attorney in fact, a member of a subscribers'  
 1199 advisory committee of a reciprocal insurer doing business in  
 1200 this state, or an officer or director of any other insurer doing



ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1201 business in this state, and who served in that capacity within  
 1202 the 2-year period before the date the insurer or reciprocal  
 1203 insurer became insolvent, for an insolvency that occurs on or  
 1204 after July 1, 2024, may not thereafter:

1205 (1) Serve as an attorney in fact, or as an officer,  
 1206 director, or manager of an attorney in fact; a member of a  
 1207 subscribers' advisory committee of a reciprocal insurer doing  
 1208 business in this state; or an officer or director of any other  
 1209 insurer doing business in this state; or

1210 (2) Have direct or indirect control over the selection or  
 1211 appointment of an attorney in fact, or of an officer, director,  
 1212 or manager of an attorney in fact; or a member of the  
 1213 subscribers' advisory committee of a reciprocal insurer doing  
 1214 business in this state; or an officer or director of any insurer  
 1215 doing business in this state, through contract or trust or by  
 1216 operation of law,

1217  
 1218 unless the person demonstrates that his or her personal actions  
 1219 or omissions were not a significant contributing cause to the  
 1220 insolvency.

1221 Section 22. Section 629.261, Florida Statutes, is amended  
 1222 to read:

1223 629.261 Nonassessable policies.—Upon the impairment of the  
 1224 surplus of a nonassessable reciprocal insurer, the office shall  
 1225 revoke the authorization issued under s. 629.091(3) or s.

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

1226 629.291(5). Upon the revocation of the authority to issue  
 1227 nonassessable policies, the reciprocal insurer may no longer  
 1228 issue or renew nonassessable policies or convert assessable  
 1229 policies to nonassessable policies and s. 629.301 applies.

1230 ~~(1) If a reciprocal insurer has a surplus as to~~  
 1231 ~~policyholders required of a domestic stock insurer authorized to~~  
 1232 ~~transact like kinds of insurance, upon application of the~~  
 1233 ~~attorney and as approved by the subscribers' advisory committee~~  
 1234 ~~the office shall issue its certificate authorizing the insurer~~  
 1235 ~~to extinguish the contingent liability of subscribers under its~~  
 1236 ~~policies then in force in this state and to omit provisions~~  
 1237 ~~imposing contingent liability in all policies delivered or~~  
 1238 ~~issued for delivery in this state for so long as all such~~  
 1239 ~~surplus remains unimpaired.~~

1240 ~~(2) Upon impairment of such surplus, the office shall~~  
 1241 ~~forthwith revoke the certificate. Such revocation may shall not~~  
 1242 ~~render subject to contingent liability any policy then in force~~  
 1243 ~~and for the remainder of the period for which the premium has~~  
 1244 ~~theretofore been paid; but, after such revocation, no policy~~  
 1245 ~~shall be issued or renewed without providing for contingent~~  
 1246 ~~assessment liability of the subscriber.~~

1247 ~~(3) The office shall not authorize a domestic reciprocal~~  
 1248 ~~insurer so to extinguish the contingent liability of any of its~~  
 1249 ~~subscribers or in any of its policies to be issued, unless it~~  
 1250 ~~qualifies to and does extinguish such liability of all its~~

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

1251 ~~subscribers and in all such policies for all kinds of insurance~~  
 1252 ~~transacted by it; except that, if required by the laws of~~  
 1253 ~~another state in which the insurer is transacting insurance as~~  
 1254 ~~an authorized insurer, the insurer may issue policies providing~~  
 1255 ~~for the contingent liability of such of its subscribers as may~~  
 1256 ~~acquire such policies in such state, and need not extinguish the~~  
 1257 ~~contingent liability applicable to policies theretofore in force~~  
 1258 ~~in such state.~~

1259 Section 23. Subsections (1), (2), and (4) of section  
 1260 629.291, Florida Statutes, are amended, and subsection (5) is  
 1261 added to that section, to read:

1262 629.291 Merger or conversion.—

1263 (1) A ~~domestic~~ reciprocal insurer, upon affirmative vote  
 1264 of not less than two-thirds of its subscribers who vote on such  
 1265 merger pursuant to due notice, and subject to the approval by ~~of~~  
 1266 the office of the terms therefor, may merge with another  
 1267 reciprocal insurer or be converted to a stock or mutual insurer,  
 1268 to be thereafter governed by the applicable sections of the  
 1269 Florida Insurance Code. However, a domestic stock insurer may  
 1270 not convert to a reciprocal insurer.

1271 (2) A plan to merge a reciprocal insurer with another  
 1272 reciprocal insurer or for conversion of the reciprocal insurer  
 1273 to a stock or mutual insurer must be filed with the office on  
 1274 forms adopted by the office and must contain such information as  
 1275 the office reasonably requires to evaluate the transaction ~~Such~~

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

1276 ~~a stock or mutual insurer shall be subject to the same capital~~  
 1277 ~~or surplus requirements and shall have the same rights as a like~~  
 1278 ~~domestic insurer transacting like kinds of insurance.~~

1279 (4) Reinsurance of all or substantially all of the  
 1280 insurance in force of a domestic reciprocal insurer in another  
 1281 insurer is ~~shall be~~ deemed to be a merger for the purposes of  
 1282 this section.

1283 (5) (a) An assessable reciprocal insurer may convert to a  
 1284 nonassessable reciprocal insurer if:

1285 1. The subscribers' advisory committee approves the  
 1286 conversion;

1287 2. The attorney in fact submits the application for  
 1288 conversion on the required application form; and

1289 3. The office finds that the application for conversion  
 1290 meets the minimum statutory requirements.

1291 (b) If the office approves the application for conversion,  
 1292 the assessable reciprocal insurer may convert to a nonassessable  
 1293 reciprocal insurer by:

1294 1. Extinguishing the contingent liability of subscribers  
 1295 under all policies then in force in this state;

1296 2. Omitting contingent liability provisions in all  
 1297 policies delivered or issued in this state after the conversion;  
 1298 and

1299 3. Otherwise extinguishing the contingent liability of all  
 1300 of its subscribers. However, if the reciprocal insurer is

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CS/CS/HB 1611, Engrossed 2

2024 Legislature

1301 transacting insurance as an authorized insurer in another state  
 1302 and that state's laws require the insurer to issue policies with  
 1303 contingent liability provisions, the insurer may issue  
 1304 contingent liability policies in that other state.

1305 Section 24. 629.525, Florida Statutes, is created to read:  
 1306 629.525 Rulemaking authority.—The commission shall adopt,  
 1307 amend, or repeal rules pursuant to chapter 120 which are  
 1308 necessary to implement this chapter.

1309 Section 25. Paragraph (c) of subsection (10) of section  
 1310 766.302, Florida Statutes, is amended to read:

1311 766.302 Definitions; ss. 766.301-766.316.—As used in ss.  
 1312 766.301-766.316, the term:

1313 (10) "Family residential or custodial care" means care  
 1314 normally rendered by trained professional attendants which is  
 1315 beyond the scope of child care duties, but which is provided by  
 1316 family members. Family members who provide nonprofessional  
 1317 residential or custodial care may not be compensated under this  
 1318 act for care that falls within the scope of child care duties  
 1319 and other services normally and gratuitously provided by family  
 1320 members. Family residential or custodial care shall be performed  
 1321 only at the direction and control of a physician when such care  
 1322 is medically necessary. Reasonable charges for expenses for  
 1323 family residential or custodial care provided by a family member  
 1324 shall be determined as follows:

1325 ~~(c) The award of family residential or custodial care as~~

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1326 ~~defined in this section shall not be included in the current~~  
1327 ~~estimates for purposes of s. 766.314(9)(c).~~

1328 Section 26. Paragraph (c) of subsection (9) of section  
1329 766.314, Florida Statutes, is amended to read:

1330 766.314 Assessments; plan of operation.—

1331 (9)

1332 (c) If the total of all current estimates equals or  
1333 exceeds 100 ~~80~~ percent of the funds on hand and the funds that  
1334 will become available to the association within the next 12  
1335 months from all sources described in subsection ~~subsections~~ (4)  
1336 and paragraph (5)(a) ~~(5) and paragraph (7)(a)~~, the association  
1337 may not accept any new claims without express authority from the  
1338 Legislature. ~~Nothing in~~ This section does not preclude ~~precludes~~  
1339 the association from accepting any claim if the injury occurred  
1340 18 months or more before the effective date of this suspension.  
1341 Within 30 days after the effective date of this suspension, the  
1342 association shall notify the Governor, the Speaker of the House  
1343 of Representatives, the President of the Senate, the Office of  
1344 Insurance Regulation, the Agency for Health Care Administration,  
1345 and the Department of Health of this suspension.

1346 Section 27. The Florida Birth-Related Neurological Injury  
1347 Compensation Association shall, in consultation with the Office  
1348 of Insurance Regulation and the Agency for Health Care  
1349 Administration, provide a report to the Governor, the Chief  
1350 Financial Officer, the President of the Senate, and the Speaker

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1351 of the House of Representatives by September 1, 2024, which must  
 1352 include, but is not limited to, all of the following  
 1353 recommendations for:

1354 (1) Defining actuarial soundness for the association,  
 1355 including options for phase-in, if appropriate.

1356 (2) Timing of reporting actuarial soundness and to whom it  
 1357 should be reported.

1358 (3) Ensuring a revenue level to maintain actuarial  
 1359 soundness, including options for phase-in, if appropriate.

1360 Section 28. Paragraph (h) of subsection (3) of section  
 1361 163.01, Florida Statutes, is amended to read:

1362 163.01 Florida Interlocal Cooperation Act of 1969.—

1363 (3) As used in this section:

1364 (h) "Local government liability pool" means a reciprocal  
 1365 insurer as defined in s. 629.011 ~~s. 629.021~~ or any self-  
 1366 insurance program created pursuant to s. 768.28(16), formed and  
 1367 controlled by counties or municipalities of this state to  
 1368 provide liability insurance coverage for counties,  
 1369 municipalities, or other public agencies of this state, which  
 1370 pool may contract with other parties for the purpose of  
 1371 providing claims administration, processing, accounting, and  
 1372 other administrative facilities.

1373 Section 29. Subsection (3) of section 626.9531, Florida  
 1374 Statutes, is amended to read:

1375 626.9531 Identification of insurers, agents, and insurance

ENROLLED

CS/CS/HB 1611, Engrossed 2

2024 Legislature

1376 | contracts.—

1377 |       (3) For the purposes of this section, the term "risk  
 1378 | bearing entity" means a reciprocal insurer as defined in s.  
 1379 | 629.011 ~~s. 629.021~~, a commercial self-insurance fund as defined  
 1380 | in s. 624.462, a group self-insurance fund as defined in s.  
 1381 | 624.4621, a local government self-insurance fund as defined in  
 1382 | s. 624.4622, a self-insured public utility as defined in s.  
 1383 | 624.46225, or an independent educational institution self-  
 1384 | insurance fund as defined in s. 624.4623. For the purposes of  
 1385 | this section, the term "risk bearing entity" does not include an  
 1386 | authorized insurer as defined in s. 624.09.

1387 |       Section 30. Except as otherwise expressly provided in this  
 1388 | act and except for this section, which shall take effect upon  
 1389 | becoming a law, this act shall take effect July 1, 2024.