

1 A bill to be entitled
 2 An act relating to manufactured and mobile homes;
 3 amending s. 627.351, F.S.; requiring the Citizens
 4 Property Insurance Corporation to provide coverage for
 5 mobile homes and related structures; amending s.
 6 723.06115, F.S.; specifying the procedure for
 7 requesting and obtaining funds from the Florida Mobile
 8 Home Relocation Trust Fund to pay for the operational
 9 costs of the Florida Mobile Home Relocation
 10 Corporation and the relocation costs of mobile home
 11 owners; providing an effective date.

12
 13 Be It Enacted by the Legislature of the State of Florida:

14
 15 Section 1. Paragraph (c) of subsection (6) of section
 16 627.351, Florida Statutes, is amended to read:

17 627.351 Insurance risk apportionment plans.—

18 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

20 1. Must provide for adoption of residential property and
 21 casualty insurance policy forms and commercial residential and
 22 nonresidential property insurance forms, which must be approved
 23 by the office before use. The corporation shall adopt the
 24 following policy forms:

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

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29 | b. Basic personal lines policy forms that are policies
30 | similar to an HO-8 policy or a dwelling fire policy that provide
31 | coverage meeting the requirements of the secondary mortgage
32 | market, but which is more limited than the coverage under a
33 | standard policy.

34 | c. Commercial lines residential and nonresidential policy
35 | forms that are generally similar to the basic perils of full
36 | coverage obtainable for commercial residential structures and
37 | commercial nonresidential structures in the admitted voluntary
38 | market.

39 | d. Personal lines and commercial lines residential
40 | property insurance forms that cover the peril of wind only. The
41 | forms are applicable only to residential properties located in
42 | areas eligible for coverage under the coastal account referred
43 | to in sub-subparagraph (b)2.a.

44 | e. Commercial lines nonresidential property insurance
45 | forms that cover the peril of wind only. The forms are
46 | applicable only to nonresidential properties located in areas
47 | eligible for coverage under the coastal account referred to in
48 | sub-subparagraph (b)2.a.

49 | f. The corporation may adopt variations of the policy
50 | forms listed in sub-subparagraphs a.-e. which contain more
51 | restrictive coverage.

52 | g. Effective January 1, 2013, the corporation shall offer
53 | a basic personal lines policy similar to an HO-8 policy with
54 | dwelling repair based on common construction materials and
55 | methods.

56 | 2. Must provide that the corporation adopt a program in

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57 | which the corporation and authorized insurers enter into quota
58 | share primary insurance agreements for hurricane coverage, as
59 | defined in s. 627.4025(2)(a), for eligible risks, and adopt
60 | property insurance forms for eligible risks which cover the
61 | peril of wind only.

62 | a. As used in this subsection, the term:

63 | (I) "Quota share primary insurance" means an arrangement
64 | in which the primary hurricane coverage of an eligible risk is
65 | provided in specified percentages by the corporation and an
66 | authorized insurer. The corporation and authorized insurer are
67 | each solely responsible for a specified percentage of hurricane
68 | coverage of an eligible risk as set forth in a quota share
69 | primary insurance agreement between the corporation and an
70 | authorized insurer and the insurance contract. The
71 | responsibility of the corporation or authorized insurer to pay
72 | its specified percentage of hurricane losses of an eligible
73 | risk, as set forth in the agreement, may not be altered by the
74 | inability of the other party to pay its specified percentage of
75 | losses. Eligible risks that are provided hurricane coverage
76 | through a quota share primary insurance arrangement must be
77 | provided policy forms that set forth the obligations of the
78 | corporation and authorized insurer under the arrangement,
79 | clearly specify the percentages of quota share primary insurance
80 | provided by the corporation and authorized insurer, and
81 | conspicuously and clearly state that the authorized insurer and
82 | the corporation may not be held responsible beyond their
83 | specified percentage of coverage of hurricane losses.

84 | (II) "Eligible risks" means personal lines residential and

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85 commercial lines residential risks that meet the underwriting
86 criteria of the corporation and are located in areas that were
87 eligible for coverage by the Florida Windstorm Underwriting
88 Association on January 1, 2002.

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

92 c. If the corporation determines that additional coverage
93 levels are necessary to maximize participation in quota share
94 primary insurance agreements by authorized insurers, the
95 corporation may establish additional coverage levels. However,
96 the corporation's quota share primary insurance coverage level
97 may not exceed 90 percent.

98 d. Any quota share primary insurance agreement entered
99 into between an authorized insurer and the corporation must
100 provide for a uniform specified percentage of coverage of
101 hurricane losses, by county or territory as set forth by the
102 corporation board, for all eligible risks of the authorized
103 insurer covered under the agreement.

104 e. Any quota share primary insurance agreement entered
105 into between an authorized insurer and the corporation is
106 subject to review and approval by the office. However, such
107 agreement shall be authorized only as to insurance contracts
108 entered into between an authorized insurer and an insured who is
109 already insured by the corporation for wind coverage.

110 f. For all eligible risks covered under quota share
111 primary insurance agreements, the exposure and coverage levels
112 for both the corporation and authorized insurers shall be

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113 reported by the corporation to the Florida Hurricane Catastrophe
114 Fund. For all policies of eligible risks covered under such
115 agreements, the corporation and the authorized insurer must
116 maintain complete and accurate records for the purpose of
117 exposure and loss reimbursement audits as required by fund
118 rules. The corporation and the authorized insurer shall each
119 maintain duplicate copies of policy declaration pages and
120 supporting claims documents.

121 g. The corporation board shall establish in its plan of
122 operation standards for quota share agreements which ensure that
123 there is no discriminatory application among insurers as to the
124 terms of the agreements, pricing of the agreements, incentive
125 provisions if any, and consideration paid for servicing policies
126 or adjusting claims.

127 h. The quota share primary insurance agreement between the
128 corporation and an authorized insurer must set forth the
129 specific terms under which coverage is provided, including, but
130 not limited to, the sale and servicing of policies issued under
131 the agreement by the insurance agent of the authorized insurer
132 producing the business, the reporting of information concerning
133 eligible risks, the payment of premium to the corporation, and
134 arrangements for the adjustment and payment of hurricane claims
135 incurred on eligible risks by the claims adjuster and personnel
136 of the authorized insurer. Entering into a quota sharing
137 insurance agreement between the corporation and an authorized
138 insurer is voluntary and at the discretion of the authorized
139 insurer.

140 3.a. May provide that the corporation may employ or

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141 otherwise contract with individuals or other entities to provide
142 administrative or professional services that may be appropriate
143 to effectuate the plan. The corporation may borrow funds by
144 issuing bonds or by incurring other indebtedness, and shall have
145 other powers reasonably necessary to effectuate the requirements
146 of this subsection, including, without limitation, the power to
147 issue bonds and incur other indebtedness in order to refinance
148 outstanding bonds or other indebtedness. The corporation may
149 seek judicial validation of its bonds or other indebtedness
150 under chapter 75. The corporation may issue bonds or incur other
151 indebtedness, or have bonds issued on its behalf by a unit of
152 local government pursuant to subparagraph (q)2. in the absence
153 of a hurricane or other weather-related event, upon a
154 determination by the corporation, subject to approval by the
155 office, that such action would enable it to efficiently meet the
156 financial obligations of the corporation and that such
157 financings are reasonably necessary to effectuate the
158 requirements of this subsection. The corporation may take all
159 actions needed to facilitate tax-free status for such bonds or
160 indebtedness, including formation of trusts or other affiliated
161 entities. The corporation may pledge assessments, projected
162 recoveries from the Florida Hurricane Catastrophe Fund, other
163 reinsurance recoverables, policyholder surcharges and other
164 surcharges, and other funds available to the corporation as
165 security for bonds or other indebtedness. In recognition of s.
166 10, Art. I of the State Constitution, prohibiting the impairment
167 of obligations of contracts, it is the intent of the Legislature
168 that no action be taken whose purpose is to impair any bond

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169 indenture or financing agreement or any revenue source committed
170 by contract to such bond or other indebtedness.

171 b. To ensure that the corporation is operating in an
172 efficient and economic manner while providing quality service to
173 policyholders, applicants, and agents, the board shall
174 commission an independent third-party consultant having
175 expertise in insurance company management or insurance company
176 management consulting to prepare a report and make
177 recommendations on the relative costs and benefits of
178 outsourcing various policy issuance and service functions to
179 private servicing carriers or entities performing similar
180 functions in the private market for a fee, rather than
181 performing such functions in-house. In making such
182 recommendations, the consultant shall consider how other
183 residual markets, both in this state and around the country,
184 outsource appropriate functions or use servicing carriers to
185 better match expenses with revenues that fluctuate based on a
186 widely varying policy count. The report must be completed by
187 July 1, 2012. Upon receiving the report, the board shall develop
188 a plan to implement the report and submit the plan for review,
189 modification, and approval to the Financial Services Commission.
190 Upon the commission's approval of the plan, the board shall
191 begin implementing the plan by January 1, 2013.

192 4. Must require that the corporation operate subject to
193 the supervision and approval of a board of governors consisting
194 of eight individuals who are residents of this state, from
195 different geographical areas of this state.

196 a. The Governor, the Chief Financial Officer, the

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197 President of the Senate, and the Speaker of the House of
198 Representatives shall each appoint two members of the board. At
199 least one of the two members appointed by each appointing
200 officer must have demonstrated expertise in insurance and ~~is~~
201 deemed to be within the scope of the exemption provided in s.
202 112.313(7)(b). The Chief Financial Officer shall designate one
203 of the appointees as chair. All board members serve at the
204 pleasure of the appointing officer. All members of the board are
205 subject to removal at will by the officers who appointed them.
206 All board members, including the chair, must be appointed to
207 serve for 3-year terms beginning annually on a date designated
208 by the plan. However, for the first term beginning on or after
209 July 1, 2009, each appointing officer shall appoint one member
210 of the board for a 2-year term and one member for a 3-year term.
211 A board vacancy shall be filled for the unexpired term by the
212 appointing officer. The Chief Financial Officer shall appoint a
213 technical advisory group to provide information and advice to
214 the board in connection with the board's duties under this
215 subsection. The executive director and senior managers of the
216 corporation shall be engaged by the board and serve at the
217 pleasure of the board. Any executive director appointed on or
218 after July 1, 2006, is subject to confirmation by the Senate.
219 The executive director is responsible for employing other staff
220 as the corporation may require, subject to review and
221 concurrence by the board.

222 b. The board shall create a Market Accountability Advisory
223 Committee to assist the corporation in developing awareness of
224 its rates and its customer and agent service levels in

225 | relationship to the voluntary market insurers writing similar
 226 | coverage.

227 | (I) The members of the advisory committee consist of the
 228 | following 11 persons, one of whom must be elected chair by the
 229 | members of the committee: four representatives, one appointed by
 230 | the Florida Association of Insurance Agents, one by the Florida
 231 | Association of Insurance and Financial Advisors, one by the
 232 | Professional Insurance Agents of Florida, and one by the Latin
 233 | American Association of Insurance Agencies; three
 234 | representatives appointed by the insurers with the three highest
 235 | voluntary market share of residential property insurance
 236 | business in the state; one representative from the Office of
 237 | Insurance Regulation; one consumer appointed by the board who is
 238 | insured by the corporation at the time of appointment to the
 239 | committee; one representative appointed by the Florida
 240 | Association of Realtors; and one representative appointed by the
 241 | Florida Bankers Association. All members shall be appointed to
 242 | 3-year terms and may serve for consecutive terms.

243 | (II) The committee shall report to the corporation at each
 244 | board meeting on insurance market issues which may include rates
 245 | and rate competition with the voluntary market; service,
 246 | including policy issuance, claims processing, and general
 247 | responsiveness to policyholders, applicants, and agents; and
 248 | matters relating to depopulation.

249 | 5. Must provide a procedure for determining the
 250 | eligibility of a risk for coverage, as follows:

251 | a. Subject to s. 627.3517, with respect to personal lines
 252 | residential risks, if the risk is offered coverage from an

253 | authorized insurer at the insurer's approved rate under a
254 | standard policy including wind coverage or, if consistent with
255 | the insurer's underwriting rules as filed with the office, a
256 | basic policy including wind coverage, for a new application to
257 | the corporation for coverage, the risk is not eligible for any
258 | policy issued by the corporation unless the premium for coverage
259 | from the authorized insurer is more than 15 percent greater than
260 | the premium for comparable coverage from the corporation. If the
261 | risk is not able to obtain such offer, the risk is eligible for
262 | a standard policy including wind coverage or a basic policy
263 | including wind coverage issued by the corporation; however, if
264 | the risk could not be insured under a standard policy including
265 | wind coverage regardless of market conditions, the risk is
266 | eligible for a basic policy including wind coverage unless
267 | rejected under subparagraph 8. However, a policyholder of the
268 | corporation or a policyholder removed from the corporation
269 | through an assumption agreement until the end of the assumption
270 | period remains eligible for coverage from the corporation
271 | regardless of any offer of coverage from an authorized insurer
272 | or surplus lines insurer. The corporation shall determine the
273 | type of policy to be provided on the basis of objective
274 | standards specified in the underwriting manual and based on
275 | generally accepted underwriting practices.

276 | (I) If the risk accepts an offer of coverage through the
277 | market assistance plan or through a mechanism established by the
278 | corporation before a policy is issued to the risk by the
279 | corporation or during the first 30 days of coverage by the
280 | corporation, and the producing agent who submitted the

281 application to the plan or to the corporation is not currently
 282 appointed by the insurer, the insurer shall:

283 (A) Pay to the producing agent of record of the policy for
 284 the first year, an amount that is the greater of the insurer's
 285 usual and customary commission for the type of policy written or
 286 a fee equal to the usual and customary commission of the
 287 corporation; or

288 (B) Offer to allow the producing agent of record of the
 289 policy to continue servicing the policy for at least 1 year and
 290 offer to pay the agent the greater of the insurer's or the
 291 corporation's usual and customary commission for the type of
 292 policy written.

293
 294 If the producing agent is unwilling or unable to accept
 295 appointment, the new insurer shall pay the agent in accordance
 296 with sub-sub-sub-subparagraph (A).

297 (II) If the corporation enters into a contractual
 298 agreement for a take-out plan, the producing agent of record of
 299 the corporation policy is entitled to retain any unearned
 300 commission on the policy, and the insurer shall:

301 (A) Pay to the producing agent of record, for the first
 302 year, an amount that is the greater of the insurer's usual and
 303 customary commission for the type of policy written or a fee
 304 equal to the usual and customary commission of the corporation;
 305 or

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

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

310

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

314 b. With respect to commercial lines residential risks, for
315 a new application to the corporation for coverage, if the risk
316 is offered coverage under a policy including wind coverage from
317 an authorized insurer at its approved rate, the risk is not
318 eligible for a policy issued by the corporation unless the
319 premium for coverage from the authorized insurer is more than 15
320 percent greater than the premium for comparable coverage from
321 the corporation. If the risk is not able to obtain any such
322 offer, the risk is eligible for a policy including wind coverage
323 issued by the corporation. However, a policyholder of the
324 corporation or a policyholder removed from the corporation
325 through an assumption agreement until the end of the assumption
326 period remains eligible for coverage from the corporation
327 regardless of an offer of coverage from an authorized insurer or
328 surplus lines insurer.

329 (I) If the risk accepts an offer of coverage through the
330 market assistance plan or through a mechanism established by the
331 corporation before a policy is issued to the risk by the
332 corporation or during the first 30 days of coverage by the
333 corporation, and the producing agent who submitted the
334 application to the plan or the corporation is not currently
335 appointed by the insurer, the insurer shall:

336 (A) Pay to the producing agent of record of the policy,

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337 for the first year, an amount that is the greater of the
338 insurer's usual and customary commission for the type of policy
339 written or a fee equal to the usual and customary commission of
340 the corporation; or

341 (B) Offer to allow the producing agent of record of the
342 policy to continue servicing the policy for at least 1 year and
343 offer to pay the agent the greater of the insurer's or the
344 corporation's usual and customary commission for the type of
345 policy written.

346

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

350 (II) If the corporation enters into a contractual
351 agreement for a take-out plan, the producing agent of record of
352 the corporation policy is entitled to retain any unearned
353 commission on the policy, and the insurer shall:

354 (A) Pay to the producing agent of record, for the first
355 year, an amount that is the greater of the insurer's usual and
356 customary commission for the type of policy written or a fee
357 equal to the usual and customary commission of the corporation;
358 or

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

363

364 If the producing agent is unwilling or unable to accept

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

367 | c. For purposes of determining comparable coverage under
368 | sub-subparagraphs a. and b., the comparison must be based on
369 | those forms and coverages that are reasonably comparable. The
370 | corporation may rely on a determination of comparable coverage
371 | and premium made by the producing agent who submits the
372 | application to the corporation, made in the agent's capacity as
373 | the corporation's agent. A comparison may be made solely of the
374 | premium with respect to the main building or structure only on
375 | the following basis: the same coverage A or other building
376 | limits; the same percentage hurricane deductible that applies on
377 | an annual basis or that applies to each hurricane for commercial
378 | residential property; the same percentage of ordinance and law
379 | coverage, if the same limit is offered by both the corporation
380 | and the authorized insurer; the same mitigation credits, to the
381 | extent the same types of credits are offered both by the
382 | corporation and the authorized insurer; the same method for loss
383 | payment, such as replacement cost or actual cash value, if the
384 | same method is offered both by the corporation and the
385 | authorized insurer in accordance with underwriting rules; and
386 | any other form or coverage that is reasonably comparable as
387 | determined by the board. If an application is submitted to the
388 | corporation for wind-only coverage in the coastal account, the
389 | premium for the corporation's wind-only policy plus the premium
390 | for the ex-wind policy that is offered by an authorized insurer
391 | to the applicant must be compared to the premium for multiperil
392 | coverage offered by an authorized insurer, subject to the

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393 standards for comparison specified in this subparagraph. If the
394 corporation or the applicant requests from the authorized
395 insurer a breakdown of the premium of the offer by types of
396 coverage so that a comparison may be made by the corporation or
397 its agent and the authorized insurer refuses or is unable to
398 provide such information, the corporation may treat the offer as
399 not being an offer of coverage from an authorized insurer at the
400 insurer's approved rate.

401 6. Must include rules for classifications of risks and
402 rates.

403 7. Must provide that if premium and investment income for
404 an account attributable to a particular calendar year are in
405 excess of projected losses and expenses for the account
406 attributable to that year, such excess shall be held in surplus
407 in the account. Such surplus must be available to defray
408 deficits in that account as to future years and used for that
409 purpose before assessing assessable insurers and assessable
410 insureds as to any calendar year.

411 8. Must provide objective criteria and procedures to be
412 uniformly applied to all applicants in determining whether an
413 individual risk is so hazardous as to be uninsurable. In making
414 this determination and in establishing the criteria and
415 procedures, the following must be considered:

416 a. Whether the likelihood of a loss for the individual
417 risk is substantially higher than for other risks of the same
418 class; and

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

421
422 The acceptance or rejection of a risk by the corporation shall
423 be construed as the private placement of insurance, and the
424 provisions of chapter 120 do not apply.

425 9. Must provide that the corporation make its best efforts
426 to procure catastrophe reinsurance at reasonable rates, to cover
427 its projected 100-year probable maximum loss as determined by
428 the board of governors.

429 10. The policies issued by the corporation must provide
430 that if the corporation or the market assistance plan obtains an
431 offer from an authorized insurer to cover the risk at its
432 approved rates, the risk is no longer eligible for renewal
433 through the corporation, except as otherwise provided in this
434 subsection.

435 11. Corporation policies and applications must include a
436 notice that the corporation policy could, under this section, be
437 replaced with a policy issued by an authorized insurer which
438 does not provide coverage identical to the coverage provided by
439 the corporation. The notice must also specify that acceptance of
440 corporation coverage creates a conclusive presumption that the
441 applicant or policyholder is aware of this potential.

442 12. May establish, subject to approval by the office,
443 different eligibility requirements and operational procedures
444 for any line or type of coverage for any specified county or
445 area if the board determines that such changes are justified due
446 to the voluntary market being sufficiently stable and
447 competitive in such area or for such line or type of coverage
448 and that consumers who, in good faith, are unable to obtain

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449 insurance through the voluntary market through ordinary methods
450 continue to have access to coverage from the corporation. If
451 coverage is sought in connection with a real property transfer,
452 the requirements and procedures may not provide an effective
453 date of coverage later than the date of the closing of the
454 transfer as established by the transferor, the transferee, and,
455 if applicable, the lender.

456 13. Must provide that, with respect to the coastal
457 account, any assessable insurer with a surplus as to
458 policyholders of \$25 million or less writing 25 percent or more
459 of its total countrywide property insurance premiums in this
460 state may petition the office, within the first 90 days of each
461 calendar year, to qualify as a limited apportionment company. A
462 regular assessment levied by the corporation on a limited
463 apportionment company for a deficit incurred by the corporation
464 for the coastal account may be paid to the corporation on a
465 monthly basis as the assessments are collected by the limited
466 apportionment company from its insureds, but a limited
467 apportionment company must begin collecting the regular
468 assessments not later than 90 days after the regular assessments
469 are levied by the corporation, and the regular assessments must
470 be paid in full within 15 months after being levied by the
471 corporation. A limited apportionment company shall collect from
472 its policyholders any emergency assessment imposed under sub-
473 subparagraph (b)3.d. The plan must provide that, if the office
474 determines that any regular assessment will result in an
475 impairment of the surplus of a limited apportionment company,
476 the office may direct that all or part of such assessment be

477 deferred as provided in subparagraph (q)4. However, an emergency
 478 assessment to be collected from policyholders under sub-
 479 subparagraph (b)3.d. may not be limited or deferred.

480 14. Must provide that the corporation appoint as its
 481 licensed agents only those agents who also hold an appointment
 482 as defined in s. 626.015(3) with an insurer who at the time of
 483 the agent's initial appointment by the corporation is authorized
 484 to write and is actually writing personal lines residential
 485 property coverage, commercial residential property coverage, or
 486 commercial nonresidential property coverage within the state.

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

491 16. Must provide coverage for manufactured or mobile home
 492 dwellings. The coverage must include coverage for the following
 493 structures whether attached to the dwelling or not: ~~limit~~
 494 ~~coverage on mobile homes or manufactured homes built before 1994~~
 495 ~~to actual cash value of the dwelling rather than replacement~~
 496 ~~costs of the dwelling.~~

497 a. Screened or glassed enclosures, irrespective of type of
 498 material used for the enclosure or for its roof;

499 b. Carports, irrespective of type of material used for the
 500 carport or for its roof;

501 c. Patios, irrespective of type of material used for the
 502 patio or for its roof;

503 d. Awnings, irrespective of type of material used for the
 504 awning;

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505 e. Decks, irrespective of type of material used for the
506 deck or for its roof; and

507 f. Storage rooms or areas, irrespective of type of
508 material used for the storage room or area.

509
510 The corporation shall insure the manufactured or mobile home
511 dwelling and other structures for the value specified in a
512 contract for sale dated within the previous 12 months, or, if
513 there is no contract, for the value set forth in an appraisal
514 submitted by the policyholder. The corporation shall insure each
515 manufactured or mobile home dwelling and other structures
516 regardless of value.

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

519 18. May require commercial property to meet specified
520 hurricane mitigation construction features as a condition of
521 eligibility for coverage.

522 19. Must provide that new or renewal policies issued by
523 the corporation on or after January 1, 2012, which cover
524 sinkhole loss do not include coverage for any loss to
525 appurtenant structures, driveways, sidewalks, decks, or patios
526 that are directly or indirectly caused by sinkhole activity. The
527 corporation shall exclude such coverage using a notice of
528 coverage change, which may be included with the policy renewal,
529 and not by issuance of a notice of nonrenewal of the excluded
530 coverage upon renewal of the current policy.

531 20. As of January 1, 2012, must require that the agent
532 obtain from an applicant for coverage from the corporation an

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533 acknowledgment signed by the applicant, which includes, at a
534 minimum, the following statement:

535
536 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
537 AND ASSESSMENT LIABILITY:

538
539 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
540 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
541 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
542 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
543 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
544 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
545 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
546 LEGISLATURE.

547 2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
548 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
549 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
550 FLORIDA LEGISLATURE.

551 3. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
552 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
553 STATE OF FLORIDA.

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

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

561 policyholder of the corporation.

562 Section 2. Section 723.06115, Florida Statutes, is amended
563 to read:

564 723.06115 Florida Mobile Home Relocation Trust Fund.—

565 (1) The Florida Mobile Home Relocation Trust Fund There is
566 established within the Department of Business and Professional
567 Regulation. ~~The Florida Mobile Home Relocation trust fund is,~~ to
568 be used to fund ~~by the department for the purpose of funding~~ the
569 administration and operations of the Florida Mobile Home
570 Relocation Corporation. All interest earned from the investment
571 or deposit of moneys in the trust fund shall be deposited in the
572 trust fund. The trust fund shall be funded from ~~the~~ moneys
573 collected by the corporation ~~department under s. 723.06116~~ from
574 mobile home park owners under s. 723.06116, ~~who change the use~~
575 ~~of their mobile home parks;~~ the surcharge collected by the
576 department under s. 723.007(2), ~~+~~ the surcharge collected by the
577 Department of Highway Safety and Motor Vehicles, ~~+~~ and from ~~by~~
578 other appropriated funds.

579 (2) Moneys in the Florida Mobile Home Relocation Trust
580 Fund may be expended only:

581 (a) To pay the administration costs of the Florida Mobile
582 Home Relocation Corporation; and

583 (b) To carry out the purposes and objectives of the
584 ~~Florida Mobile Home Relocation~~ corporation by making payments to
585 mobile home owners under the relocation program.

586 (3) The department shall distribute moneys in the Florida
587 Mobile Home Relocation Trust Fund to the Florida Mobile Home
588 Relocation Corporation in accordance with the following:

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589 (a) At the beginning of each fiscal year, the corporation
590 shall determine its operational costs for the fiscal year and
591 set forth that amount to the department in writing. The
592 department shall distribute that amount to the corporation
593 within 2 business days after receipt of the written statement.
594 Throughout the fiscal year, the corporation may seek additional
595 funds in writing for administration and operational costs based
596 on need as determined by the corporation and the department
597 shall distribute these funds within 2 business days after
598 receipt of the written statement. The corporation may place
599 these funds in a noninterest bearing checking account; and

600 (b) As it deems necessary, the corporation shall set forth
601 to the department in writing the amount needed to make payments
602 to mobile home owners under the relocation program. The
603 department shall distribute that amount to the corporation
604 within 2 business days after receipt of the written statement.
605 The corporation may place these funds in a non-interest-bearing
606 checking account.

607 (4) Other than the requirements specified by this section,
608 neither the corporation nor the department are required to take
609 any other action as a prerequisite to the distribution of trust
610 funds to the corporation.

611 Section 3. This act shall take effect upon becoming a law.