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CS/CS/CS/HB 573

2013 Legislature

1  
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 manufactured homes and related  
6 structures for a specified minimum insured value;  
7 amending s. 723.06115, F.S.; specifying the procedure  
8 for requesting and obtaining funds from the Florida  
9 Mobile Home Relocation Trust Fund to pay for the  
10 operational costs of the Florida Mobile Home  
11 Relocation Corporation and the relocation costs of  
12 mobile home owners; providing an effective date.

13  
14 Be It Enacted by the Legislature of the State of Florida:  
15

16 Section 1. Paragraph (c) of subsection (6) of section  
17 627.351, Florida Statutes, is amended to read:

18 627.351 Insurance risk apportionment plans.—

19 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

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

26 a. Standard personal lines policy forms that are  
27 comprehensive multiperil policies providing full coverage of a  
28 residential property equivalent to the coverage provided in the

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29 private insurance market under an HO-3, HO-4, or HO-6 policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

111 f. For all eligible risks covered under quota share  
112 primary insurance agreements, the exposure and coverage levels

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

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

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

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141           3.a. May provide that the corporation may employ or  
142 otherwise contract with individuals or other entities to provide  
143 administrative or professional services that may be appropriate  
144 to effectuate the plan. The corporation may borrow funds by  
145 issuing bonds or by incurring other indebtedness, and shall have  
146 other powers reasonably necessary to effectuate the requirements  
147 of this subsection, including, without limitation, the power to  
148 issue bonds and incur other indebtedness in order to refinance  
149 outstanding bonds or other indebtedness. The corporation may  
150 seek judicial validation of its bonds or other indebtedness  
151 under chapter 75. The corporation may issue bonds or incur other  
152 indebtedness, or have bonds issued on its behalf by a unit of  
153 local government pursuant to subparagraph (q)2. in the absence  
154 of a hurricane or other weather-related event, upon a  
155 determination by the corporation, subject to approval by the  
156 office, that such action would enable it to efficiently meet the  
157 financial obligations of the corporation and that such  
158 financings are reasonably necessary to effectuate the  
159 requirements of this subsection. The corporation may take all  
160 actions needed to facilitate tax-free status for such bonds or  
161 indebtedness, including formation of trusts or other affiliated  
162 entities. The corporation may pledge assessments, projected  
163 recoveries from the Florida Hurricane Catastrophe Fund, other  
164 reinsurance recoverables, policyholder surcharges and other  
165 surcharges, and other funds available to the corporation as  
166 security for bonds or other indebtedness. In recognition of s.  
167 10, Art. I of the State Constitution, prohibiting the impairment  
168 of obligations of contracts, it is the intent of the Legislature

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169 | that no action be taken whose purpose is to impair any bond  
170 | indenture or financing agreement or any revenue source committed  
171 | by contract to such bond or other indebtedness.

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

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

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

223 b. The board shall create a Market Accountability Advisory  
224 Committee to assist the corporation in developing awareness of



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225 its rates and its customer and agent service levels in  
226 relationship to the voluntary market insurers writing similar  
227 coverage.

228 (I) The members of the advisory committee consist of the  
229 following 11 persons, one of whom must be elected chair by the  
230 members of the committee: four representatives, one appointed by  
231 the Florida Association of Insurance Agents, one by the Florida  
232 Association of Insurance and Financial Advisors, one by the  
233 Professional Insurance Agents of Florida, and one by the Latin  
234 American Association of Insurance Agencies; three  
235 representatives appointed by the insurers with the three highest  
236 voluntary market share of residential property insurance  
237 business in the state; one representative from the Office of  
238 Insurance Regulation; one consumer appointed by the board who is  
239 insured by the corporation at the time of appointment to the  
240 committee; one representative appointed by the Florida  
241 Association of Realtors; and one representative appointed by the  
242 Florida Bankers Association. All members shall be appointed to  
243 3-year terms and may serve for consecutive terms.

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

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

252 a. Subject to s. 627.3517, with respect to personal lines

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

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

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281 corporation, and the producing agent who submitted the  
282 application to the plan or to the corporation is not currently  
283 appointed by the insurer, the insurer shall:

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

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

294

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

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

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

307 (B) Offer to allow the producing agent of record to  
308 continue servicing the policy for at least 1 year and offer to

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309 | pay the agent the greater of the insurer's or the corporation's  
310 | usual and customary commission for the type of policy written.

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

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

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

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

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

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

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

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

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

364

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

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

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

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

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

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

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

420             b. Whether the uncertainty associated with the individual

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421 risk is such that an appropriate premium cannot be determined.

422

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

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

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

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

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



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

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

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477 the office may direct that all or part of such assessment be  
478 deferred as provided in subparagraph (q)4. However, an emergency  
479 assessment to be collected from policyholders under sub-  
480 subparagraph (b)3.d. may not be limited or deferred.

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

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

492 16. Must limit coverage on mobile homes or manufactured  
493 homes built before 1994 to actual cash value of the dwelling  
494 rather than replacement costs of the dwelling.

495 17. Must provide coverage for manufactured or mobile home  
496 dwelling. Such coverage must also include the following  
497 attached structures:

498 a. Screened enclosures that are aluminum framed or  
499 screened enclosures that are not covered by the same or  
500 substantially the same materials as those of the primary  
501 dwelling;

502 b. Carports that are aluminum or carports that are not  
503 covered by the same or substantially the same materials as those  
504 of the primary dwelling; and

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505 c. Patios that have a roof covering that is constructed of  
506 materials that are not the same or substantially the same  
507 materials as those of the primary dwelling.

508  
509 The corporation shall make available a policy for mobile homes  
510 or manufactured homes for a minimum insured value of at least  
511 \$3,000.

512 ~~18.17.~~ May provide such limits of coverage as the board  
513 determines, consistent with the requirements of this subsection.

514 ~~19.18.~~ May require commercial property to meet specified  
515 hurricane mitigation construction features as a condition of  
516 eligibility for coverage.

517 ~~20.19.~~ Must provide that new or renewal policies issued by  
518 the corporation on or after January 1, 2012, which cover  
519 sinkhole loss do not include coverage for any loss to  
520 appurtenant structures, driveways, sidewalks, decks, or patios  
521 that are directly or indirectly caused by sinkhole activity. The  
522 corporation shall exclude such coverage using a notice of  
523 coverage change, which may be included with the policy renewal,  
524 and not by issuance of a notice of nonrenewal of the excluded  
525 coverage upon renewal of the current policy.

526 ~~21.20.~~ As of January 1, 2012, must require that the agent  
527 obtain from an applicant for coverage from the corporation an  
528 acknowledgment signed by the applicant, which includes, at a  
529 minimum, the following statement:

530  
531 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE  
532 AND ASSESSMENT LIABILITY:

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533  
534 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
535 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
536 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
537 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
538 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE  
539 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT  
540 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
541 LEGISLATURE.

542 2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
543 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
544 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
545 FLORIDA LEGISLATURE.

546 3. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE  
547 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
548 STATE OF FLORIDA.

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

553 b. The signed acknowledgment form creates a conclusive  
554 presumption that the policyholder understood and accepted his or  
555 her potential surcharge and assessment liability as a  
556 policyholder of the corporation.

557 Section 2. Section 723.06115, Florida Statutes, is amended  
558 to read:

559 723.06115 Florida Mobile Home Relocation Trust Fund.—

560 (1) The Florida Mobile Home Relocation Trust Fund ~~There is~~

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

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

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

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

581 (3) The department shall distribute moneys in the Florida  
 582 Mobile Home Relocation Trust Fund to the Florida Mobile Home  
 583 Relocation Corporation in accordance with the following:

584 (a) Before the beginning of each fiscal year, the  
 585 corporation shall submit its annual operating budget, as  
 586 approved by the corporation board, for the fiscal year and set  
 587 forth that amount to the department in writing. One-fourth of  
 588 the operating budget shall be transferred to the corporation

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589 each quarter. The department shall make the first one-fourth  
590 quarter transfer on the first business day of the fiscal year  
591 and make the remaining one-fourth quarter transfers before the  
592 second business day of the second, third, and fourth quarters.  
593 The corporation board may approve changes to the operational  
594 budget for a fiscal year by providing written notification of  
595 such changes to the department. The written notification must  
596 indicate the changes to the operational budget and the  
597 conditions that were unforeseen at the time the corporation  
598 developed the operational budget and why the changes are  
599 essential in order to continue operation of the corporation.

600 (b) The corporation shall periodically submit requests to  
601 the department for the transfer of funds to the corporation  
602 needed to make payments to mobile home owners under the  
603 relocation program. Requests must include documentation  
604 indicating the amount of funds needed, the name and location of  
605 the mobile home park, the number of approved applications for  
606 moving expenses or abandonment allowance, and summary  
607 information specifying the number and type, single-section or  
608 multisection, of homes moved or abandoned. The department shall  
609 process requests that include such documentation, subject to the  
610 availability of sufficient funds within the trust fund, within 5  
611 business days after receipt of the request. Transfer requests  
612 may be submitted electronically.

613 (c) Funds transferred from the trust fund to the  
614 corporation shall be transferred electronically and shall be  
615 transferred to and maintained in a qualified public depository  
616 as defined in s. 280.02 which is specified by the corporation.

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617           (4) Other than the requirements specified under this  
618 section, neither the corporation nor the department are required  
619 to take any other action as a prerequisite to accomplishing the  
620 provisions of this section.

621           (5) This section does not preclude department inspection  
622 of corporation records 5 business days after receipt of written  
623 notice.

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