An act relating to insurance; amending s. 624.3161, F.S.; revising the entities for which the Office of Insurance Regulation is required to conduct market conduct examinations; amending s. 624.424, F.S.; requiring insurers and insurer groups to file a specified supplemental report on a monthly basis; requiring that such report include certain information for each zip code; amending s. 624.4305, F.S.; authorizing the Financial Services Commission to adopt rules relating to notice of nonrenewal of residential property insurance policies; amending s. 624.46226, F.S.; revising the requirements for public housing authority self-insurance funds; amending s. 626.9201, F.S.; prohibiting insurers from canceling and nonrenewing policies covering dwellings and residential properties damaged as a result hurricanes or wind losses within certain timeframes; providing exceptions to prohibitions against insurers’ policy cancellations and nonrenewals within certain timeframes under certain circumstances; providing construction; authorizing the Financial Services Commission to adopt rules and the Commissioner of Insurance Regulation to issue orders; amending s. 627.062, F.S.; specifying requirements for rate filings if certain models are used; amending s. 627.351, F.S.; revising requirements for certain policies issued by Citizens Property Insurance Corporation which are not subject to certain rate increase limitations; amending s. 627.4133, F.S.; prohibiting eligible surplus lines insurers from canceling and nonrenewing policies covering dwellings and residential properties damaged by covered perils within certain timeframes; revising circumstances and timeframes under which authorized insurers are prohibited from canceling and nonrenewing policies covering dwellings and residential properties damaged by covered perils within certain timeframes; providing exceptions to such prohibitions against eligible surplus lines insurers within certain timeframes; revising exceptions to such prohibitions against authorized insurers within certain timeframes; revising conditions under which a structure is deemed to be repaired; revising the definition of the term “insurer” to include eligible surplus lines insurers; defining the term “damage”; authorizing the commissioner to issue orders under certain circumstances; providing applicability; amending s. 627.7011, F.S.; revising the definition of the term “authorized inspector” to include licensed roofing contractors for the purpose of homeowners’ insurance policies; amending ss. 628.011 and 628.061, F.S.; conforming provisions to changes made by the act; amending s. 628.801, F.S.; revising requirements for rules adopted for insurers that are members of an insurance holding company; deleting an obsolete date; authorizing the office to adopt rules; amending s. 629.011, F.S.; defining terms; repealing s. 629.021, F.S., relating to the definition of the term “reciprocal insurer”; repealing s. 629.061, F.S., relating to attorney; amending s. 629.081, F.S.; revising the procedure for persons to organize as a domestic reciprocal
insurer; specifying requirements for the permit application; requiring that the application be accompanied by a specified fee; requiring that the office evaluate and grant or deny the permit application in accordance with specified provisions; removing the requirement that a specified declaration be acknowledged by an attorney; amending s. 629.091, F.S.; providing requirements for the application for a certificate of authority to operate as a domestic reciprocal insurer; requiring the office to grant the authorization for reciprocal insurers to issue nonassessable policies under certain circumstances; requiring that certificates of authority be issued in the name of the reciprocal insurer to its attorney in fact; creating s. 629.094, F.S.; requiring a domestic reciprocal insurer to meet certain requirements to maintain its eligibility for a certificate of authority; amending s. 629.101, F.S.; revising requirements for the power of attorney given by subscribers of a domestic reciprocal insurer to the attorney in fact; conforming provisions to changes made by the act; creating s. 629.225, F.S.; prohibiting persons from acquiring certain securities or ownership interests of certain attorneys in fact and controlling companies of certain attorneys in fact; providing an exception; authorizing certain persons to request that the office waive certain requirements; providing that the office may waive certain requirements if specified determinations are made; specifying the requirements of an application to the office relating to certain acquisitions; requiring that such application be accompanied by a specified fee; requiring that amendments be filed with the office under certain circumstances; specifying the manner in which the acquisition application must be reviewed; authorizing the office, and requiring the office if a request for a proceeding is filed, to conduct a proceeding within a specified timeframe to consider the appropriateness of such application; requiring that certain time periods be tolled; requiring that written requests for a proceeding be filed within a certain timeframe; authorizing certain persons to take all steps to conclude the acquisition during the pendency of the proceeding or review period; requiring the office to order a proposed acquisition disapproved and that actions to conclude the acquisition be ceased under certain circumstances; prohibiting certain persons from making certain changes during the pendency of the office’s review of an acquisition; providing an exception; defining the terms “material change in the operation of the attorney in fact” and “material change in the management of the attorney in fact”; requiring the office to approve or disapprove certain changes upon making certain findings; requiring that a proceeding be conducted within a certain timeframe; requiring that recommended orders and final orders be issued within a certain timeframe; specifying the circumstances under which the office may disapprove an acquisition; specifying that certain persons have the burden of proof; requiring the office to approve an acquisition upon certain findings; specifying that certain votes are not valid and that certain acquisitions are void; specifying that certain provisions may be enforced by an injunction; creating a private right of action in favor of the attorney in fact or the controlling company to enforce certain provisions; providing that a certain demand upon the office is not required before certain legal actions; providing that the office is not a necessary party to certain actions;

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specifying the persons who are deemed designated for service of process and who have submitted to the administrative jurisdiction of the office; providing that approval by the office does not constitute a certain recommendation; providing that certain actions are unlawful; providing criminal penalties; providing a statute of limitations; authorizing a person to rebut a presumption of control by filing certain disclaimers; specifying the contents of such disclaimer; specifying that, after a disclaimer is filed, the attorney in fact is relieved of a certain duty; authorizing the office to order certain persons to cease acquisition of the attorney in fact or controlling company and divest themselves of any stock or ownership interest under certain circumstances; requiring the office to suspend or revoke the reciprocal certificate of authority under certain circumstances; specifying that the attorney in fact is deemed to be hazardous to its policyholders if the reciprocal insurer is subject to suspension or revocation; authorizing the office to offer the reciprocal insurer the ability to cure any suspension or revocation under certain circumstances; providing applicability; creating s. 629.227, F.S.; specifying the information as to the background and identity of certain persons which must be furnished by such persons; creating s. 629.229, F.S.; prohibiting certain persons from serving in specified positions of reciprocal insurers or insurers under certain circumstances; amending s. 629.261, F.S.; removing provisions relating to certain authorizations for reciprocal insurers; prohibiting reciprocal insurers from issuing or renewing nonassessable policies or converting assessable policies to nonassessable policies under certain circumstances; providing applicability; amending s. 629.291, F.S.; providing that certain insurers that merge are governed by the insurance code; prohibiting domestic stock insurers from converting to reciprocal insurers; requiring that specified plans be filed with the office and that such plans contain certain information; authorizing the conversion of assessable reciprocal insurers to nonassessable reciprocal insurers under certain circumstances; providing certain procedures when certain reciprocal insurers convert; authorizing reciprocal insurers to issue contingent liability policies in another state under certain circumstances; creating s. 629.525, F.S.; requiring the commission to adopt, amend, or repeal certain rules; amending s. 766.302, F.S.; revising the manner in which reasonable charges for expenses for family residential or custodial care are determined; amending s. 766.314, F.S.; revising the prohibition relating to the Florida Birth-Related Neurological Injury Compensation Plan accepting new claims; requiring the Florida Birth-Related Neurological Injury Compensation Association, in consultation with specified entities, to submit, by a specified date, a specified report to the Governor, the Chief Financial Officer, and the Legislature; specifying requirements for the report; amending ss. 163.01 and 626.9531, F.S.; conforming provisions to changes made by the act; providing effective dates.

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

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

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624.3161 Market conduct examinations.—

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

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

624.424 Annual statement and other information.—

(10)(a) By January 1, 2025, and each month thereafter, each insurer or insurer group doing business in this state shall file on a monthly quarterly basis in conjunction with financial reports required by paragraph (1)(a) a supplemental report on an individual and group basis on a form prescribed by the commission with information on personal lines and commercial lines residential property insurance policies in this state. The supplemental report must shall include separate information for personal lines property policies and for commercial lines property policies and totals for each item specified, including premiums written for each of the property lines of business as described in ss. 215.555(2)(c) and 627.351(6)(a). The report must shall include the following information for each zip code county on a monthly basis:

1. Total number of policies in force at the end of each month.
2. Total number of policies canceled.
3. Total number of policies nonrenewed.
4. Number of policies canceled due to hurricane risk.
5. Number of policies nonrenewed due to hurricane risk.
6. Number of new policies written.
7. Total dollar value of structure exposure under policies that include wind coverage.
8. Number of policies that exclude wind coverage.
9. Number of claims open each month.
10. Number of claims closed each month.
11. Number of claims pending each month.

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12. Number of claims in which either the insurer or insured invoked any form of alternative dispute resolution, and specifying which form of alternative dispute resolution was used.

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

624.4305 Nonrenewal of residential property insurance policies.—Any insurer planning to nonrenew more than 10,000 residential property insurance policies in this state within a 12-month period shall give notice in writing to the Office of Insurance Regulation for informational purposes 90 days before the issuance of any notices of nonrenewal. The notice provided to the office must set forth the insurer’s reasons for such action, the effective dates of nonrenewal, and any arrangements made for other insurers to offer coverage to affected policyholders. The commission may adopt rules to administer this section.

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

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

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

(d) Maintains a continuing program of excess insurance coverage and reinsurance reserve evaluation to protect the financial stability of the fund in an amount and manner determined by a qualified and independent actuary. The program must, at a minimum, this program must:

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

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

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

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

A for-profit or not-for-profit corporation, limited liability company, or other similar business entity in which a public housing authority holds an ownership interest or participates in its governance under s. 421.08(8)

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may join a self-insurance fund formed under this section in which such public housing authority participates. Such for-profit or not-for-profit corporation, limited liability company, or other similar business entity may join the self-insurance fund solely to insure risks related to public housing.

Section 5. Subsection (2) of section 626.9201, Florida Statutes, is amended, and subsection (1) of that section is republished, to read:

626.9201 Notice of cancellation or nonrenewal.—

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

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

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

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

(a) If cancellation is for nonpayment of premium, at least 10 days’ written notice of cancellation accompanied by the reason for cancellation must be given. As used in this paragraph, the term “nonpayment of premium” means the failure of the named insured to discharge when due any of his or her obligations in connection with the payment of premiums on a policy or an installment of such a premium, whether the premium or installment is payable directly to the insurer or its agent or indirectly under any plan for financing premiums or extension of credit or the failure of the named insured to maintain membership in an organization if such membership is a condition precedent to insurance coverage. The term also includes the failure of a financial institution to honor the check of an applicant for insurance which was delivered to a licensed agent for payment of a premium, even if the agent previously delivered or transferred the premium to the insurer. If a correctly dishonored check represents payment of the initial premium, the contract and all contractual obligations are void ab initio unless the nonpayment is cured within the earlier of 5 days after actual notice by certified mail is received by the applicant or 15 days after notice is sent to the applicant by certified mail or registered mail, and, if the contract is void, any premium received by the insurer from a third party must be refunded to that party in full; and

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(b) If cancellation or termination occurs during the first 90 days during which the insurance is in force and if the insurance is canceled or terminated for reasons other than nonpayment, at least 20 days’ written notice of cancellation or termination accompanied by the reason for cancellation or termination must be given, except if there has been a material misstatement or misrepresentation or failure to comply with the underwriting requirements established by the insurer; and.

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

2. An insurer or agent may cancel or nonrenew such a policy before the repair of the dwelling or residential property:
   a. Upon 10 days’ notice for nonpayment of premium; or
   b. Upon 45 days’ notice:
      (I) For a material misstatement or fraud related to the claim;
      (II) If the insurer determines that the insured has unreasonably caused a delay in the repair of the dwelling or residential property;
      (III) If the insurer or its agent has made a reasonable written inquiry to the insured as to the status of the repair, sent by certified mail, return receipt requested, and the insured has failed within 30 calendar days to provide information that is responsive to the inquiry to either the address or e-mail account designated by the insurer or its agent; or
      (IV) If the insurer has paid policy limits.

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

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

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

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

627.062 Rate standards.—

(2) As to all such classes of insurance:

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

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

2. May use a modeling indication that is the weighted or straight average of two or more hurricane loss projection models found by the Florida Commission on Hurricane Loss Projection Methodology to be accurate or reliable pursuant to s. 627.0628. If an averaged model is used under this section, the same averaged model must be used throughout this state. If a weighted average is used, the insurer must provide the office with an actuarial justification for using the weighted average which shows that the weighted average results in a rate that is reasonable, adequate, and fair.

The provisions of this subsection do not apply to workers’ compensation, employer’s liability insurance, and motor vehicle insurance.

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

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(n)1. Rates for coverage provided by the corporation must be actuarially sound pursuant to s. 627.062 and not competitive with approved rates charged in the admitted voluntary market so that the corporation functions as a residual market mechanism to provide insurance only when insurance cannot be procured in the voluntary market, except as otherwise provided in this paragraph. The office shall provide the corporation such information as would be necessary to determine whether rates are competitive. The corporation shall file its recommended rates with the office at least annually. The corporation shall provide any additional information regarding the rates which the office requires. The office shall consider the recommendations of the board and issue a final order establishing the rates for the corporation within 45 days after the recommended rates are filed. The corporation may not pursue an administrative challenge or judicial review of the final order of the office.

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

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

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

5. Notwithstanding the board’s recommended rates and the office’s final order regarding the corporation’s filed rates under subparagraph 1., the corporation shall annually implement a rate increase which, except for sinkhole coverage, does not exceed the following for any single policy issued by the corporation, excluding coverage changes and surcharges:
   
   a. Twelve percent for 2023.
   b. Thirteen percent for 2024.
   c. Fourteen percent for 2025.
   d. Fifteen percent for 2026 and all subsequent years.

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

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

8. The following New or renewal personal lines policies that do not cover a primary residence written on or after November 1, 2023, are not subject to the rate increase limitations in subparagraph 5., but may not be charged more than 50 percent above, nor less than, the prior year’s established rate for the corporation:
   
   a. Policies that do not cover a primary residence;
   b. New policies under which the coverage for the insured risk, before the date of application with the corporation, was last provided by an insurer determined by the office to be unsound or an insurer placed in receivership under chapter 631; or

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

9. As used in this paragraph, the term “primary residence” means the dwelling that is the policyholder’s primary home or is a rental property that is the primary home of the tenant, and which the policyholder or tenant occupies for more than 9 months of each year.

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

627.7011 Homeowners’ policies; offer of replacement cost coverage and law and ordinance coverage.—

(5)(a) As used in this subsection, the term “authorized inspector” means an inspector who is approved by the insurer and who is:

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

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

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

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

628.061 Investigation of proposed organization.—In connection with any proposal to organize or incorporate a domestic insurer, the office shall make an investigation of:

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

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

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

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

628.801 Insurance holding companies; registration; regulation.—

(1) An insurer that is authorized to do business in this state and that is a member of an insurance holding company shall, on or before April 1 of each year, register with the office and file a registration statement and be subject to regulation with respect to its relationship to the holding company as provided by law or rule. The commission shall adopt rules establishing the information and statement form required for registration and the manner in which registered insurers and their affiliates are regulated. The rules apply to domestic insurers, foreign insurers, and commercially domiciled insurers, except for foreign insurers domiciled in states that are currently accredited by the NAIC. Except to the extent of any conflict with this code, the rules must include all requirements and standards of the Insurance Holding Company System Model Regulation and ss. 4 and 5 of the Insurance Holding Company System Regulatory Act and the Insurance Holding Company System Model Regulation of the NAIC, as adopted in December 2020 2010. The commission may adopt subsequent amendments thereto if the methodology remains substantially consistent. The rules may include a prohibition on oral contracts between affiliated entities. Material transactions between an insurer and its affiliates must be filed with the office as provided by rule.

(2) Effective January 1, 2015, The ultimate controlling person of every insurer subject to registration shall also file an annual enterprise risk report on or before April 1. As used in this subsection, the term “ultimate controlling person” means a person who is not controlled by any other person. The report must, to the best of the ultimate controlling person’s knowledge and belief, must identify the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The report must shall be filed with the lead state office of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC and is confidential and exempt from public disclosure as provided in s. 624.4212.

(a) An insurer may satisfy this requirement by providing the office with the most recently filed parent corporation reports that have been filed with the Securities and Exchange Commission which provide the appropriate enterprise risk information.
(b) The term “enterprise risk” means an activity, circumstance, event, or series of events involving one or more affiliates of an insurer which, if not remedied promptly, are likely to have a materially adverse effect upon the financial condition or liquidity of the insurer or its insurance holding company system as a whole, including anything that would cause the insurer’s risk-based capital to fall into company action level as set forth in s. 624.4085 or would cause the insurer to be in a hazardous financial condition.

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

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

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

629.011 Definitions “Reciprocal insurance” defined.—As used in this part, the term:

(1) “Affiliated person” of another person means any of the following:

(a) The spouse of the other person.

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

2. The parents of the other person’s spouse or their lineal descendants.

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

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

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

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

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

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

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

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

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

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

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

(4) “Reciprocal insurance” means is that resulting from an interexchange among persons, known as “subscribers,” of reciprocal agreements of indemnity, the interexchange being effectuated through an “attorney in fact” common to all such persons.

(5) “Reciprocal insurer” means an unincorporated aggregation of subscribers operating individually and collectively through an attorney in fact to provide reciprocal insurance among themselves.

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

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

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

629.081 Organization of reciprocal insurer.—

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

(2) The permit application, to be filed by the organizers or the proposed attorney in fact, must be in writing and made in accordance with forms prescribed by the commission. In addition to any applicable requirements of s. 628.051 and other relevant statutes, the application must include all of the following shall fulfill the requirements of and shall execute and file with the office, when applying for a certificate of authority, a declaration setting forth:

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

(b) The location of the insurer’s principal office, which must shall be the same as that of the proposed attorney in fact and must shall be maintained within this state;

(c) The kinds of insurance proposed to be transacted;

(d) The names and addresses of the original 25 or more subscribers;

(e) The proposed designation and appointment of the proposed attorney in fact and a copy of the proposed power of attorney;

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

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

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

(i) The proposed charter powers of the subscribers’ advisory committee, and the names and terms of office of the members thereof, as well as the background information as specified in s. 629.227 for each proposed member;

(j) That all moneys paid to the reciprocal shall, after deducting therefrom any sum payable to the attorney, be held in the name of the insurer and for the purposes specified in the subscribers’ agreement;

(j) A copy of the proposed subscribers’ agreement;

(k) A statement that each of the original subscribers has in good faith applied for insurance of a kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than 6 months at an adequate rate theretofore filed with and approved by the office;

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

(4) A copy of each policy, endorsement, and application form it then proposes to issue or use.

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(l) Any other pertinent information and documents as reasonably requested by the office.

(3) The filing must be accompanied by the application fee required by s. 624.501(1)(a).

(4) The office shall evaluate and grant or deny the permit application in accordance with ss. 628.061, 628.071, and other relevant provisions of the code.

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

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

629.091 Reciprocal certificate of authority.—

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

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

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

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

(c) A statement that each of the original subscribers has in good faith applied for insurance of a kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than 6 months at an adequate rate that was filed with and approved by the office.

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

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

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

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

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

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

629.094 Continued eligibility for certificate of authority.—In order to maintain its eligibility for a certificate of authority, a domestic reciprocal insurer must continue to meet all applicable conditions required for receiving the initial permit and certificate of authority under the insurance code and the rules adopted thereunder.

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

629.101 Power of attorney.—

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

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

(a) The powers of the attorney in fact;

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

(c) The place where the office of the attorney in fact is maintained;

(d) The general services to be performed by the attorney in fact;

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

(f) The maximum amount to be deducted from advance premiums or deposits to be paid to the attorney in fact and the general items of expense in addition to losses, to be paid by the insurer;

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

(3) The power of attorney may:

(a) Provide for the right of substitution of the attorney in fact and revocation of the power of attorney and rights thereunder;

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(b) Impose such restrictions upon the exercise of the power as are agreed upon by the subscribers;

(c) Provide for the exercise of any right reserved to the subscribers directly or through their advisory committee; and

(d) The power of attorney must contain other lawful provisions deemed advisable.

(4) The terms of any power of attorney or agreement collateral thereto must be reasonable and equitable, and no such power or agreement shall be used or be effective in this state unless filed with the office.

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

629.225 Acquisitions.—

(1) A person may not, individually or in conjunction with an affiliated person of such person, directly or indirectly, conclude a tender offer or exchange offer for, enter into any agreement to exchange securities for, or otherwise finally acquire 10 percent or more of the outstanding voting securities of an attorney in fact that is a stock corporation or of a controlling company of an attorney in fact that is a stock corporation; or conclude an acquisition of, or otherwise finally acquire, 10 percent or more of the ownership interest of an attorney in fact that is not a stock corporation or of a controlling company of an attorney in fact that is not a stock corporation, unless all of the following conditions are met:

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

(b) The subscribers’ advisory committee must provide the notification to the subscribers of the reciprocal insurer within 3 business days. Such notification must be provided on a form prescribed by the commission explaining what the notification is and letting the subscribers know of the filing deadlines for objecting to the acquisition.

2. The subscribers’ advisory committee must provide the notification to the subscribers of the reciprocal insurer within 3 business days. Such notification must be provided on a form prescribed by the commission explaining what the notification is and letting the subscribers know of the filing deadlines for objecting to the acquisition.

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

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

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

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

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

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

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

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

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

(d) The nature and the extent of the controlling interest which the person or affiliated person of such person proposes to acquire, the terms of the proposed acquisition, and the manner in which the controlling interest is to be acquired of an attorney in fact or controlling company which is not a stock corporation.

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

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

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

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

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

(b) During the pendency of the office’s review of any acquisition subject to this section, the acquiring person may not make any material change in the operation of the attorney in fact or controlling company unless the office has specifically approved the change, and the acquiring person may not make any material change in the management of the attorney in fact unless advance written notice of the change in management is furnished to the office. As used in this paragraph, the term “material change in the operation of the attorney in fact” means a transaction that disposes of or obligates 5 percent or more of the capital and surplus of the attorney in fact or of any domestic reciprocal insurer. The term “material change in the management of the attorney in fact” means any change in management involving officers or directors of the attorney in fact or any person of the attorney in fact or controlling company having authority to dispose of or obligate 5 percent or more of the attorney in fact’s capital or surplus. The office must approve a material change in operations if it finds the applicable provisions of subsection (7) have been met. The office may disapprove a material change
in management if it finds that the applicable provisions of subsection (7) have not been met, and, in such case, the attorney in fact shall promptly change management as acceptable to the office.

(c) If a request for a proceeding is filed, the proceeding must be conducted within 60 days after the date the written request for a proceeding is received by the office. A recommended order must be issued within 20 days after the date of the close of the proceedings. A final order must be issued within 20 days after the date of the recommended order or, if exceptions to the recommended order are filed, within 20 days after the date the exceptions are filed.

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

(a) Willfully violates this section;

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

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

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

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

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

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

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

is fair and free of prejudice to the reciprocal insurer’s subscribers or to the public.

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

(d) The natural persons for whom background information is required to be furnished pursuant to this section have such backgrounds as to indicate that it is in the best interests of the reciprocal insurer’s subscribers and in the public interest to permit such persons to exercise control over the attorney in fact.

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

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

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

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

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

(9) A vote by the stockholder of record, or by any other person, of any security acquired in contravention of this section is not valid. Any acquisition contrary to this section is void. Upon the petition of the attorney in fact, the controlling company, or the reciprocal insurer, the circuit court for the county in which the principal office of the attorney in fact is located may, without limiting the generality of its authority, order the issuance or entry of an injunction or other order to enforce this section. There is a private right of action in favor of the attorney in fact or controlling company to enforce this section. A demand upon the office that it perform its functions is not required as a prerequisite to any suit by the attorney in fact or controlling company against another person, and in no case is the office deemed a necessary party to any action by the attorney in fact or controlling company to enforce this section. Any person who makes or proposes an
acquisition requiring the filing of an application pursuant to this section, or
who files such an application, is deemed thereby to have designated the
Chief Financial Officer, or his or her assistant or deputy or another person in
charge of his or her office, as such person’s agent for service of process under
this section and is deemed thereby to have submitted himself or herself to
the administrative jurisdiction of the office and to the jurisdiction of the
circuit court.

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

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

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

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

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

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

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

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

1. A sworn biographical statement, on forms adopted by the commission, which must include, but need not be limited to, the following information:
   a. Occupations, positions of employment, and offices held during the past 20 years, including the principal business and address of any business, corporation, or organization where each occupation, position of employment, or office occurred.
   b. Whether, at any time during such 20-year period, the person was convicted of any crime other than a traffic violation.
   c. Whether, during such 20-year period, the person has been the subject of any proceeding for the revocation of any license and, if so, the nature of the proceeding and the disposition of the proceeding.
   d. Whether, during such 20-year period, the person has been the subject of any proceeding under the federal Bankruptcy Act.
   e. Whether, during such 20-year period, any person or other business or organization in which the person was a director, officer, trustee, partner, owner, manager, or other official has been the subject of any proceeding under the federal Bankruptcy Act, either during the time of that person’s tenure with the business or organization or within 12 months thereafter.
   f. Whether, during such 20-year period, the person has been enjoined, either temporarily or permanently, by a court of competent jurisdiction from violating any federal or state law regulating the business of insurance, securities, or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities, or banking, together with details as to any such event.
   g. Whether, during such 20-year period, the person has served as the attorney in fact, a subscribers’ advisory committee member, or any other legal practice.
manager or officer of a reciprocal insurer or insurer that became insolvent or had its certificate of authority suspended or revoked.

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

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

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

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

629.229 Attorneys in fact, officers, and directors of insolvent reciprocal insurers or other insurers.—A person who served as an attorney in fact, or as an officer, director, or manager of an attorney in fact, a member of a subscribers’ advisory committee of a reciprocal insurer doing business in this state, or an officer or director of any other insurer doing business in this state, and who served in that capacity within the 2-year period before the date the insurer or reciprocal insurer became insolvent, for an insolvency that occurs on or after July 1, 2024, may not thereafter:

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

(2) Have direct or indirect control over the selection or appointment of an attorney in fact, or of an officer, director, or manager of an attorney in fact; or a member of the subscribers’ advisory committee of a reciprocal insurer doing business in this state; or an officer or director of any insurer doing business in this state, through contract or trust or by operation of law, unless the person demonstrates that his or her personal actions or omissions were not a significant contributing cause to the insolvency.

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

629.261 Nonassessable policies.—Upon the impairment of the surplus of a nonassessable reciprocal insurer, the office shall revoke the authorization issued under s. 629.091(3) or s. 629.291(5). Upon the revocation of the

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authority to issue nonassessable policies, the reciprocal insurer may no longer issue or renew nonassessable policies or convert assessable policies to nonassessable policies and s. 629.301 applies.

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

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

(3) The office shall not authorize a domestic reciprocal insurer so to extinguish the contingent liability of any of its subscribers or in any of its policies to be issued, unless it qualifies to and does extinguish such liability of all its subscribers and in all such policies for all kinds of insurance transacted by it; except that, if required by the laws of another state in which the insurer is transacting insurance as an authorized insurer, the insurer may issue policies providing for the contingent liability of such of its subscribers as may acquire such policies in such state, and need not extinguish the contingent liability applicable to policies theretofore in force in such state.

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

629.291 Merger or conversion.—

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

(2) A plan to merge a reciprocal insurer with another reciprocal insurer or for conversion of the reciprocal insurer to a stock or mutual insurer must be filed with the office on forms adopted by the office and must contain such information as the office reasonably requires to evaluate the transaction. Such a stock or mutual insurer shall be subject to the same capital or surplus

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requirements and shall have the same rights as a like domestic insurer transacting like kinds of insurance.

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

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

1. The subscribers’ advisory committee approves the conversion;

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

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

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

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

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

3. Otherwise extinguishing the contingent liability of all of its subscribers. However, if the reciprocal insurer is transacting insurance as an authorized insurer in another state and that state’s laws require the insurer to issue policies with contingent liability provisions, the insurer may issue contingent liability policies in that other state.

Section 24. 629.525, Florida Statutes, is created to read:

629.525 Rulemaking authority.—The commission shall adopt, amend, or repeal rules pursuant to chapter 120 which are necessary to implement this chapter.

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

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

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

(c) The award of family residential or custodial care as defined in this section shall not be included in the current estimates for purposes of s. 766.314(9)(c).

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

766.314 Assessments; plan of operation.—

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

Section 27. The Florida Birth-Related Neurological Injury Compensation Association shall, in consultation with the Office of Insurance Regulation and the Agency for Health Care Administration, provide a report to the Governor, the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives by September 1, 2024, which must include, but is not limited to, all of the following recommendations for:

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

2. Timing of reporting actuarial soundness and to whom it should be reported.

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

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

163.01 Florida Interlocal Cooperation Act of 1969.—

(3) As used in this section:

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

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

626.9531 Identification of insurers, agents, and insurance contracts.—

(3) For the purposes of this section, the term “risk bearing entity” means a reciprocal insurer as defined in s. 629.011, a commercial self-insurance fund as defined in s. 624.462, a group self-insurance fund as defined in s. 624.4621, a local government self-insurance fund as defined in s. 624.4622, a self-insured public utility as defined in s. 624.46225, or an independent educational institution self-insurance fund as defined in s. 624.4623. For the purposes of this section, the term “risk bearing entity” does not include an authorized insurer as defined in s. 624.09.

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

Approved by the Governor May 10, 2024.

Filed in Office Secretary of State May 10, 2024.