

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

Committee/Subcommittee hearing PCB: Insurance & Banking
Subcommittee

Representative Caldwell offered the following:

Amendment (with title amendment)

Between lines 45 and 46, insert:

Section 3. Paragraphs (hh) and (ii) are added to
subsection (6) of section 627.351, Florida Statutes, to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(hh) At least once every six months, the corporation shall
submit a report to the office and the Insurance Consumer

Advocate disclosing:

1. The total number of requests received for residential
sinkhole loss coverage;

2. The total number of policies issued for residential
sinkhole loss coverage;

3. The total number of requests declined for residential
sinkhole loss coverage; and

4. The reasons for declining the requests for residential

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21 sinkhole loss coverage.

22 (ii) The Legislature finds that it is in the public
23 interest that indemnity funds paid pursuant to sinkhole loss
24 claims are applied to repairing property damage and that damaged
25 property is repaired. Therefore, a Citizens Sinkhole Repair
26 Program shall be established by the corporation. By January 1,
27 2014, any claim against a corporation policy that covers
28 residential sinkhole loss for which it is determined that such
29 loss has occurred must be included in the repair program. The
30 repair program may be managed by a third-party administrator
31 and, at a minimum, must include the following components:

32 1. The corporation may not require the policyholder to
33 advance payment for repairs.

34 2. Repairs shall be conducted by stabilization repair
35 contractors who are qualified and approved by the corporation
36 based upon criteria including the following minimum
37 requirements:

38 a. The repair contractor shall be certified as a contractor
39 pursuant s. 489.113(1).

40 b. The repair contractor corporate entity must demonstrate
41 compliance with minimum experience requirements to be
42 established by the corporation.

43 c. The repair contractor must demonstrate capacity to be
44 bonded and provide performance, surety or other bonds as
45 described in this section which may be supplemented by
46 additional requirements as determined by the corporation.

47 d. The repair contractor shall demonstrate insurance
48 coverage requirements including but not limited to commercial

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49 general liability coverage and workers compensation to be
50 established by the corporation.

51 e. The repair contractor shall maintain a valid Drug Free
52 Workplace program.

53 f. Such other requirements as established by the
54 corporation.

55 3. The repair program shall select qualified repair
56 contractors to perform repairs to damaged property pursuant to a
57 fixed-price contract between the contractor and the corporation.
58 Pursuant to the terms of the contract, the selected repair
59 contractor is solely responsible for the performance of all
60 necessary repairs specified in the initial engineering report.

61 4. The administrator, with the approval of the corporation,
62 shall develop a standard repair contract that will be used for
63 stabilization of all properties within the program. The contract
64 shall include the following minimum requirements:

65 a. The assigned stabilization contractor shall agree to
66 make all stabilization repairs identified in the initial
67 engineering report based upon a fixed price.

68 b. Each stabilization contractor shall post a payment bond
69 in favor of the corporation as obligee and shall post a
70 performance bond, secured by a third party surety, in favor of
71 the corporation as obligee, in a principle amount equal to the
72 total cost of all fixed-price contracts annually awarded to that
73 contractor.

74 c. In addition to the required performance bond, each
75 stabilization repair contractor shall also provide a warranty,
76 secured by a third party surety, to the policyholder which

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77 covers all repairs provided by the contractor for at least five
78 years after completion of the repairs.

79 d. Once the stabilization repair contractor has concluded
80 the repairs, the engineer shall re-examine the property and
81 confirm that the repairs have been satisfactorily completed and
82 that no further repairs are necessary to remedy the damage
83 identified in the initial engineering report.

84 e. If the engineer concludes that additional repair is
85 necessary to complete the repairs specified in the initial
86 engineering report, the repair contractor shall be required to
87 perform the repairs at no additional cost to the corporation or
88 the policyholder.

89 5. The corporation shall enter into contracts to perform
90 repairs pursuant to a process which includes but is not limited
91 to the following requirements:

92 a. Within 15 days following the completion of the initial
93 engineering report for a damaged property within the program,
94 the report shall be identified on a list which shall be made
95 available to all contractors within the program. The list shall
96 include an estimate of the cost to complete all repairs
97 recommended in the initial engineering report which shall be
98 made available upon request to all contractors within the
99 program.

100 b. The corporation shall establish a competitive bidding
101 process for assigning repair contractors to perform repairs for
102 each property within the program.

103 c. Following the competitive bidding process for each
104 property, the administrator shall provide the policyholder with

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105 a list of the top three stabilization repair contractors from
106 which the policyholder shall be provided an opportunity to
107 select the stabilization repair contractor to perform the
108 repairs.

109 d. In the event that no stabilization repair contractor
110 submits a bid to perform the stabilization repairs for a
111 property within the program, the administrator may enter the
112 property into bidding process again or the corporation may pay
113 to the policyholder an amount to be agreed between the
114 policyholder and the corporation which may include the full
115 amount of policy coverage.

116 6. The corporation is not responsible for serving as a
117 repair contractor. The corporation's obligations pursuant to the
118 repair program are not an election to repair by the corporation
119 and therefore do not imply a new contractual relationship.

120 7. Except for the provisions of s. 627.707 (5) (6), the
121 corporation's liability related to repair activity for damaged
122 property included in the repair program is no greater than the
123 limits of the policy covering that property.

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T I T L E A M E N D M E N T

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Remove line 9 and insert:

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provided by the corporation; requiring the corporation to

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submit a biannual report on the number of residential sinkhole

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policies issued and declined; establishing a Citizens Sinkhole

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PCB Name: PCS for HB 909 (2013)

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133 Repair Program for sinkhole claims; providing program
134 components; specifying the corporation's liability with respect
135 to sinkhole claims; amending s. 627.422,
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