



WATERSTREET
COMPANY

**The Key
Things to
Know
When
Doing
Business in
Florida**



Whether you are getting started with doing business in Florida or preparing for a Citizen's takeout, WaterStreet has you covered with almost 20 years of experience working with Florida insurers. We have successfully supported our clients in over 15 Citizen's takeout since 2005. Click on each of the tiles below to learn more about doing business in the sunshine state.

Data Calls

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Data Calls



Data calls are particularly important in the state of Florida due to its vulnerability to natural disasters, such as hurricanes and floods, which can have a significant impact on the insurance industry.

Data Call	Frequency	Requirements
Quarterly Supplemental Reporting (QUASR)	Quarterly	Policy status, type, county, and exposure dollars on a rolling basis.
Florida Hurricane Catastrophe Fund (FHCF)	Annually	Exposure limits, locations, coverages, etc. properly coded to the FHCF standard.
Police and Fire (Municipality) Report	Annually	DWP by property location and the fire and police district for each risk.
Assumption Data	Variable	Policy activity such as policy issuance or claims reports.



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Wind Mitigation

Wind mitigation is a critical aspect of risk management in the state of Florida. Wind mitigation techniques are used to reduce the likelihood and severity of wind damage to properties, therefore reducing rates.



March 27, 2017 Florida Senate Bill 90 passed:

Insurers in Florida are required to provide discounts or credits to policy holders who have certain wind mitigation features installed in their homes or other structures – these features may include hurricane shutters, reinforced roofs, and impact-resistant windows and doors.



In Florida, the building code statutes related to wind mitigation can be found in **Chapter 16 of the Florida Building Code**. This chapter, which is titled "Wind Loads," contains provisions that are designed to help mitigate the risk of wind damage to buildings and structures in the state.



Wind mitigation inspections are designed to identify the wind-resistant features of a home or other structure that can help reduce the risk of wind damage and loss.



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Compliance

There are several compliance requirements in Florida that insurance companies and agents must follow to operate in the state. Some of these requirements include:



Checklist of Coverages



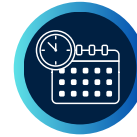
Mandatory vs. Optional Forms & Edition Control



Rating Versioning



OFAC (Office of Foreign Assets Control) Screening



90 Day Underwriting Period



125 Day Notice for Nonrenewal



Suspend Binding



Coverage Extension Order by the State



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Emergency Assessments & Fees

Emergency assessments & fees are imposed on insurance companies in Florida to help cover the costs of responding to disasters and other emergencies.



FIGA – Florida Guaranty Association

All insurers are required to be members of the Florida Insurance Guaranty Association (FIGA) and pay assessments based on the amount of premiums written.



CPIC – Citizens Property Insurance Corporation

Insurers that write property insurance in Florida are subject to assessments from the Citizens Property Insurance Corporation (CPIC).



FHCF – Florida Hurricane Catastrophe Fund

All insurers must pay an annual assessment to help fund the FHCF's claims-paying capacity for losses caused by hurricanes and other catastrophic windstorms.



EMPAT – Emergency Management Preparedness and Assistance

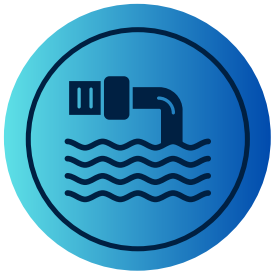
Insurers are required to pay an assessment to the Florida Division of Emergency Management for the Emergency Management Preparedness and Assistance Trust Fund (EMPAT).



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Sensors

Sensors play an important role in helping Florida insurers to manage risk, reduce costs, improve underwriting accuracy, and comply with regulations.



Water, Wind, and Smoke and Fire sensors are commonly used in Florida. By encouraging or requiring policyholders to install sensors, insurers can help to mitigate the risks associated with providing insurance coverage, which can ultimately benefit both the insurer and the policyholder.

Sensor data can be leveraged to:

- ☒ Drive business rules
- ☒ Enable and disable discounts
- ☒ Process endorsements
- ☒ Enhance business intelligence



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Claims



The insurance market in Florida has several distinctive factors that set it apart from other states. These factors can have an impact on the types of claims that are filed and how insurance providers operate within the state.



Water damage

Water damage is the number one cause of claims due to Florida's climate and geography, which make properties particularly susceptible to flooding, water intrusion, mold, etc. As a result, many insurance policies in Florida have specific exclusions and deductibles related to water damage.



Hurricane risk

Florida is particularly susceptible to hurricanes and other severe weather events, which can result in significant property damage and insurance claims. As a result, many homeowners insurance policies in Florida have specific exclusions and deductibles related to windstorm and hurricane damage.



Sinkhole risk

Sinkholes are another unique risk in Florida, and many homeowners insurance policies in the state include specific sinkhole coverage. Sinkhole damage can be difficult to detect and repair, which can result in high insurance claims.



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Takeouts

Private insurers may participate in a "Citizen's takeout" for strategic purposes, as it can help to increase their market share, diversify their portfolio, and access new customers. The process for insurers completing a Citizen's takeout involves several steps, which typically include:

1

Notification from Citizens

Citizens Property Insurance Corporation will notify private insurance companies when policies are eligible for takeout. This notification will include details about the policies that are available for takeout, such as the policy type, coverage limits, and policyholder information.

2

Submission of bids

Private insurance companies that are interested in participating in the takeout process will submit bids to Citizens, outlining the rates and coverage terms they are willing to offer for the policies. Bids are typically evaluated based on a number of factors, including the company's financial stability, claims handling practices, and ability to provide quality customer service.

3

Policy holder notification

Once the bids have been evaluated and the takeout companies have been selected, Citizens will notify the policyholders whose policies are being taken out. Policyholders will have the option to accept or decline the new coverage offered by the takeout company.

4

Transfer of policies

If the policyholders choose to accept the new coverage, their policies will be transferred from Citizens to the takeout company. The takeout company will be responsible for managing the policies, handling claims, and providing customer service to the policyholders.

5

Ongoing monitoring

After the policies have been transferred, Citizens will continue to monitor the takeout companies to ensure that they are meeting the state's insurance regulations and providing quality coverage and customer service to policyholders.



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