

Committee on Banking and Insurance

CS/CS/CS/SB 418 — Insurance

by Rules Committee; Military and Veteran Affairs, Space, and Domestic Security Committee; Banking and Insurance Committee; and Senator Perry

The bill amends several insurance-related statutes. Specifically, the bill:

- Revises insurance requirements for a livery (boat rental business) providing it may either:
 - Obtain a policy that insures the renter in the same manner and amounts of the policy obtained by the livery and provide to each renter the insurer's information; or
 - Present the renter with the opportunity to purchase coverage against any loss. If a renter chooses not to purchase the coverage, the livery must obtain a signed acknowledgement from the renter.
- Provides that for any local governmental entity that is a member of a group self-insurer, only an elected official of the local governmental entity may be the local government's representative on the group self-insurer's governing body.
- Provides that a residential property insurer's rate filing may estimate projected hurricane losses by using a weighted or straight average of two or more models approved by the Florida Commission on Hurricane Loss Projection Methodology.
- Provides that the Executive Director of the Citizens Property Insurance Corporation and the Director of the Division of Emergency Management, respectively, may appoint a designee to be a member of the Commission on Hurricane Loss Projection Methodology.
- Provides that an insurer may file a personal lines residential property insurance rating plan that provides premium discounts, credits, and other rate differentials based on windstorm construction standards developed by an independent, nonprofit scientific research organization.
- Limits the requirement that an insurer provide a policyholder who has an automatic bank withdrawal agreement with the insurer with 10 days advance written notice of any increase in policy premiums. Instead, notice will only be required for premium increases that result in an increase of more than \$10 in the automatic withdrawal.
- Expands the types of documents and policies that may be delivered to a policyholder by electronic transmission to include individual and group health insurance policies, health maintenance contracts or certificates of coverage, and prepaid limited health service contracts.
- Revises the mandated deductibles that must be offered for hurricane loss when issuing a personal lines residential property insurance policy. For policies with a dwelling limit of:
 - \$250,000 or more, but less than \$1 million, the insurer need not offer the \$500 hurricane deductible;
 - \$1 million or more, but less than \$3 million, the insurer may, in lieu of offering the 2 percent deductible, offer a deductible amount applicable to hurricane losses equal to 3 percent of the policy dwelling limits; and
 - \$3 million or more, the insurer need not offer the 2 percent deductible.
- Revises the requirement that the waiver by a policyholder of residential windstorm coverage or contents coverage be in the policyholder's own handwriting by also allowing the waiver to be typed.

- Eliminates the requirement that a notice be stamped on the declarations page of limited coverage automobile policies. Such policies generally cover antique motor vehicles.
- Provides that a motor vehicle service agreement company that maintains a contractual liability insurance policy in lieu of maintaining unearned premium reserve may have a policy that either pays 100 percent of claims as they are incurred or 100 percent of claims in the event of the failure of the service agreement company to pay claims when due.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect July 1, 2023.

Vote: Senate 39-0; House 110-0