

By Senator Braynon

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1 A bill to be entitled
2 An act relating to property insurance coverage for
3 explosions; amending s. 624.10, F.S.; defining the
4 term "explosion" for purposes of the Florida Insurance
5 Code; creating s. 627.70105, F.S.; requiring an
6 insurer issuing or renewing a property insurance
7 policy to provide explosion coverage; providing
8 options for exclusions of explosion coverage;
9 providing requirements for such options; providing
10 recordkeeping requirements; providing a presumption;
11 providing applicability; requiring the Financial
12 Services Commission to adopt rules; providing
13 effective dates.

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

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17 Section 1. Effective July 1, 2020, subsections (4) and (5)
18 of section 624.10, Florida Statutes, are renumbered as
19 subsections (5) and (6), respectively, and a new subsection (4)
20 is added to that section, to read:

21 624.10 Other definitions.—As used in the Florida Insurance
22 Code, the term:

23 (4) "Explosion" means:

24 (a) An intense ground vibration caused by drilling or
25 blasting for mining or quarrying; or

26 (b) A sudden and violent release of energy in a rapid
27 nuclear or chemical reaction that produces heat, light, noise,
28 and a shock wave.

29 Section 2. Effective July 1, 2020, section 627.70105,

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30 Florida Statutes, is created to read:

31 627.70105 Explosion coverage required; availability of
32 exclusions.-

33 (1) An insurer issuing or renewing a property insurance
34 policy must provide explosion coverage.

35 (2) An insurer issuing a property insurance policy must
36 make available, at the option of the policyholder, an exclusion
37 of explosion coverage.

38 (a) The coverage may be excluded only if:

39 1. When the policyholder is a natural person, the
40 policyholder personally provides to the insurer the following
41 statement, which must be written in the policyholder's own
42 handwriting, signed by the policyholder and every other named
43 insured on the property insurance policy, and dated: "I do not
44 want the insurance on my (home/mobile home/dwelling/condominium
45 unit/association/business) to pay for damage from explosion. I
46 will pay those costs. My insurance will not."

47 2. When the policyholder is other than a natural person,
48 the policyholder provides to the insurer on the policyholder's
49 letterhead the following statement, which must be signed by the
50 policyholder's authorized representative and dated: ...(Name of
51 entity)... does not want the insurance on its ...(type of
52 structure)... to pay for damage from an explosion. ...(Name of
53 entity)... will be responsible for these costs. ...(Name of
54 entity's)... insurance will not.

55 (b) If the structure covered by the property insurance
56 policy is subject to a mortgage or lien, the policyholder must
57 provide the insurer with a written statement from the
58 mortgageholder or lienholder indicating that the mortgageholder

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59 or lienholder approves the policyholder electing to exclude
60 explosion coverage from his or her or its property insurance
61 policy.

62 (3) An insurer issuing a property insurance policy must
63 make available, at the option of the policyholder, an exclusion
64 of coverage for the contents. The coverage may be excluded only
65 if the policyholder personally provides to the insurer the
66 following statement, which must be written in the policyholder's
67 own handwriting, signed by the policyholder and every other
68 named insured on the property insurance policy, and dated: "I do
69 not want the insurance on my (home/mobile
70 home/dwelling/condominium unit/association/business) to pay for
71 the costs to repair or replace any contents that are damaged
72 from explosion. I will pay those costs. My insurance will not."

73 (4) An insurer shall keep the original copy of a signed
74 statement required by this section for coverage exclusion,
75 electronically or otherwise, and provide a copy to the
76 policyholder. A signed statement meeting the requirements of
77 this section creates a presumption that there was an informed,
78 knowing rejection of coverage.

79 (5) The exclusions authorized by this section apply for the
80 term of the property insurance policy and for each renewal
81 thereafter. Changes to the exclusions authorized by this section
82 may be implemented only as of the date of renewal.

83 (6) The commission shall adopt rules providing appropriate
84 alternative methods for providing the statements required by
85 this section for policyholders who have a handicapping or
86 disabling condition that prevents them from providing a
87 handwritten statement.

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88 Section 3. Except as otherwise provided in this act, this
89 act shall take effect July 1, 2019.