

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

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WITHDRAWN                                     (Y/N)  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

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1 Committee/Subcommittee hearing bill: Commerce Committee  
2 Representative Gregory offered the following:

3  
4            **Amendment (with title amendment)**

5            Remove lines 323-577 and insert:  
6 requirements of this section.

7            Section 9. Subsection (1) of section 627.072, Florida  
8 Statutes, is amended to read:

9            627.072 Making and use of rates.—

10           (1) As to workers' compensation and employer's liability  
11 insurance, the following factors shall be used in the  
12 determination and fixing of rates:

13           (a) The past loss experience and prospective loss  
14 experience within and outside this state;

15           (b) The impact resulting from the past loss experience and  
16 prospective loss experience for insurers whose data are missing

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17 from statewide experience due to insolvency. Prior reported data  
18 for such insurers and all other relevant information may be used  
19 to assess the impact on rates;

20 (c)~~(b)~~ The conflagration and catastrophe hazards;

21 (d)~~(e)~~ A reasonable margin for underwriting profit and  
22 contingencies;

23 (e)~~(d)~~ Dividends, savings, or unabsorbed premium deposits  
24 allowed or returned by insurers to their policyholders, members,  
25 or subscribers;

26 (f)~~(e)~~ Investment income on unearned premium reserves and  
27 loss reserves;

28 (g)~~(f)~~ Past expenses and prospective expenses, both those  
29 countrywide and those specifically applicable to this state; and

30 (h)~~(g)~~ All other relevant factors, including judgment  
31 factors, within and outside this state.

32 Section 10. Paragraph (a) of subsection (6) of section  
33 627.351, Florida Statutes, is amended to read:

34 627.351 Insurance risk apportionment plans.—

35 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

36 (a) The public purpose of this subsection is to ensure  
37 that there is an orderly market for property insurance for  
38 residents and businesses of this state.

39 1. The Legislature finds that private insurers are  
40 unwilling or unable to provide affordable property insurance  
41 coverage in this state to the extent sought and needed. The

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42 absence of affordable property insurance threatens the public  
43 health, safety, and welfare and likewise threatens the economic  
44 health of the state. The state therefore has a compelling public  
45 interest and a public purpose to assist in assuring that  
46 property in the state is insured and that it is insured at  
47 affordable rates so as to facilitate the remediation,  
48 reconstruction, and replacement of damaged or destroyed property  
49 in order to reduce or avoid the negative effects otherwise  
50 resulting to the public health, safety, and welfare, to the  
51 economy of the state, and to the revenues of the state and local  
52 governments which are needed to provide for the public welfare.  
53 It is necessary, therefore, to provide affordable property  
54 insurance to applicants who are in good faith entitled to  
55 procure insurance through the voluntary market but are unable to  
56 do so. The Legislature intends, therefore, that affordable  
57 property insurance be provided and that it continue to be  
58 provided, as long as necessary, through Citizens Property  
59 Insurance Corporation, a government entity that is an integral  
60 part of the state, and that is not a private insurance company.  
61 To that end, the corporation shall strive to increase the  
62 availability of affordable property insurance in this state,  
63 while achieving efficiencies and economies, and while providing  
64 service to policyholders, applicants, and agents which is no  
65 less than the quality generally provided in the voluntary  
66 market, for the achievement of the foregoing public purposes.

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67 | Because it is essential for this government entity to have the  
68 | maximum financial resources to pay claims following a  
69 | catastrophic hurricane, it is the intent of the Legislature that  
70 | the corporation continue to be an integral part of the state and  
71 | that the income of the corporation be exempt from federal income  
72 | taxation and that interest on the debt obligations issued by the  
73 | corporation be exempt from federal income taxation.

74 |         2. The Residential Property and Casualty Joint  
75 | Underwriting Association originally created by this statute  
76 | shall be known as the Citizens Property Insurance Corporation.  
77 | The corporation shall provide insurance for residential and  
78 | commercial property, for applicants who are entitled, but, in  
79 | good faith, are unable to procure insurance through the  
80 | voluntary market. The corporation shall operate pursuant to a  
81 | plan of operation approved by order of the Financial Services  
82 | Commission. The plan is subject to continuous review by the  
83 | commission. The commission may, by order, withdraw approval of  
84 | all or part of a plan if the commission determines that  
85 | conditions have changed since approval was granted and that the  
86 | purposes of the plan require changes in the plan. For the  
87 | purposes of this subsection, residential coverage includes both  
88 | personal lines residential coverage, which consists of the type  
89 | of coverage provided by homeowner, mobile home owner, dwelling,  
90 | tenant, condominium unit owner, and similar policies; and  
91 | commercial lines residential coverage, which consists of the

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92 type of coverage provided by condominium association, apartment  
93 building, and similar policies.

94 3. With respect to coverage for personal lines residential  
95 structures:

96 a. Effective January 1, 2014, a structure that has a  
97 dwelling replacement cost of \$1 million or more, or a single  
98 condominium unit that has a combined dwelling and contents  
99 replacement cost of \$1 million or more, is not eligible for  
100 coverage by the corporation. Such dwellings insured by the  
101 corporation on December 31, 2013, may continue to be covered by  
102 the corporation until the end of the policy term. The office  
103 shall approve the method used by the corporation for valuing the  
104 dwelling replacement cost for the purposes of this subparagraph.  
105 If a policyholder is insured by the corporation before being  
106 determined to be ineligible pursuant to this subparagraph and  
107 such policyholder files a lawsuit challenging the determination,  
108 the policyholder may remain insured by the corporation until the  
109 conclusion of the litigation.

110 b. Effective January 1, 2015, a structure that has a  
111 dwelling replacement cost of \$900,000 or more, or a single  
112 condominium unit that has a combined dwelling and contents  
113 replacement cost of \$900,000 or more, is not eligible for  
114 coverage by the corporation. Such dwellings insured by the  
115 corporation on December 31, 2014, may continue to be covered by  
116 the corporation only until the end of the policy term.

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117 c. Effective January 1, 2016, a structure that has a  
118 dwelling replacement cost of \$800,000 or more, or a single  
119 condominium unit that has a combined dwelling and contents  
120 replacement cost of \$800,000 or more, is not eligible for  
121 coverage by the corporation. Such dwellings insured by the  
122 corporation on December 31, 2015, may continue to be covered by  
123 the corporation until the end of the policy term.

124 d. Effective January 1, 2017, a structure that has a  
125 dwelling replacement cost of \$700,000 or more, or a single  
126 condominium unit that has a combined dwelling and contents  
127 replacement cost of \$700,000 or more, is not eligible for  
128 coverage by the corporation. Such dwellings insured by the  
129 corporation on December 31, 2016, may continue to be covered by  
130 the corporation until the end of the policy term.

131  
132 The requirements of sub-subparagraphs b.-d. do not apply in  
133 counties where the office determines there is not a reasonable  
134 degree of competition. In such counties a personal lines  
135 residential structure that has a dwelling replacement cost of  
136 less than \$1 million, or a single condominium unit that has a  
137 combined dwelling and contents replacement cost of less than \$1  
138 million, is eligible for coverage by the corporation.

139 4. It is the intent of the Legislature that policyholders,  
140 applicants, and agents of the corporation receive service and  
141 treatment of the highest possible level but never less than that

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142 generally provided in the voluntary market. It is also intended  
143 that the corporation be held to service standards no less than  
144 those applied to insurers in the voluntary market by the office  
145 with respect to responsiveness, timeliness, customer courtesy,  
146 and overall dealings with policyholders, applicants, or agents  
147 of the corporation.

148 5.a. Effective January 1, 2009, a personal lines  
149 residential structure that is located in the "wind-borne debris  
150 region," as defined in s. 1609.2, International Building Code  
151 (2006), and that has an insured value on the structure of  
152 \$750,000 or more is not eligible for coverage by the corporation  
153 unless the structure has opening protections as required under  
154 the Florida Building Code for a newly constructed residential  
155 structure in that area. A residential structure is deemed to  
156 comply with this sub-subparagraph if it has shutters or opening  
157 protections on all openings and if such opening protections  
158 complied with the Florida Building Code at the time they were  
159 installed.

160 b. Any major structure, as defined in s. 161.54(6)(a),  
161 that is newly constructed, or rebuilt, repaired, restored, or  
162 remodeled to increase the total square footage of finished area  
163 by more than 25 percent, pursuant to a permit applied for after  
164 July 1, 2015, is not eligible for coverage by the corporation if  
165 the structure is seaward of the coastal construction control  
166 line established pursuant to s. 161.053 or is within the Coastal

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167 Barrier Resources System as designated by 16 U.S.C. ss. 3501-  
168 3510.

169 6. With respect to wind-only coverage for commercial lines  
170 residential condominiums, ~~effective July 1, 2014,~~ a condominium  
171 may shall be deemed ineligible for coverage when if 50 percent  
172 or more of the units are rented more than eight times in a  
173 calendar year for a rental agreement period of less than 30  
174 days.

175 Section 11. Subsection (6) is added to section 627.421,  
176 Florida Statutes, to read:

177 627.421 Delivery of policy.-

178 (6) If a policy is sold in a wholly electronic manner, the  
179 insurer may electronically transmit all policy documents and  
180 claims communications to the insured or policyholder if the  
181 insurer provides a disclosure to the insured or policyholder at  
182 the time of sale.

183 Section 12. Effective upon this act becoming a law,  
184 subsections (1), (2), and (4) of section 627.444, Florida  
185 Statutes, are amended, and subsections (7) and (8) are added to  
186 that section, to read:

187 627.444 Loss run statements for all lines of insurance.-

188 (1) As used in this section, the term:

189 (a) "Loss run statement" means a report that contains the  
190 policy number, the period of coverage, the number of claims, the  
191 paid losses on all claims, and the date of each loss. The term



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192 does not include supporting claim file documentation, including,  
193 but not limited to, copies of claim files, investigation  
194 reports, evaluation statements, insureds' statements, and  
195 documents protected by a common law or statutory privilege. As  
196 applied to group health insurance, the term means a report that  
197 also contains the premiums paid, the number of insureds on a  
198 monthly basis, and the dependent status.

199 (b) "Provide" means to electronically send a document or  
200 to allow access through an electronic portal to view or generate  
201 a document.

202 (2) Notwithstanding any other law, an insurer shall  
203 provide to an insured within 15 calendar days after an  
204 individual or entity designated by the insurer receives receipt  
205 of the insured's written request, either:

206 (a) A loss run statement; or

207 (b) For personal lines of insurance, information on how to  
208 obtain a loss run statement at no charge through a consumer  
209 reporting agency. However, this section does not prohibit an  
210 insured from requesting a loss run statement after receiving  
211 information from a consumer reporting agency, in which case the  
212 insurer must then provide the loss run statement within 15  
213 calendar days after the individual or entity designated by the  
214 insurer receives the insured's subsequent written request.

215 (4) A loss run statement provided pursuant to this section  
216 must contain a claims history with the insurer for the preceding

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217 3 5 years or, if the claims history is less than 3 5 years, a  
218 complete claims history with the insurer.

219 (7) This section does not apply to a life insurer as  
220 defined in s. 624.602.

221 (8) For group health insurance, only the group  
222 policyholder may request and be provided a loss run statement  
223 pursuant to this section.

224 Section 13. Section 627.6647, Florida Statutes, is  
225 repealed.

226

227

228 -----

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

230 Remove lines 34-58 and insert:

231 amending s. 627.072, F.S.; providing a ratemaking factor for  
232 workers' compensation and employer's liability insurance;  
233 amending s. 627.351, F.S.; revising conditions for determining  
234 the ineligibility of condominiums for wind-only coverage;  
235 amending s. 627.421, F.S.; authorizing insurers to  
236 electronically transmit policy documents and claims  
237 communications under certain circumstances; amending s. 627.444,  
238 F.S.; revising the definition of the term "loss run statement";  
239 specifying the entities that must receive requests for loss run  
240 statements; specifying that insurers must provide loss run  
241 statements under certain circumstances; revising the required

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242 | claims history in loss run statements; providing applicability;  
243 | limiting loss run statement requests with respect to group  
244 | health insurance policies to group policyholders; repealing s.  
245 | 627.6647, F.S., relating to the release of information required  
246 | for bid to group health insurance policyholders;