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LEGISLATIVE ACTION

Senate

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House

Senator Perry moved the following:

Senate Amendment (with title amendment)

Delete lines 214 - 565

and insert:

Section 7. Paragraph (b) of subsection (2) of section
627.0628, Florida Statutes, is amended to read:

627.0628 Florida Commission on Hurricane Loss Projection
Methodology; public records exemption; public meetings
exemption.—

(2) COMMISSION CREATED.—

(b) The commission shall consist of the following 12



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12 members:

13 1. The insurance consumer advocate.

14 2. The senior employee of the State Board of Administration
15 responsible for operations of the Florida Hurricane Catastrophe
16 Fund.

17 3. The Executive Director of the Citizens Property
18 Insurance Corporation.

19 4. The Director of the Division of Emergency Management, or
20 the director's designee, provided such designee is a full-time
21 employee of the division.

22 5. The actuary member of the Florida Hurricane Catastrophe
23 Fund Advisory Council.

24 6. An employee of the office who is an actuary responsible
25 for property insurance rate filings and who is appointed by the
26 director of the office.

27 7. Five members appointed by the Chief Financial Officer,
28 as follows:

29 a. An actuary who is employed full time by a property and
30 casualty insurer that was responsible for at least 1 percent of
31 the aggregate statewide direct written premium for homeowner
32 insurance in the calendar year preceding the member's
33 appointment to the commission.

34 b. An expert in insurance finance who is a full-time member
35 of the faculty of the State University System and who has a
36 background in actuarial science.

37 c. An expert in statistics who is a full-time member of the
38 faculty of the State University System and who has a background
39 in insurance.

40 d. An expert in computer system design who is a full-time



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41 member of the faculty of the State University System.

42 e. An expert in meteorology who is a full-time member of
43 the faculty of the State University System and who specializes
44 in hurricanes.

45 8. A licensed professional structural engineer who is a
46 full-time faculty member in the State University System and who
47 has expertise in wind mitigation techniques. This appointment
48 shall be made by the Governor.

49 Section 8. Subsection (9) is added to section 627.0629,
50 Florida Statutes, to read:

51 627.0629 Residential property insurance; rate filings.—

52 (9) An insurer may file with the office a personal lines
53 residential property insurance rating plan that provides
54 justified premium discounts, credits, or other rate
55 differentials based on windstorm mitigation construction
56 standards developed by an independent, not-for-profit scientific
57 research organization, if such standards meet the requirements
58 of this section.

59 Section 9. Section 627.0665, Florida Statutes, is amended
60 to read:

61 627.0665 Automatic bank withdrawal agreements; notification
62 required.—Any insurer licensed to issue insurance in this the
63 state who has an automatic bank withdrawal agreement with an
64 insured party for the payment of insurance premiums for any type
65 of insurance shall give the named insured at least 10 15 days
66 advance written notice of any increase in policy premiums that
67 results in the next automatic bank withdrawal being increased by
68 more than \$10. Such notice must be provided before ~~prior to~~ any
69 automatic bank withdrawal containing the ~~of an~~ increased premium



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70 amount.

71 Section 10. Paragraph (a) of subsection (6) of section
72 627.351, Florida Statutes, is amended to read:

73 627.351 Insurance risk apportionment plans.—

74 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

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

78 1. The Legislature finds that private insurers are
79 unwilling or unable to provide affordable property insurance
80 coverage in this state to the extent sought and needed. The
81 absence of affordable property insurance threatens the public
82 health, safety, and welfare and likewise threatens the economic
83 health of the state. The state therefore has a compelling public
84 interest and a public purpose to assist in assuring that
85 property in this ~~the~~ state is insured and that it is insured at
86 affordable rates so as to facilitate the remediation,
87 reconstruction, and replacement of damaged or destroyed property
88 in order to reduce or avoid the negative effects otherwise
89 resulting to the public health, safety, and welfare, to the
90 economy of the state, and to the revenues of the state and local
91 governments which are needed to provide for the public welfare.
92 It is necessary, therefore, to provide affordable property
93 insurance to applicants who are in good faith entitled to
94 procure insurance through the voluntary market but are unable to
95 do so. The Legislature intends, therefore, that affordable
96 property insurance be provided and that it continue to be
97 provided, as long as necessary, through Citizens Property
98 Insurance Corporation, a government entity that is an integral



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99 part of the state, and that is not a private insurance company.
100 To that end, the corporation shall strive to increase the
101 availability of affordable property insurance in this state,
102 while achieving efficiencies and economies, and while providing
103 service to policyholders, applicants, and agents which is no
104 less than the quality generally provided in the voluntary
105 market, for the achievement of the foregoing public purposes.
106 Because it is essential for this government entity to have the
107 maximum financial resources to pay claims following a
108 catastrophic hurricane, it is the intent of the Legislature that
109 the corporation continue to be an integral part of the state and
110 that the income of the corporation be exempt from federal income
111 taxation and that interest on the debt obligations issued by the
112 corporation be exempt from federal income taxation.

113 2. The Residential Property and Casualty Joint Underwriting
114 Association originally created by this statute shall be known as
115 the Citizens Property Insurance Corporation. The corporation
116 shall provide insurance for residential and commercial property,
117 for applicants who are entitled, but, in good faith, are unable
118 to procure insurance through the voluntary market. The
119 corporation shall operate pursuant to a plan of operation
120 approved by order of the Financial Services Commission. The plan
121 is subject to continuous review by the commission. The
122 commission may, by order, withdraw approval of all or part of a
123 plan if the commission determines that conditions have changed
124 since approval was granted and that the purposes of the plan
125 require changes in the plan. For the purposes of this
126 subsection, residential coverage includes both personal lines
127 residential coverage, which consists of the type of coverage



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128 provided by homeowner, mobile home owner, dwelling, tenant,
129 condominium unit owner, and similar policies; and commercial
130 lines residential coverage, which consists of the type of
131 coverage provided by condominium association, apartment
132 building, and similar policies.

133 3. With respect to coverage for personal lines residential
134 structures:

135 a. Effective January 1, 2014, a structure that has a
136 dwelling replacement cost of \$1 million or more, or a single
137 condominium unit that has a combined dwelling and contents
138 replacement cost of \$1 million or more, is not eligible for
139 coverage by the corporation. Such dwellings insured by the
140 corporation on December 31, 2013, may continue to be covered by
141 the corporation until the end of the policy term. The office
142 shall approve the method used by the corporation for valuing the
143 dwelling replacement cost for the purposes of this subparagraph.
144 If a policyholder is insured by the corporation before being
145 determined to be ineligible pursuant to this subparagraph and
146 such policyholder files a lawsuit challenging the determination,
147 the policyholder may remain insured by the corporation until the
148 conclusion of the litigation.

149 b. Effective January 1, 2015, a structure that has a
150 dwelling replacement cost of \$900,000 or more, or a single
151 condominium unit that has a combined dwelling and contents
152 replacement cost of \$900,000 or more, is not eligible for
153 coverage by the corporation. Such dwellings insured by the
154 corporation on December 31, 2014, may continue to be covered by
155 the corporation only until the end of the policy term.

156 c. Effective January 1, 2016, a structure that has a



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157 dwelling replacement cost of \$800,000 or more, or a single
158 condominium unit that has a combined dwelling and contents
159 replacement cost of \$800,000 or more, is not eligible for
160 coverage by the corporation. Such dwellings insured by the
161 corporation on December 31, 2015, may continue to be covered by
162 the corporation until the end of the policy term.

163 d. Effective January 1, 2017, a structure that has a
164 dwelling replacement cost of \$700,000 or more, or a single
165 condominium unit that has a combined dwelling and contents
166 replacement cost of \$700,000 or more, is not eligible for
167 coverage by the corporation. Such dwellings insured by the
168 corporation on December 31, 2016, may continue to be covered by
169 the corporation until the end of the policy term.

170
171 The requirements of sub-subparagraphs b.-d. do not apply in
172 counties where the office determines there is not a reasonable
173 degree of competition. In such counties a personal lines
174 residential structure that has a dwelling replacement cost of
175 less than \$1 million, or a single condominium unit that has a
176 combined dwelling and contents replacement cost of less than \$1
177 million, is eligible for coverage by the corporation.

178 4. It is the intent of the Legislature that policyholders,
179 applicants, and agents of the corporation receive service and
180 treatment of the highest possible level but never less than that
181 generally provided in the voluntary market. It is also intended
182 that the corporation be held to service standards no less than
183 those applied to insurers in the voluntary market by the office
184 with respect to responsiveness, timeliness, customer courtesy,
185 and overall dealings with policyholders, applicants, or agents



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186 of the corporation.

187 5.a. Effective January 1, 2009, a personal lines
188 residential structure that is located in the "wind-borne debris
189 region," as defined in s. 1609.2, International Building Code
190 (2006), and that has an insured value on the structure of
191 \$750,000 or more is not eligible for coverage by the corporation
192 unless the structure has opening protections as required under
193 the Florida Building Code for a newly constructed residential
194 structure in that area. A residential structure is deemed to
195 comply with this sub-subparagraph if it has shutters or opening
196 protections on all openings and if such opening protections
197 complied with the Florida Building Code at the time they were
198 installed.

199 b. Any major structure, as defined in s. 161.54(6)(a), that
200 is newly constructed, or rebuilt, repaired, restored, or
201 remodeled to increase the total square footage of finished area
202 by more than 25 percent, pursuant to a permit applied for after
203 July 1, 2015, is not eligible for coverage by the corporation if
204 the structure is seaward of the coastal construction control
205 line established pursuant to s. 161.053 or is within the Coastal
206 Barrier Resources System as designated by 16 U.S.C. ss. 3501-
207 3510.

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

214 Section 11. Subsection (1) of section 627.421, Florida



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215 Statutes, is amended to read:

216 627.421 Delivery of policy.—

217 (1) Subject to the insurer's requirement as to payment of
218 premium, every policy shall be mailed, delivered, or
219 electronically transmitted to the insured or to the person
220 entitled thereto not later than 60 days after the effectuation
221 of coverage. Notwithstanding any other provision of law, an
222 insurer may allow a policyholder of personal lines insurance to
223 affirmatively elect delivery of the policy documents, including,
224 but not limited to, policies, endorsements, notices, or
225 documents, by electronic means in lieu of delivery by mail.
226 Electronic transmission of a policy for commercial risks,
227 including, but not limited to, workers' compensation and
228 employers' liability, commercial automobile liability,
229 commercial automobile physical damage, commercial lines
230 residential property, commercial nonresidential property,
231 farmowners insurance, and the types of commercial lines risks
232 set forth in s. 627.062(3)(d), constitutes delivery to the
233 insured or to the person entitled to delivery, unless the
234 insured or the person entitled to delivery communicates to the
235 insurer in writing or electronically that he or she does not
236 agree to delivery by electronic means. ~~Electronic transmission~~
237 ~~shall include a notice to the insured or to the person entitled~~
238 ~~to delivery of a policy of his or her right to receive the~~
239 ~~policy via United States mail rather than via electronic~~
240 ~~transmission. A paper copy of the policy shall be provided to~~
241 ~~the insured or to the person entitled to delivery at his or her~~
242 ~~request.~~

243 Section 12. Paragraph (d) of subsection (4) of section



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244 627.701, Florida Statutes, is amended to read:

245 627.701 Liability of insureds; coinsurance; deductibles.—

246 (4)

247 (d)1. A personal lines residential property insurance
248 policy covering a risk valued at less than \$500,000 may not have
249 a hurricane deductible in excess of 10 percent of the policy
250 dwelling limits, unless the following conditions are met:

251 a. The policyholder must personally write or type and
252 provide to the insurer the following statement ~~in his or her own~~
253 ~~handwriting~~ and sign his or her name, which must also be signed
254 by every other named insured on the policy, and dated: "I do not
255 want the insurance on my home to pay for the first (specify
256 dollar value) of damage from hurricanes. I will pay those costs.
257 My insurance will not."

258 b. If the structure insured by the policy is subject to a
259 mortgage or lien, the policyholder must provide the insurer with
260 a written statement from the mortgageholder or lienholder
261 indicating that the mortgageholder or lienholder approves the
262 policyholder electing to have the specified deductible.

263 2. A deductible subject to the requirements of this
264 paragraph applies for the term of the policy and for each
265 renewal thereafter. Changes to the deductible percentage may be
266 implemented only as of the date of renewal.

267 3. An insurer shall keep the original copy of the signed
268 statement required by this paragraph, electronically or
269 otherwise, and provide a copy to the policyholder providing the
270 signed statement. A signed statement meeting the requirements of
271 this paragraph creates a presumption that there was an informed,
272 knowing election of coverage.



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273 4. The commission shall adopt rules providing appropriate
274 alternative methods for providing the statements required by
275 this section for policyholders who have a handicapping or
276 disabling condition that prevents them from providing a
277 handwritten statement.

278 Section 13. Paragraph (a) of subsection (2) and subsection
279 (3) of section 627.712, Florida Statutes, are amended to read:

280 627.712 Residential windstorm coverage required;
281 availability of exclusions for windstorm or contents.—

282 (2) A property insurer must make available, at the option
283 of the policyholder, an exclusion of windstorm coverage.

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

285 1. When the policyholder is a natural person, the
286 policyholder personally writes or types and provides to the
287 insurer the following statement ~~in his or her own handwriting~~
288 and signs his or her name, which must also be signed by every
289 other named insured on the policy, and dated: "I do not want the
290 insurance on my (home/mobile home/condominium unit) to pay for
291 damage from windstorms. I will pay those costs. My insurance
292 will not."

293 2. When the policyholder is other than a natural person,
294 the policyholder provides to the insurer on the policyholder's
295 letterhead the following statement that must be signed by the
296 policyholder's authorized representative and dated: "... (Name of
297 entity)... does not want the insurance on its ...(type of
298 structure)... to pay for damage from windstorms. ...(Name of
299 entity)... will be responsible for these costs. ...(Name of
300 entity's)... insurance will not."

301 (3) An insurer issuing a residential property insurance



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302 policy, except for a condominium unit owner policy or a tenant
303 policy, must make available, at the option of the policyholder,
304 an exclusion of coverage for the contents. The coverage may be
305 excluded only if the policyholder personally writes or types and
306 provides to the insurer the following statement ~~in his or her~~
307 ~~own handwriting~~ and signs his or her signature, which must also
308 be signed by every other named insured on the policy, and dated:
309 "I do not want the insurance on my (home/mobile home) to pay for
310 the costs to repair or replace any contents that are damaged. I
311 will pay those costs. My insurance will not."

312 Section 14. Effective upon this act becoming a law,
313 paragraph (b) of subsection (1) and paragraph (a) of subsection
314 (9) of section 627.7152, Florida Statutes, are amended to read:

315 627.7152 Assignment agreements.—

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

317 (b) "Assignment agreement" means any instrument by which
318 post-loss benefits under a residential property insurance policy
319 or commercial property insurance policy, as that term is defined
320 in s. 627.0625(1), are assigned or transferred, or acquired in
321 any manner, in whole or in part, to or from a person providing
322 services, including, but not limited to, services to inspect,
323 protect, repair, restore, or replace property or to mitigate
324 against further damage to the property. The term does not
325 include any instrument by which a licensed public adjuster as
326 defined in s. 626.854(1) receives any compensation, payment,
327 commission, fee, or other thing of value for providing services
328 under such licensure.

329 (9) (a) An assignee must provide the named insured, insurer,
330 and the assignor, if not the named insured, with a written



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331 notice of intent to initiate litigation before filing suit under
332 the policy. Such notice must be served at least 10 business days
333 before filing suit, but not before the insurer has made a
334 determination of coverage under s. 627.70131, by certified mail,
335 return receipt requested, to the name and mailing address
336 designated by the insurer in the policy forms or by electronic
337 delivery to the e-mail address designated by the insurer in the
338 policy forms ~~at least 10 business days before filing suit, but~~
339 ~~may not be served before the insurer has made a determination of~~
340 ~~coverage under s. 627.70131.~~ The notice must specify the damages
341 in dispute, the amount claimed, and a presuit settlement demand.
342 Concurrent with the notice, and as a precondition to filing
343 suit, the assignee must provide the named insured, insurer, and
344 the assignor, if not the named insured, a detailed written
345 invoice or estimate of services, including itemized information
346 on equipment, materials, and supplies; the number of labor
347 hours; and, in the case of work performed, proof that the work
348 has been performed in accordance with accepted industry
349 standards.

350 Section 15. Section 627.7276, Florida Statutes, is amended
351 to read:

352 627.7276 Notice of limited coverage.—

353 (1) An automobile policy that does not contain coverage for
354 bodily injury and property damage must include a notice ~~be~~
355 ~~clearly stamped or printed to the effect~~ that such coverage is
356 not included in the policy in the following manner:

357

358 "THIS POLICY DOES NOT PROVIDE BODILY INJURY AND
359 PROPERTY DAMAGE LIABILITY INSURANCE OR ANY OTHER



360 COVERAGE FOR WHICH A SPECIFIC PREMIUM CHARGE IS NOT
361 MADE, AND DOES NOT COMPLY WITH ANY FINANCIAL
362 RESPONSIBILITY LAW.”
363

364 (2) This notice legend must accompany ~~appear on~~ the policy
365 declarations declaration page and ~~on the filing back of the~~
366 ~~policy and be printed in a contrasting color from that used on~~
367 ~~the policy and in type size larger than the largest type used in~~
368 ~~the text at least as large as the type size used on the~~
369 declarations page thereof, ~~as an overprint or by a rubber stamp~~
370 ~~impression.~~
371

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

373 And the title is amended as follows:

374 Delete lines 21 - 50

375 and insert:

376 rate filings; amending s. 627.0628, F.S.; revising the
377 membership of the Florida Commission on Hurricane Loss
378 Projection Methodology; amending s. 627.0629, F.S.;

379 authorizing insurers to file certain insurance rating
380 plans based on certain windstorm mitigation
381 construction standards, if certain requirements are
382 met; amending s. 627.0665, F.S.; revising the
383 timeframe for notification of premium increases by
384 insurers who have automatic bank withdrawal agreements
385 with insureds; revising notification requirements for
386 such insurers to include notices when withdrawal
387 amounts increase above a specified threshold; amending
388 s. 627.351, F.S.; revising conditions for determining



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389 the ineligibility of condominiums for wind-only
390 coverage; amending s. 627.421, F.S.; deleting a
391 requirement for electronic transmissions of certain
392 documents to include specified notices; deleting a
393 requirement that paper copies of policies be provided
394 upon request; amending ss. 627.701 and 627.712, F.S.;
395 revising policyholder acknowledgment statement
396 requirements for property insurance policies having
397 certain hurricane deductibles or windstorm or contents
398 coverage exclusions, respectively; amending s.
399 627.7152, F.S.; revising the definition of the term
400 "assignment agreement"; specifying the addresses to
401 which a notice of intent must be served; amending s.
402 627.7276, F.S.; revising notice requirements for motor
403 vehicle policies that do not provide coverage for
404 bodily injury and property damage liability; amending
405 ss. 634.317 and 634.419, F.S.; authorizing licensed
406 personal lines or general lines agents to solicit,
407 negotiate, advertise, or sell home warranty contracts
408 and