

By Senator Garcia

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1 A bill to be entitled
2 An act relating to insurers; amending s. 624.4055,
3 F.S.; prohibiting certain insurers from writing
4 private passenger automobile insurance unless they
5 increase the number of homeowners' policies they
6 write; providing applicability; creating s. 627.70101,
7 F.S.; authorizing an insurer to offer a homeowner's
8 insurance policy that is limited to the amount of all
9 outstanding mortgages applicable to the covered
10 property; providing an effective date.

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

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14 Section 1. Section 624.4055, Florida Statutes, is amended
15 to read:

16 624.4055 Restrictions on existing private passenger
17 automobile insurance.—

18 (1) Effective January 1, 2008, an ~~no~~ insurer writing
19 private passenger automobile insurance in this state may not
20 continue to write such insurance if the insurer writes
21 homeowners' insurance in another state but not in this state,
22 unless the insurer writing private passenger automobile
23 insurance in this state is affiliated with an insurer writing
24 homeowners' insurance in this state.

25 (2) Effective July 1, 2015, an insurer and its affiliates
26 may not write new private passenger automobile insurance
27 policies in this state unless the insurer and its affiliates, in
28 the aggregate, increase the number of homeowners' policies in
29 force in this state by at least 10 percent over the previous

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30 calendar year. This subsection applies only if the market share
31 of the insurer and all its affiliates, in the aggregate,
32 providing private passenger automobile insurance in this state
33 exceeds 200 percent of the market share of the insurer and all
34 its affiliates, in the aggregate, providing homeowners'
35 insurance in this state. This subsection does not apply to an
36 insurer if the insurer and its affiliated insurers do not write
37 homeowners' insurance in this state or in any other state.

38 Section 2. Section 627.70101, Florida Statutes, is created
39 to read:

40 627.70101 Homeowners' policy limitations.—An insurer may
41 offer a homeowners' insurance policy that is limited to the
42 amount of all outstanding mortgages applicable to the covered
43 property. A homeowners' insurance policy so limited may not
44 include a provision penalizing the policyholder for not insuring
45 the covered property up to the replacement cost. A policy that
46 limits homeowners' insurance coverage to an amount less than the
47 full replacement cost of the property must include the following
48 statement: "THIS POLICY LIMITS COVERAGE TO LESS THAN THE FULL
49 COST OF REPLACEMENT FOR THE PROPERTY, WHICH MAY RESULT IN HIGH
50 OUT-OF-POCKET EXPENSES TO YOU AND MAY PUT YOUR EQUITY IN THIS
51 PROPERTY AT RISK."

52 Section 3. This act shall take effect July 1, 2014.