

By Senator Grant

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A bill to be entitled
An act relating to property insurance; amending
s. 627.701, F.S.; limiting hurricane
deductibles in personal lines residential
policies to deductibles for other risks unless
the policyholder elects a higher deductible;
providing an effective date.

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

Section 1. Paragraph (b) of subsection (3) of section
627.701, Florida Statutes, is amended to read:

627.701 Liability of insureds; coinsurance;
deductibles.--

(3)

(b)1. Except as otherwise provided in this paragraph,
prior to issuing a personal lines residential property
insurance policy on or after April 1, 1996, or prior to the
first renewal of a residential property insurance policy on or
after April 1, 1996, the insurer must offer alternative
deductible amounts applicable to hurricane or wind losses
equal to \$500 and 2 percent of the policy dwelling limits,
unless the 2 percent deductible is less than \$500. The
hurricane deductible may not exceed the deductible that
applies to other risks covered under the policy unless the
policyholder affirmatively elects a higher deductible.~~The~~
~~written notice of the offer shall specify the hurricane or~~
~~wind deductible to be applied in the event that the applicant~~
~~or policyholder fails to affirmatively choose a hurricane~~
~~deductible.~~The insurer must provide such policyholder with
notice of the availability of the deductible amounts specified

1 in this paragraph in a form specified by the department in
2 conjunction with each renewal of the policy. The failure to
3 provide such notice constitutes a violation of this code but
4 does not affect the coverage provided under the policy.

5 2. This paragraph does not apply with respect to a
6 deductible program lawfully in effect on June 14, 1995, or to
7 any similar deductible program, if the deductible program
8 requires a minimum deductible amount of no less than 2 percent
9 of the policy limits.

10 3. With respect to a policy covering a risk with
11 dwelling limits of at least \$100,000, but less than \$250,000,
12 the insurer may, in lieu of offering a policy with a \$500
13 hurricane or wind deductible as required by subparagraph 1.,
14 offer a policy that the insurer guarantees it will not
15 nonrenew for reasons of reducing hurricane loss for one
16 renewal period and that contains up to a 2 percent hurricane
17 or wind deductible as required by subparagraph 1.

18 4. With respect to a policy covering a risk with
19 dwelling limits of \$250,000 or more, the insurer need not
20 offer the \$500 hurricane or wind deductible as required by
21 subparagraph 1., but must, except as otherwise provided in
22 this subsection, offer the 2 percent hurricane or wind
23 deductible as required by subparagraph 1.

24 Section 2. This act applies to policies issued or
25 renewed on or after January 1, 1999.

26 Section 3. This act shall take effect January 1, 1999.

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29 SENATE SUMMARY

30 Limits hurricane deductibles in personal lines
31 residential policies to deductibles for other risks
unless the policyholder makes an affirmative election of
a higher deductible.