

By Representative Mealor

1 A bill to be entitled
2 An act relating to collateral protection
3 insurance; amending s. 215.555, F.S.; revising
4 a definition; specifying that a collateral
5 insurance policy is a covered policy; providing
6 an effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Paragraph (c) of subsection (2) and
11 subsection (15) of section 215.555, Florida Statutes, are
12 amended to read:

13 215.555 Florida Hurricane Catastrophe Fund.--

14 (2) DEFINITIONS.--As used in this section:

15 (c) "Covered policy" means any insurance policy
16 covering residential property in this state, including, but
17 not limited to, any homeowner's, mobile home owner's, farm
18 owner's, condominium association, condominium unit owner's,
19 tenant's, ~~or~~ apartment building policy, collateral protection
20 insurance policy, or any other policy covering a residential
21 structure or its contents issued by any authorized insurer,
22 including any joint underwriting association or similar entity
23 created pursuant to law. Additionally, covered policies
24 include policies covering the peril of wind removed from the
25 Florida Residential Property and Casualty Joint Underwriting
26 Association, created pursuant to s. 627.351(6), or from the
27 Florida Windstorm Underwriting Association, created pursuant
28 to s. 627.351(2), by an authorized insurer under the terms and
29 conditions of an executed assumption agreement between the
30 authorized insurer and either such association. Each
31 assumption agreement between either association and such

1 authorized insurer must be approved by the Florida Department
2 of Insurance prior to the effective date of the assumption,
3 and the Department of Insurance must provide written
4 notification to the board within 15 working days after such
5 approval. "Covered policy" does not include any policy that
6 excludes wind coverage or hurricane coverage or any
7 reinsurance agreement and does not include any policy
8 otherwise meeting this definition which is issued by a surplus
9 lines insurer or a reinsurer.

10 (15) COLLATERAL PROTECTION INSURANCE.--As used in this
11 section and ss. 627.311 and 627.351, the term "collateral
12 protection insurance" means commercial property insurance of
13 which a creditor is the primary beneficiary and policyholder
14 and which protects or covers an interest of the creditor
15 arising out of a credit transaction secured by real or
16 personal property. Initiation of such coverage is triggered by
17 the mortgagor's failure to maintain insurance coverage as
18 required by the mortgage or other lending document. Collateral
19 protection insurance is not residential coverage. For purposes
20 of this section, a collateral protection insurance policy is a
21 covered policy.

22 Section 2. This act shall take effect upon becoming a
23 law.

24
25 *****

26 HOUSE SUMMARY

27 Specifies that a collateral insurance policy is a covered
28 policy.

29
30
31