

By the Committee on Banking and Insurance; and Senator Fasano

311-1320-04

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A bill to be entitled  
An act relating to residential property insurance; amending s. 627.4133, F.S.; increasing the time period when an insurer must give notice before nonrenewing, canceling, or terminating a residential property insurance policy; providing an effective date;

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

Section 1. Subsection (2) of section 627.4133, Florida Statutes, is amended to read:

627.4133 Notice of cancellation, nonrenewal, or renewal premium.--

(2) With respect to any personal lines or commercial residential property insurance policy, including, but not limited to, any homeowner's, mobile home owner's, farmowner's, condominium association, condominium unit owner's, apartment building, or other policy covering a residential structure or its contents:

(a) The insurer shall give the named insured at least 45 days' advance written notice of the renewal premium.

(b) The insurer shall give the named insured written notice of nonrenewal, cancellation, or termination at least 180 ~~90~~ days prior to the effective date of the nonrenewal, cancellation, or termination. The notice must include the reason or reasons for the nonrenewal, cancellation, or termination, except that:

1. When cancellation is for nonpayment of premium, at least 10 days' written notice of cancellation accompanied by the reason therefor shall be given.

1           2. When such cancellation or termination occurs during  
2 the first 90 days during which the insurance is in force and  
3 the insurance is canceled or terminated for reasons other than  
4 nonpayment of premium, at least 20 days' written notice of  
5 cancellation or termination accompanied by the reason therefor  
6 shall be given except where there has been a material  
7 misstatement or misrepresentation or failure to comply with  
8 the underwriting requirements established by the insurer.

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10 After the policy has been in effect for 90 days, the policy  
11 shall not be canceled by the insurer except when there has  
12 been a material misstatement, a nonpayment of premium, a  
13 failure to comply with underwriting requirements established  
14 by the insurer within 90 days of the date of effectuation of  
15 coverage, or a substantial change in the risk covered by the  
16 policy or when the cancellation is for all insureds under such  
17 policies for a given class of insureds. This paragraph does  
18 not apply to individually rated risks having a policy term of  
19 less than 90 days.

20           (c) If the insurer fails to provide the notice  
21 required by this subsection, other than the 10-day notice, the  
22 coverage provided to the named insured shall remain in effect  
23 until the effective date of replacement coverage or until the  
24 expiration of a period of days after the notice is given equal  
25 to the required notice period, whichever occurs first. The  
26 premium for the coverage shall remain the same during any such  
27 extension period except that, in the event of failure to  
28 provide notice of nonrenewal, if the rate filing then in  
29 effect would have resulted in a premium reduction, the premium  
30 during such extension shall be calculated based on the later  
31 rate filing.

1           Section 2. This act shall take effect January 1, 2005,  
2 and apply to policies issued or renewed on or after that date.

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4                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
5                   COMMITTEE SUBSTITUTE FOR  
6                   Senate Bill 366

7 Replaces the provisions of the bill with an amendment to s.  
8 627.4133, F.S., that increases the notice period from 90 days  
9 to 180 days for an insurer to notify the named insured of  
cancellation, nonrenewal, or termination of a residential  
insurance policy, subject to certain exceptions.

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