

Bill No. HB 1937, 2nd Eng.

Barcode 435620

CHAMBER ACTION

Senate

House

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Senator Garcia moved the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

Section 1. Effective June 1, 2005, paragraph (e) of subsection (2) of section 215.555, Florida Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.--

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

(e) "Retention" means the amount of losses below which an insurer is not entitled to reimbursement from the fund. An insurer's retention shall be calculated as follows:

- 1. The board shall calculate and report to each insurer the retention multiples for that year. For the contract year beginning June 1, 2005 ~~2004~~, the retention multiple shall be equal to \$4.5 billion divided by the total estimated reimbursement premium for the contract year; for subsequent years, the retention multiple shall be equal to \$4.5 billion, adjusted based upon the reported exposure from

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1 the prior contract year to reflect the percentage growth in  
2 exposure to the fund for covered policies since 2004 ~~2003~~,  
3 divided by the total estimated reimbursement premium for the  
4 contract year. Total reimbursement premium for purposes of the  
5 calculation under this subparagraph shall be estimated using  
6 the assumption that all insurers have selected the 90-percent  
7 coverage level.

8         2. The retention multiple as determined under  
9 subparagraph 1. shall be adjusted to reflect the coverage  
10 level elected by the insurer. For insurers electing the  
11 90-percent coverage level, the adjusted retention multiple is  
12 100 percent of the amount determined under subparagraph 1. For  
13 insurers electing the 75-percent coverage level, the retention  
14 multiple is 120 percent of the amount determined under  
15 subparagraph 1. For insurers electing the 45-percent coverage  
16 level, the adjusted retention multiple is 200 percent of the  
17 amount determined under subparagraph 1.

18         3. An insurer shall determine its provisional  
19 retention by multiplying its provisional reimbursement premium  
20 by the applicable adjusted retention multiple and shall  
21 determine its actual retention by multiplying its actual  
22 reimbursement premium by the applicable adjusted retention  
23 multiple.

24         4. For insurers who experience multiple covered events  
25 causing loss during the contract year, beginning June 1, 2005,  
26 each insurer's full retention shall be applied to each of the  
27 covered events causing the two largest losses for that  
28 insurer. For each other covered event resulting in losses, the  
29 insurer's retention shall be reduced to one-third of the full  
30 retention. The reimbursement contract shall provide for the  
31 reimbursement of losses for each covered event based on the

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1 full retention with adjustments made to reflect the reduced  
 2 retentions after January 1 of the contract year provided the  
 3 insurer reports its losses as specified in the reimbursement  
 4 contract.

5 Section 2. Effective July 1, 2005, section 215.559,  
 6 Florida Statutes, is amended to read:

7 215.559 Hurricane Loss Mitigation Program.--

8 (1) There is created a Hurricane Loss Mitigation  
 9 Program. The Legislature shall annually appropriate \$10  
 10 million of the moneys authorized for appropriation under s.  
 11 215.555(7)(c) from the Florida Hurricane Catastrophe Fund to  
 12 the Department of Community Affairs for the purposes set forth  
 13 in this section.

14 (2)(a) Seven million dollars in funds provided in  
 15 subsection (1) shall be used for programs to improve the wind  
 16 resistance of residences and mobile homes, including loans,  
 17 subsidies, grants, demonstration projects, and direct  
 18 assistance; cooperative programs with local governments and  
 19 the Federal Government; and other efforts to prevent or reduce  
 20 losses or reduce the cost of rebuilding after a disaster.

21 (b) Three million dollars in funds provided in  
 22 subsection (1) shall be used to retrofit existing facilities  
 23 used as public hurricane shelters. The department must  
 24 prioritize the use of these funds for projects included in the  
 25 September 1, 2000, version of the Shelter Retrofit Report  
 26 prepared in accordance with s. 252.385(3), and each annual  
 27 report thereafter. The department must give funding priority  
 28 to projects in regional planning council regions that have  
 29 shelter deficits and to projects that maximize use of state  
 30 funds.

31 (3) By the 2006-2007 fiscal year, the Department of

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1 Community Affairs shall develop a low-interest loan program  
 2 for homeowners and mobile home owners to retrofit their homes  
 3 with fixtures or apply construction techniques that have been  
 4 demonstrated to reduce the amount of damage or loss due to a  
 5 hurricane. Funding for the program shall be used to subsidize  
 6 or guaranty private-sector loans for this purpose to qualified  
 7 homeowners by financial institutions chartered by the state or  
 8 Federal Government. The department may enter into contracts  
 9 with financial institutions for this purpose. The department  
 10 shall establish criteria for determining eligibility for the  
 11 loans and selecting recipients, standards for retrofitting  
 12 homes or mobile homes, limitations on loan subsidies and loan  
 13 guaranties, and other terms and conditions of the program,  
 14 which must be specified in the department's report to the  
 15 Legislature on January 1, 2006, required by subsection (8).  
 16 For the 2005-2006 fiscal year, the Department of Community  
 17 Affairs may use up to \$1 million of the funds appropriated  
 18 pursuant to paragraph (2)(a) to begin the low-interest loan  
 19 program as a pilot project in one or more counties. The  
 20 Department of Financial Services, the Office of Financial  
 21 Regulation, the Florida Housing Finance Corporation, and the  
 22 Office of Tourism, Trade, and Economic Development shall  
 23 assist the Department of Community Affairs in establishing the  
 24 program and pilot project. The department may use up to 2.5  
 25 percent of the funds appropriated in any given fiscal year for  
 26 administering the loan program. The department may adopt rules  
 27 to implement the program.

28 (4)(3) Forty percent of the total appropriation in  
 29 paragraph (2)(a) shall be used to inspect and improve  
 30 tie-downs for mobile homes. Within 30 days after the effective  
 31 date of that appropriation, the department shall contract with

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1 a public higher educational institution in this state which  
2 has previous experience in administering the programs set  
3 forth in this subsection to serve as the administrative entity  
4 and fiscal agent pursuant to s. 216.346 for the purpose of  
5 administering the programs set forth in this subsection in  
6 accordance with established policy and procedures. The  
7 administrative entity working with the advisory council set up  
8 under subsection ~~(6)(5)~~ shall develop a list of mobile home  
9 parks and counties that may be eligible to participate in the  
10 tie-down program.

11 ~~(5)(4)~~ Of moneys provided to the Department of  
12 Community Affairs in paragraph (2)(a), 10 percent shall be  
13 allocated to a Type I Center within the State University  
14 System dedicated to hurricane research. The Type I Center  
15 shall develop a preliminary work plan approved by the advisory  
16 council set forth in subsection ~~(6)(5)~~ to eliminate the state  
17 and local barriers to upgrading existing mobile homes and  
18 communities, research and develop a program for the recycling  
19 of existing older mobile homes, and support programs of  
20 research and development relating to hurricane loss reduction  
21 devices and techniques for site-built residences. The State  
22 University System also shall consult with the Department of  
23 Community Affairs and assist the department with the report  
24 required under subsection ~~(8)(7)~~.

25 ~~(6)(5) Except for the program set forth in subsection~~  
26 ~~(3)~~, The Department of Community Affairs shall develop the  
27 programs set forth in this section in consultation with an  
28 advisory council consisting of a representative designated by  
29 the Chief Financial Officer, a representative designated by  
30 the Florida Home Builders Association, a representative  
31 designated by the Florida Insurance Council, a representative

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1 designated by the Federation of Manufactured Home Owners, a  
 2 representative designated by the Florida Association of  
 3 Counties, and a representative designated by the Florida  
 4 Manufactured Housing Association.

5 ~~(7)(6)~~ Moneys provided to the Department of Community  
 6 Affairs under this section are intended to supplement other  
 7 funding sources of the Department of Community Affairs and may  
 8 not supplant other funding sources of the Department of  
 9 Community Affairs.

10 ~~(8)(7)~~ On January 1st of each year, the Department of  
 11 Community Affairs shall provide a full report and accounting  
 12 of activities under this section and an evaluation of such  
 13 activities to the Speaker of the House of Representatives, the  
 14 President of the Senate, and the Majority and Minority Leaders  
 15 of the House of Representatives and the Senate.

16 ~~(9)(8)~~ This section is repealed June 30, 2011.

17 Section 3. Subsections (4) and (5) of section 627.062,  
 18 Florida Statutes, are amended to read:

19 627.062 Rate standards.--

20 (4) The establishment of any rate, rating  
 21 classification, rating plan or schedule, or variation thereof  
 22 in violation of part IX of chapter 626 is also in violation of  
 23 this section. In order to enhance the ability of consumers to  
 24 compare premiums and to increase the accuracy and usefulness  
 25 of rate-comparison information provided by the office to the  
 26 public, the office shall develop a proposed standard rating  
 27 territory plan to be used by all authorized property and  
 28 casualty insurers for residential property insurance. In  
 29 adopting the proposed plan, the office may consider  
 30 geographical characteristics relevant to risk, county lines,  
 31 major roadways, existing rating territories used by a

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1 significant segment of the market, and other relevant factors.  
 2 Such plan shall be submitted to the President of the Senate  
 3 and the Speaker of the House of Representatives by January 15,  
 4 2006. The plan may not be implemented unless authorized by  
 5 further act of the Legislature.

6 (5) With respect to a rate filing involving coverage  
 7 of the type for which the insurer is required to pay a  
 8 reimbursement premium to the Florida Hurricane Catastrophe  
 9 Fund, the insurer may fully recoup in its property insurance  
 10 premiums any reimbursement premiums paid to the Florida  
 11 Hurricane Catastrophe Fund, together with reasonable costs of  
 12 other reinsurance, but may not recoup reinsurance costs that  
 13 duplicate coverage provided by the Florida Hurricane  
 14 Catastrophe Fund. An insurer may not recoup more than 1 year  
 15 of reimbursement premium at a time. Any under-recoupment from  
 16 the prior year may be added to the following year's  
 17 reimbursement premium and any over-recoupment shall be  
 18 subtracted from the following year's reimbursement premium.

19 Section 4. Paragraph (c) of subsection (1) and  
 20 paragraph (c) of subsection (3) of section 627.0628, Florida  
 21 Statutes, are amended to read:

22 627.0628 Florida Commission on Hurricane Loss  
 23 Projection Methodology.--

24 (1) LEGISLATIVE FINDINGS AND INTENT.--

25 (c) It is the intent of the Legislature to create the  
 26 Florida Commission on Hurricane Loss Projection Methodology as  
 27 a panel of experts to provide the most actuarially  
 28 sophisticated guidelines and standards for projection of  
 29 hurricane losses possible, given the current state of  
 30 actuarial science. It is the further intent of the Legislature  
 31 that such standards and guidelines must be used by the State

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1 Board of Administration in developing reimbursement premium  
 2 rates for the Florida Hurricane Catastrophe Fund, and, subject  
 3 to paragraph (3)(c), may be used by insurers in rate filings  
 4 under s. 627.062 unless the way in which such standards and  
 5 guidelines were applied by the insurer was erroneous, as shown  
 6 by a preponderance of the evidence.

7 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.--

8 (c) With respect to a rate filing under s. 627.062, an  
 9 insurer may employ actuarial methods, principles, standards,  
 10 models, or output ranges found by the commission to be  
 11 accurate or reliable to determine hurricane loss factors for  
 12 use in a rate filing under s. 627.062. Such, which findings  
 13 and factors are admissible and relevant in consideration of a  
 14 rate filing by the office or in any arbitration or  
 15 administrative or judicial review only if the office and the  
 16 consumer advocate appointed pursuant to s. 627.0613 have  
 17 access to all of the assumptions and factors that were used in  
 18 developing the actuarial methods, principles, standards,  
 19 models, or output ranges, and are not precluded from  
 20 disclosing such information in a rate proceeding.

21 Section 5. Subsection (7) of section 627.0629, Florida  
22 Statutes, is amended to read:

23 627.0629 Residential property insurance; rate  
24 filings.--

25 (7) Any rate filing that is based in whole or part on  
26 data from a computer model may not exceed 15 ~~25~~ percent unless  
27 there is a public hearing.

28 Section 6. Section 627.06281, Florida Statutes, is  
29 created to read:

30 627.06281 Public hurricane loss projection model;  
31 reporting of data by insurers.--Within 30 days after a written



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1 request for loss data and associated exposure data by the  
2 office or a type I center within the State University System  
3 established to study mitigation, residential property insurers  
4 and licensed rating and advisory organizations that compile  
5 residential property insurance loss data shall provide loss  
6 data and associated exposure data for residential property  
7 insurance policies to the office or to a type I center within  
8 the State University System established to study mitigation,  
9 as directed by the office, for the purposes of developing,  
10 maintaining, and updating a public model for hurricane loss  
11 projections. The loss data and associated exposure data  
12 provided shall be in writing.

13 Section 7. Paragraphs (a), (c), and (q) of subsection  
14 (6) of section 627.351, Florida Statutes, are amended to read:

15 627.351 Insurance risk apportionment plans.--

16 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

17 (a)1. The Legislature finds that actual and threatened  
18 catastrophic losses to property in this state from hurricanes  
19 have caused insurers to be unwilling or unable to provide  
20 property insurance coverage to the extent sought and needed.  
21 It is in the public interest and a public purpose to assist in  
22 assuring that property in the state is insured so as to  
23 facilitate the remediation, reconstruction, and replacement of  
24 damaged or destroyed property in order to reduce or avoid the  
25 negative effects otherwise resulting to the public health,  
26 safety, and welfare; to the economy of the state; and to the  
27 revenues of the state and local governments needed to provide  
28 for the public welfare. It is necessary, therefore, to provide  
29 property insurance to applicants who are in good faith  
30 entitled to procure insurance through the voluntary market but  
31 are unable to do so. The Legislature intends by this

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1 subsection that property insurance be provided and that it  
 2 continues, as long as necessary, through an entity organized  
 3 to achieve efficiencies and economies, while providing service  
 4 to policyholders, applicants, and agents that is no less than  
 5 the quality generally provided in the voluntary market, all  
 6 toward the achievement of the foregoing public purposes.  
 7 Because it is essential for the corporation to have the  
 8 maximum financial resources to pay claims following a  
 9 catastrophic hurricane, it is the intent of the Legislature  
 10 that the income of the corporation be exempt from federal  
 11 income taxation and that interest on the debt obligations  
 12 issued by the corporation be exempt from federal income  
 13 taxation.

14           2. The Residential Property and Casualty Joint  
 15 Underwriting Association originally created by this statute  
 16 shall be known, as of July 1, 2002, as the Citizens Property  
 17 Insurance Corporation. The corporation shall provide insurance  
 18 for residential and commercial property, for applicants who  
 19 are in good faith entitled, but are unable, to procure  
 20 insurance through the voluntary market. The corporation shall  
 21 operate pursuant to a plan of operation approved by order of  
 22 the office. The plan is subject to continuous review by the  
 23 office. The office may, by order, withdraw approval of all or  
 24 part of a plan if the office determines that conditions have  
 25 changed since approval was granted and that the purposes of  
 26 the plan require changes in the plan. For the purposes of this  
 27 subsection, residential coverage includes both personal lines  
 28 residential coverage, which consists of the type of coverage  
 29 provided by homeowner's, mobile home owner's, dwelling,  
 30 tenant's, condominium unit owner's, and similar policies, and  
 31 commercial lines residential coverage, which consists of the

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1 type of coverage provided by condominium association,  
2 apartment building, and similar policies.

3 3. It is the intent of the Legislature that  
4 policyholders, applicants, and agents of the corporation  
5 receive service and treatment of the highest possible level  
6 but never less than that generally provided in the voluntary  
7 market. It also is intended that the corporation be held to  
8 service standards no less than those applied to insurers in  
9 the voluntary market by the office with respect to  
10 responsiveness, timeliness, customer courtesy, and overall  
11 dealings with policyholders, applicants, or agents of the  
12 corporation.

13 (c) The plan of operation of the corporation:

14 1. Must provide for adoption of residential property  
15 and casualty insurance policy forms and commercial residential  
16 and nonresidential property insurance forms, which forms must  
17 be approved by the office prior to use. The corporation shall  
18 adopt the following policy forms:

19 a. Standard personal lines policy forms that are  
20 comprehensive multiperil policies providing full coverage of a  
21 residential property equivalent to the coverage provided in  
22 the private insurance market under an HO-3, HO-4, or HO-6  
23 policy.

24 b. Basic personal lines policy forms that are policies  
25 similar to an HO-8 policy or a dwelling fire policy that  
26 provide coverage meeting the requirements of the secondary  
27 mortgage market, but which coverage is more limited than the  
28 coverage under a standard policy.

29 c. Commercial lines residential policy forms that are  
30 generally similar to the basic perils of full coverage  
31 obtainable for commercial residential structures in the

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1 admitted voluntary market.

2           d. Personal lines and commercial lines residential  
3 property insurance forms that cover the peril of wind only.  
4 The forms are applicable only to residential properties  
5 located in areas eligible for coverage under the high-risk  
6 account referred to in sub-subparagraph (b)2.a.

7           e. Commercial lines nonresidential property insurance  
8 forms that cover the peril of wind only. The forms are  
9 applicable only to nonresidential properties located in areas  
10 eligible for coverage under the high-risk account referred to  
11 in sub-subparagraph (b)2.a.

12           2.a. Must provide that the corporation adopt a program  
13 in which the corporation and authorized insurers enter into  
14 quota share primary insurance agreements for hurricane  
15 coverage, as defined in s. 627.4025(2)(a), for eligible risks,  
16 and adopt property insurance forms for eligible risks which  
17 cover the peril of wind only. As used in this subsection, the  
18 term:

19           (I) "Quota share primary insurance" means an  
20 arrangement in which the primary hurricane coverage of an  
21 eligible risk is provided in specified percentages by the  
22 corporation and an authorized insurer. The corporation and  
23 authorized insurer are each solely responsible for a specified  
24 percentage of hurricane coverage of an eligible risk as set  
25 forth in a quota share primary insurance agreement between the  
26 corporation and an authorized insurer and the insurance  
27 contract. The responsibility of the corporation or authorized  
28 insurer to pay its specified percentage of hurricane losses of  
29 an eligible risk, as set forth in the quota share primary  
30 insurance agreement, may not be altered by the inability of  
31 the other party to the agreement to pay its specified

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1 percentage of hurricane losses. Eligible risks that are  
2 provided hurricane coverage through a quota share primary  
3 insurance arrangement must be provided policy forms that set  
4 forth the obligations of the corporation and authorized  
5 insurer under the arrangement, clearly specify the percentages  
6 of quota share primary insurance provided by the corporation  
7 and authorized insurer, and conspicuously and clearly state  
8 that neither the authorized insurer nor the corporation may be  
9 held responsible beyond its specified percentage of coverage  
10 of hurricane losses.

11 (II) "Eligible risks" means personal lines residential  
12 and commercial lines residential risks that meet the  
13 underwriting criteria of the corporation and are located in  
14 areas that were eligible for coverage by the Florida Windstorm  
15 Underwriting Association on January 1, 2002.

16 b. The corporation may enter into quota share primary  
17 insurance agreements with authorized insurers at corporation  
18 coverage levels of 90 percent and 50 percent.

19 c. If the corporation determines that additional  
20 coverage levels are necessary to maximize participation in  
21 quota share primary insurance agreements by authorized  
22 insurers, the corporation may establish additional coverage  
23 levels. However, the corporation's quota share primary  
24 insurance coverage level may not exceed 90 percent.

25 d. Any quota share primary insurance agreement entered  
26 into between an authorized insurer and the corporation must  
27 provide for a uniform specified percentage of coverage of  
28 hurricane losses, by county or territory as set forth by the  
29 corporation board, for all eligible risks of the authorized  
30 insurer covered under the quota share primary insurance  
31 agreement.

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1           e. Any quota share primary insurance agreement entered  
 2 into between an authorized insurer and the corporation is  
 3 subject to review and approval by the office. However, such  
 4 agreement shall be authorized only as to insurance contracts  
 5 entered into between an authorized insurer and an insured who  
 6 is already insured by the corporation for wind coverage.

7           f. For all eligible risks covered under quota share  
 8 primary insurance agreements, the exposure and coverage levels  
 9 for both the corporation and authorized insurers shall be  
 10 reported by the corporation to the Florida Hurricane  
 11 Catastrophe Fund. For all policies of eligible risks covered  
 12 under quota share primary insurance agreements, the  
 13 corporation and the authorized insurer shall maintain complete  
 14 and accurate records for the purpose of exposure and loss  
 15 reimbursement audits as required by Florida Hurricane  
 16 Catastrophe Fund rules. The corporation and the authorized  
 17 insurer shall each maintain duplicate copies of policy  
 18 declaration pages and supporting claims documents.

19           g. The corporation board shall establish in its plan  
 20 of operation standards for quota share agreements which ensure  
 21 that there is no discriminatory application among insurers as  
 22 to the terms of quota share agreements, pricing of quota share  
 23 agreements, incentive provisions if any, and consideration  
 24 paid for servicing policies or adjusting claims.

25           h. The quota share primary insurance agreement between  
 26 the corporation and an authorized insurer must set forth the  
 27 specific terms under which coverage is provided, including,  
 28 but not limited to, the sale and servicing of policies issued  
 29 under the agreement by the insurance agent of the authorized  
 30 insurer producing the business, the reporting of information  
 31 concerning eligible risks, the payment of premium to the

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1 corporation, and arrangements for the adjustment and payment  
 2 of hurricane claims incurred on eligible risks by the claims  
 3 adjuster and personnel of the authorized insurer. Entering  
 4 into a quota sharing insurance agreement between the  
 5 corporation and an authorized insurer shall be voluntary and  
 6 at the discretion of the authorized insurer.

7           3. May provide that the corporation may employ or  
 8 otherwise contract with individuals or other entities to  
 9 provide administrative or professional services that may be  
 10 appropriate to effectuate the plan. The corporation shall have  
 11 the power to borrow funds, by issuing bonds or by incurring  
 12 other indebtedness, and shall have other powers reasonably  
 13 necessary to effectuate the requirements of this subsection,  
 14 including without limitation, the power to issue bonds and  
 15 incur other indebtedness in order to refinance outstanding  
 16 bonds or other indebtedness. The corporation may, but is not  
 17 required to, seek judicial validation of its bonds or other  
 18 indebtedness under chapter 75. The corporation may issue bonds  
 19 or incur other indebtedness, or have bonds issued on its  
 20 behalf by a unit of local government pursuant to subparagraph  
 21 (g)2., in the absence of a hurricane or other weather-related  
 22 event, upon a determination by the corporation, subject to  
 23 approval by the office, that such action would enable it to  
 24 efficiently meet the financial obligations of the corporation  
 25 and that such financings are reasonably necessary to  
 26 effectuate the requirements of this subsection. The  
 27 corporation is authorized to take all actions needed to  
 28 facilitate tax-free status for any such bonds or indebtedness,  
 29 including formation of trusts or other affiliated entities.  
 30 The corporation shall have the authority to pledge  
 31 assessments, projected recoveries from the Florida Hurricane

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1 Catastrophe Fund, other reinsurance recoverables, market  
2 equalization and other surcharges, and other funds available  
3 to the corporation as security for bonds or other  
4 indebtedness. In recognition of s. 10, Art. I of the State  
5 Constitution, prohibiting the impairment of obligations of  
6 contracts, it is the intent of the Legislature that no action  
7 be taken whose purpose is to impair any bond indenture or  
8 financing agreement or any revenue source committed by  
9 contract to such bond or other indebtedness.

10       4.a. Must require that the corporation operate subject  
11 to the supervision and approval of a board of governors  
12 consisting of 8 7 individuals who are residents of this state,  
13 from different geographical areas of this state, ~~appointed by~~  
14 ~~the Chief Financial Officer.~~ The Governor, the Chief Financial  
15 Officer, the President of the Senate, and the Speaker of the  
16 House of Representatives shall each appoint two members of the  
17 board, effective August 1, 2005. At least one of the two  
18 members appointed by each appointing officer must have  
19 demonstrated expertise in insurance. The Chief Financial  
20 Officer shall designate one of the appointees as chair. All  
21 board members serve at the pleasure of the appointing officer  
22 ~~Chief Financial Officer~~. All board members, including the  
23 chair, must be appointed to serve for 3-year terms beginning  
24 annually on a date designated by the plan. Any board vacancy  
25 shall be filled for the unexpired term by the appointing  
26 officer ~~Chief Financial Officer~~. The Chief Financial Officer  
27 shall appoint a technical advisory group to provide  
28 information and advice to the board of governors in connection  
29 with the board's duties under this subsection. The executive  
30 director and senior managers of the corporation shall be  
31 engaged by the board, as recommended by the Chief Financial



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1 Officer and serve at the pleasure of the board ~~Chief Financial~~  
 2 ~~Officer~~. The executive director is responsible for employing  
 3 other staff as the corporation may require, subject to review  
 4 and concurrence by the board and office of the Chief Financial  
 5 Officer.

6       b. The board shall create a Market Accountability  
 7 Advisory Committee to assist the corporation in developing  
 8 awareness of its rates and its customer and agent service  
 9 levels in relationship to the voluntary market insurers  
 10 writing similar coverage. The members of the advisory  
 11 committee shall consist of the following 11 persons, one of  
 12 whom must be elected chair by the members of the committee:  
 13 four representatives, one appointed by the Florida Association  
 14 of Insurance Agents, one by the Florida Association of  
 15 Insurance and Financial Advisors, one by the Professional  
 16 Insurance Agents of Florida, and one by the Latin American  
 17 Association of Insurance Agencies; three representatives  
 18 appointed by the insurers with the three highest voluntary  
 19 market share of residential property insurance business in the  
 20 state; one representative from the Office of Insurance  
 21 Regulation; one consumer appointed by the board who is insured  
 22 by the corporation at the time of appointment to the  
 23 committee; one representative appointed by the Florida  
 24 Association of Realtors; and one representative appointed by  
 25 the Florida Bankers Association. All members must serve for  
 26 3-year terms and may serve for consecutive terms. The  
 27 committee shall report to the corporation at each board  
 28 meeting on insurance market issues which may include rates and  
 29 rate competition with the voluntary market; service, including  
 30 policy issuance, claims processing, and general responsiveness  
 31 to policyholders, applicants, and agents; and matters relating

1 to depopulation.

2           5. Must provide a procedure for determining the  
3 eligibility of a risk for coverage, as follows:

4           a. Subject to the provisions of s. 627.3517, with  
5 respect to personal lines residential risks, if the risk is  
6 offered coverage from an authorized insurer at the insurer's  
7 approved rate under either a standard policy including wind  
8 coverage or, if consistent with the insurer's underwriting  
9 rules as filed with the office, a basic policy including wind  
10 coverage, the risk is not eligible for any policy issued by  
11 the corporation. If the risk is not able to obtain any such  
12 offer, the risk is eligible for either a standard policy  
13 including wind coverage or a basic policy including wind  
14 coverage issued by the corporation; however, if the risk could  
15 not be insured under a standard policy including wind coverage  
16 regardless of market conditions, the risk shall be eligible  
17 for a basic policy including wind coverage unless rejected  
18 under subparagraph 8. The corporation shall determine the type  
19 of policy to be provided on the basis of objective standards  
20 specified in the underwriting manual and based on generally  
21 accepted underwriting practices.

22           (I) If the risk accepts an offer of coverage through  
23 the market assistance plan or an offer of coverage through a  
24 mechanism established by the corporation before a policy is  
25 issued to the risk by the corporation or during the first 30  
26 days of coverage by the corporation, and the producing agent  
27 who submitted the application to the plan or to the  
28 corporation is not currently appointed by the insurer, the  
29 insurer shall:

30           (A) Pay to the producing agent of record of the  
31 policy, for the first year, an amount that is the greater of

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1 the insurer's usual and customary commission for the type of  
2 policy written or a fee equal to the usual and customary  
3 commission of the corporation; or

4 (B) Offer to allow the producing agent of record of  
5 the policy to continue servicing the policy for a period of  
6 not less than 1 year and offer to pay the agent the greater of  
7 the insurer's or the corporation's usual and customary  
8 commission for the type of policy written.

9  
10 If the producing agent is unwilling or unable to accept  
11 appointment, the new insurer shall pay the agent in accordance  
12 with sub-sub-sub-subparagraph (A).

13 (II) When the corporation enters into a contractual  
14 agreement for a take-out plan, the producing agent of record  
15 of the corporation policy is entitled to retain any unearned  
16 commission on the policy, and the insurer shall:

17 (A) Pay to the producing agent of record of the  
18 corporation policy, for the first year, an amount that is the  
19 greater of the insurer's usual and customary commission for  
20 the type of policy written or a fee equal to the usual and  
21 customary commission of the corporation; or

22 (B) Offer to allow the producing agent of record of  
23 the corporation policy to continue servicing the policy for a  
24 period of not less than 1 year and offer to pay the agent the  
25 greater of the insurer's or the corporation's usual and  
26 customary commission for the type of policy written.

27  
28 If the producing agent is unwilling or unable to accept  
29 appointment, the new insurer shall pay the agent in accordance  
30 with sub-sub-sub-subparagraph (A).

31 b. With respect to commercial lines residential risks,

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1 if the risk is offered coverage under a policy including wind  
 2 coverage from an authorized insurer at its approved rate, the  
 3 risk is not eligible for any policy issued by the corporation.  
 4 If the risk is not able to obtain any such offer, the risk is  
 5 eligible for a policy including wind coverage issued by the  
 6 corporation.

7 (I) If the risk accepts an offer of coverage through  
 8 the market assistance plan or an offer of coverage through a  
 9 mechanism established by the corporation before a policy is  
 10 issued to the risk by the corporation or during the first 30  
 11 days of coverage by the corporation, and the producing agent  
 12 who submitted the application to the plan or the corporation  
 13 is not currently appointed by the insurer, the insurer shall:

14 (A) Pay to the producing agent of record of the  
 15 policy, for the first year, an amount that is the greater of  
 16 the insurer's usual and customary commission for the type of  
 17 policy written or a fee equal to the usual and customary  
 18 commission of the corporation; or

19 (B) Offer to allow the producing agent of record of  
 20 the policy to continue servicing the policy for a period of  
 21 not less than 1 year and offer to pay the agent the greater of  
 22 the insurer's or the corporation's usual and customary  
 23 commission for the type of policy written.

24  
 25 If the producing agent is unwilling or unable to accept  
 26 appointment, the new insurer shall pay the agent in accordance  
 27 with sub-sub-sub-subparagraph (A).

28 (II) When the corporation enters into a contractual  
 29 agreement for a take-out plan, the producing agent of record  
 30 of the corporation policy is entitled to retain any unearned  
 31 commission on the policy, and the insurer shall:

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1           (A) Pay to the producing agent of record of the  
 2 corporation policy, for the first year, an amount that is the  
 3 greater of the insurer's usual and customary commission for  
 4 the type of policy written or a fee equal to the usual and  
 5 customary commission of the corporation; or

6           (B) Offer to allow the producing agent of record of  
 7 the corporation policy to continue servicing the policy for a  
 8 period of not less than 1 year and offer to pay the agent the  
 9 greater of the insurer's or the corporation's usual and  
 10 customary commission for the type of policy written.

11  
 12 If the producing agent is unwilling or unable to accept  
 13 appointment, the new insurer shall pay the agent in accordance  
 14 with sub-sub-sub-subparagraph (A).

15           6. Must include rules for classifications of risks and  
 16 rates therefor.

17           7. Must provide that if premium and investment income  
 18 for an account attributable to a particular calendar year are  
 19 in excess of projected losses and expenses for the account  
 20 attributable to that year, such excess shall be held in  
 21 surplus in the account. Such surplus shall be available to  
 22 defray deficits in that account as to future years and shall  
 23 be used for that purpose prior to assessing assessable  
 24 insurers and assessable insureds as to any calendar year.

25           8. Must provide objective criteria and procedures to  
 26 be uniformly applied for all applicants in determining whether  
 27 an individual risk is so hazardous as to be uninsurable. In  
 28 making this determination and in establishing the criteria and  
 29 procedures, the following shall be considered:

30           a. Whether the likelihood of a loss for the individual  
 31 risk is substantially higher than for other risks of the same

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1 class; and

2           b. Whether the uncertainty associated with the  
3 individual risk is such that an appropriate premium cannot be  
4 determined.

5  
6 The acceptance or rejection of a risk by the corporation shall  
7 be construed as the private placement of insurance, and the  
8 provisions of chapter 120 shall not apply.

9           9. Must provide that the corporation shall make its  
10 best efforts to procure catastrophe reinsurance at reasonable  
11 rates, to cover its projected 100-year probable maximum loss  
12 as determined by the board of governors.

13           10. Must provide that in the event of regular deficit  
14 assessments under sub-subparagraph (b)3.a. or sub-subparagraph  
15 (b)3.b., in the personal lines account, the commercial lines  
16 residential account, or the high-risk account, the corporation  
17 shall levy upon corporation policyholders in its next rate  
18 filing, or by a separate rate filing solely for this purpose,  
19 a market equalization surcharge arising from a regular  
20 assessment in such account in a percentage equal to the total  
21 amount of such regular assessments divided by the aggregate  
22 statewide direct written premium for subject lines of business  
23 for the prior calendar year. Market equalization surcharges  
24 under this subparagraph are not considered premium and are not  
25 subject to commissions, fees, or premium taxes; however,  
26 failure to pay a market equalization surcharge shall be  
27 treated as failure to pay premium.

28           11. The policies issued by the corporation must  
29 provide that, if the corporation or the market assistance plan  
30 obtains an offer from an authorized insurer to cover the risk  
31 at its approved rates, the risk is no longer eligible for

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1 renewal through the corporation.

2           12. Corporation policies and applications must include  
3 a notice that the corporation policy could, under this  
4 section, be replaced with a policy issued by an authorized  
5 insurer that does not provide coverage identical to the  
6 coverage provided by the corporation. The notice shall also  
7 specify that acceptance of corporation coverage creates a  
8 conclusive presumption that the applicant or policyholder is  
9 aware of this potential.

10           13. May establish, subject to approval by the office,  
11 different eligibility requirements and operational procedures  
12 for any line or type of coverage for any specified county or  
13 area if the board determines that such changes to the  
14 eligibility requirements and operational procedures are  
15 justified due to the voluntary market being sufficiently  
16 stable and competitive in such area or for such line or type  
17 of coverage and that consumers who, in good faith, are unable  
18 to obtain insurance through the voluntary market through  
19 ordinary methods would continue to have access to coverage  
20 from the corporation. When coverage is sought in connection  
21 with a real property transfer, such requirements and  
22 procedures shall not provide for an effective date of coverage  
23 later than the date of the closing of the transfer as  
24 established by the transferor, the transferee, and, if  
25 applicable, the lender.

26           14. Must provide that, with respect to the high-risk  
27 account, any assessable insurer with a surplus as to  
28 policyholders of \$25 million or less writing 25 percent or  
29 more of its total countrywide property insurance premiums in  
30 this state may petition the office, within the first 90 days  
31 of each calendar year, to qualify as a limited apportionment

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1 company. In no event shall a limited apportionment company be  
 2 required to participate in the portion of any assessment,  
 3 within the high-risk account, pursuant to sub-subparagraph  
 4 (b)3.a. or sub-subparagraph (b)3.b. in the aggregate which  
 5 exceeds \$50 million after payment of available high-risk  
 6 account funds in any calendar year. However, a limited  
 7 apportionment company shall collect from its policyholders any  
 8 emergency assessment imposed under sub-subparagraph (b)3.d.  
 9 The plan shall provide that, if the office determines that any  
 10 regular assessment will result in an impairment of the surplus  
 11 of a limited apportionment company, the office may direct that  
 12 all or part of such assessment be deferred as provided in  
 13 subparagraph (g)4. However, there shall be no limitation or  
 14 deferment of an emergency assessment to be collected from  
 15 policyholders under sub-subparagraph (b)3.d.

16           15. Must provide that the corporation appoint as its  
 17 licensed agents only those agents who also hold an appointment  
 18 as defined in s. 626.015(3) with an insurer who at the time of  
 19 the agent's initial appointment by the corporation is  
 20 authorized to write and is actually writing personal lines  
 21 residential property coverage, commercial residential property  
 22 coverage, or commercial nonresidential property coverage  
 23 within the state.

24           (q) The corporation shall ~~not~~ require the securing of  
 25 flood insurance as a condition of coverage if the property  
 26 risk of the insured or applicant is located in a Special Flood  
 27 Hazard Area as defined by the Federal Emergency Management  
 28 Agency for the National Flood Insurance Program. ~~executes a~~  
 29 ~~form approved by the office affirming that~~ Flood insurance is  
 30 not provided by the corporation and ~~that if flood insurance is~~  
 31 ~~not secured by the applicant or insured in addition to~~



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1 ~~coverage by the corporation,~~ the risk will not be covered for  
2 flood damage. A corporation policyholder that does ~~electing~~  
3 ~~not to~~ secure flood insurance and makes a claim ~~executing a~~  
4 ~~form as provided herein making a claim~~ for water damage  
5 against the corporation shall have the burden of proving the  
6 damage was not caused by flooding. Notwithstanding other  
7 provisions of this subsection, the corporation may deny  
8 coverage or refuse to issue or renew a policy to an applicant  
9 or insured who refuses to purchase flood insurance as required  
10 by this subsection ~~to execute the form described herein.~~

11 Section 8. Section 627.40951, Florida Statutes, is  
12 created to read:

13 627.40951 Standard personal lines residential  
14 insurance policy.--

15 (1) The Legislature finds that many consumers who  
16 filed property loss claims as a result of the hurricanes that  
17 struck this state in 2004 were inadequately insured due to the  
18 difficulty consumers encounter in trying to understand the  
19 complex nature of property insurance policies. The purpose and  
20 intent of this section is to have property and casualty  
21 insurers offer standard personal lines residential property  
22 insurance policies and standard checklists of policy contents,  
23 in accordance with s. 627.4143, to consumers and to ensure  
24 that these policies and checklists are written in a simple  
25 format with easily readable language that will enable most  
26 consumers to understand the principal benefits and coverage  
27 provided in the policy; the principal exclusions and  
28 limitations or reductions contained in the policy, including,  
29 but not limited to, deductibles, coinsurance, and any other  
30 limitations or reductions; and any additional coverage  
31 provided through any rider or endorsement that accompanies the

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1 policy and renewal or cancellation provisions.

2       (2) The Chief Financial Officer shall appoint an  
3 advisory committee composed of two representatives of insurers  
4 currently selling personal lines residential property  
5 insurance coverage, two representatives of property and  
6 casualty agents, two representatives of consumers, two  
7 representatives of the Commissioner of Insurance Regulation,  
8 and the Insurance Consumer Advocate or her or his designee.

9 The Chief Financial Officer or her or his designee shall serve  
10 as chair of the committee. The committee shall develop policy  
11 language for coverage that represents general industry  
12 standards in the market for comprehensive coverage under  
13 personal lines residential insurance policies and shall  
14 develop a checklist to be used with each type of personal  
15 lines residential property insurance policy. The committee  
16 shall review policies and related forms written by Insurance  
17 Services Office, Inc. The committee shall file a report  
18 containing its recommendations to the President of the Senate  
19 and the Speaker of the House of Representatives by January 15,  
20 2006. No insurer shall be required to offer the standard  
21 policy unless required by further act of the Legislature.

22       Section 9. Subsection (1) of section 627.411, Florida  
23 Statutes, is amended to read:

24       627.411 Grounds for disapproval.--

25       (1) The office shall disapprove any form filed under  
26 s. 627.410, or withdraw any previous approval thereof, only if  
27 the form:

28       (a) Is in any respect in violation of, or does not  
29 comply with, this code.

30       (b) Contains or incorporates by reference, where such  
31 incorporation is otherwise permissible, any inconsistent,

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1 ambiguous, or misleading clauses, or exceptions and conditions  
2 which deceptively affect the risk purported to be assumed in  
3 the general coverage of the contract.

4 (c) Has any title, heading, or other indication of its  
5 provisions which is misleading.

6 (d) Is printed or otherwise reproduced in such manner  
7 as to render any material provision of the form substantially  
8 illegible.

9 (e) Is for residential property insurance and contains  
10 provisions that are unfair or inequitable or encourage  
11 misrepresentation.

12 ~~(f)(e)~~ Is for health insurance, and:

13 1. Provides benefits that are unreasonable in relation  
14 to the premium charged.

15 2. Contains provisions that are unfair or inequitable  
16 or contrary to the public policy of this state or that  
17 encourage misrepresentation.

18 3. Contains provisions that apply rating practices  
19 that result in unfair discrimination pursuant to s.  
20 626.9541(1)(g)2.

21 ~~(g)(f)~~ Excludes coverage for human immunodeficiency  
22 virus infection or acquired immune deficiency syndrome or  
23 contains limitations in the benefits payable, or in the terms  
24 or conditions of such contract, for human immunodeficiency  
25 virus infection or acquired immune deficiency syndrome which  
26 are different than those which apply to any other sickness or  
27 medical condition.

28 Section 10. Paragraphs (d) and (e) are added to  
29 subsection (2) of section 627.4133, Florida Statutes, to read:

30 627.4133 Notice of cancellation, nonrenewal, or  
31 renewal premium.--

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

7           (d)1. Upon a declaration of an emergency pursuant to  
 8 s. 252.36 and the filing of an order by the Commissioner of  
 9 Insurance Regulation, an insurer may not cancel or nonrenew a  
 10 personal residential or commercial residential property  
 11 insurance policy covering a dwelling or residential property  
 12 located in this state which has been damaged as a result of a  
 13 hurricane or wind loss that is the subject of the declaration  
 14 of emergency for a period of 90 days after the dwelling or  
 15 residential property has been repaired. A structure is deemed  
 16 to be repaired when substantially completed and restored to  
 17 the extent that it is insurable by another authorized insurer  
 18 that is writing policies in this state.

19           2. However, an insurer or agent may cancel or nonrenew  
 20 such a policy prior to the repair of the dwelling or  
 21 residential property:

22           a. Upon 10 days' notice for nonpayment of premium; or

23           b. Upon 45 days' notice:

24           (I) For a material misstatement or fraud related to  
 25 the claim;

26           (II) If the insurer determines that the insured has  
 27 unreasonably caused a delay in the repair of the dwelling; or

28           (III) If the insurer has paid policy limits.

29           3. If the insurer elects to nonrenew a policy covering  
 30 a property that has been damaged, the insurer shall provide at  
 31 least 90 days' notice to the insured that the insurer intends

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1 to nonrenew the policy 90 days after the dwelling or  
 2 residential property has been repaired. Nothing in this  
 3 paragraph shall prevent the insurer from canceling or  
 4 nonrenewing the policy 90 days after the repairs are complete  
 5 for the same reasons the insurer would otherwise have canceled  
 6 or nonrenewed the policy but for the limitations of  
 7 subparagraph 1. The Financial Services Commission may adopt  
 8 rules, and the Commissioner of Insurance Regulation may issue  
 9 orders, necessary to implement this paragraph.

10       4. This paragraph shall also apply to personal  
 11 residential and commercial residential policies covering  
 12 property that was damaged as the result of Tropical Storm  
 13 Bonnie, Hurricane Charley, Hurricane Frances, Hurricane Ivan,  
 14 or Hurricane Jeanne.

15       (e) If any cancellation or nonrenewal of a policy  
 16 subject to this subsection is to take effect during the  
 17 duration of a hurricane as defined in s. 627.4025(2)(c), the  
 18 effective date of such cancellation or nonrenewal is extended  
 19 until the end of the duration of such hurricane. The insurer  
 20 may collect premium at the prior rates or the rates then in  
 21 effect for the period of time for which coverage is extended.  
 22 This paragraph does not apply to any property with respect to  
 23 which replacement coverage has been obtained and which is in  
 24 effect for a claim occurring during the duration of the  
 25 hurricane.

26       Section 11. Effective January 1, 2006, section  
 27 627.4143, Florida Statutes, is amended to read:

28       627.4143 Outline of coverage.--

29       (1) No private passenger automobile or basic  
 30 homeowner's policy shall be delivered or issued for delivery  
 31 in this state unless an appropriate outline of coverage has

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1 been delivered prior to issuance of the policy or accompanies  
2 the policy when issued.

3 (2) The outline of coverage for a private passenger  
4 motor vehicle insurance policy shall contain all of the  
5 following:

6 (a) A brief description of the principal benefits and  
7 coverage provided in the policy, broken down by each class or  
8 type of coverage provided under the policy for which a premium  
9 is charged, and itemization of the applicable premium.

10 (b) A summary statement of the principal exclusions  
11 and limitations or reductions contained in the policy by class  
12 or type, including, but not limited to, deductibles,  
13 coinsurance, and any other limitations or reductions.

14 (c) A summary statement of any renewal or cancellation  
15 provisions.

16 (d) A description of the credit or surcharge plan that  
17 is being applied. The description may display numerical or  
18 alphabetical codes on the declarations page or premium notice  
19 to enable the insured to determine the reason or reasons why  
20 her or his policy is being surcharged or is receiving a  
21 credit.

22 (e) A list of any additional coverage provided through  
23 any rider or endorsement which accompanies the policy. The  
24 list shall contain a descriptive reference to each additional  
25 coverage, rather than solely a reference to a form or code  
26 number.

27 (f) ~~For a private passenger motor vehicle insurance~~  
28 ~~policy,~~ The extent of coverage provided to the insured in the  
29 event of collision damage to a rental vehicle rented by the  
30 insured. The proof-of-insurance card required by s. 316.646  
31 must also specify whether rental car coverage is provided, and

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1 may refer to the outline of coverage as to the details or  
2 extent of coverage.

3 (3) A basic homeowners', mobile homeowners', dwelling,  
4 or condominium unit owners' policy may not be delivered or  
5 issued for delivery in this state unless a comprehensive  
6 checklist of coverage on a form adopted by the commission and  
7 an appropriate outline of coverage have been delivered prior  
8 to issuance of the policy or accompanies the policy when  
9 issued. The commission shall, by rule, adopt a form for the  
10 checklist for each type of policy to which this subsection  
11 applies. Each form shall indicate that it was adopted by the  
12 commission.

13 (a) The checklist must contain a list of the standard  
14 provisions and elements that may typically be included in  
15 these policies, whether or not they are included in the  
16 particular policy being issued, in a format that allows the  
17 insurer to place a check mark next to the provisions elements  
18 that are included so that the consumer can see both what is  
19 included and what is not included in the policy. As an  
20 alternative to checking the boxes on the checklist, an insurer  
21 may delete the check boxes from the form and replace them with  
22 text indicating whether the provision's elements are included  
23 or not. Limits of liability shall be listed for each item. The  
24 checklist must include, but is not limited to, the following:

25 1. Property coverage for the principal premises shown  
26 in the declarations.

27 2. Property coverage for other structures on the  
28 residence premises.

29 3. Whether the principal premises and other structures  
30 are insured against the following perils:

31 a. Fire.

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- 1           b. Lightning.
- 2           c. Explosion.
- 3           d. Hurricane loss.
- 4           e. Nonhurricane wind loss.
- 5           f. Collapse.
- 6           g. Mold.
- 7           h. Sinkhole loss.
- 8           i. Vandalism.
- 9           4. Personal property coverage.
- 10          5. Whether personal property is insured against the
- 11 following perils:
- 12          a. Fire.
- 13          b. Lightning.
- 14          c. Hurricane loss.
- 15          d. Nonhurricane wind loss.
- 16          e. Collapse.
- 17          f. Mold.
- 18          g. Sinkhole loss.
- 19          h. Theft.
- 20          6. The following additional coverages:
- 21          a. Debris removal.
- 22          b. Loss assessment.
- 23          c. Additional living expenses.
- 24          7. Personal liability coverage.
- 25          8. Medical payments coverage.
- 26          9. Discounts applied to the premium.
- 27          10. Deductibles for loss due to hurricane and loss to
- 28 other perils.
- 29          11. Building ordinance or law coverage.
- 30          12. Replacement cost coverage.
- 31          13. Actual cash value coverage.



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1       (b) The forms shall allow insurers to place other  
2 coverages on the checklists which may or may not be included  
3 in the insurer's policies.

4       (c) The outline of coverage must contain:

5           1. A brief description of the principal benefits and  
6 coverage provided in the policy, broken down by each class or  
7 type of coverage provided under the policy for which a premium  
8 is charged, and itemization of the applicable premium.

9           2. A summary statement of the principal exclusions and  
10 limitations or reductions contained in the policy by class or  
11 type, including, but not limited to, deductibles, coinsurance,  
12 and any other limitations or reductions.

13           3. A summary statement of any renewal or cancellation  
14 provisions.

15           4. A description of the credit or surcharge plan that  
16 is being applied. The description may display numerical or  
17 alphabetical codes on the declarations page or premium notice  
18 to enable the insured to determine the reason or reasons why  
19 her or his policy is being surcharged or is receiving a  
20 credit.

21           5. A summary of any additional coverage provided  
22 through any rider or endorsement that accompanies the policy.

23       ~~(4)(3)~~ The outline of coverage for a private passenger  
24 motor vehicle policy is required only on the initial policy  
25 issued by an insurer. The outline of coverage and the  
26 checklist for a basic homeowners', mobile homeowners',  
27 dwelling, or condominium unit owners' policy is required on  
28 the initial policy and each renewal thereof issued by an  
29 insurer.

30       ~~(5)(4)~~ An insurer must insert the following language  
31 on the outline of coverage:

1  
2  
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"The following outline of coverage or checklist is for informational purposes only. Florida law prohibits this outline or checklist from changing any of the provisions of the insurance contract which is the subject of this outline. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits will be sent separately."

~~(6)(5)~~ Neither this section nor the outline of coverage or checklist mandated by this section alters or modifies the terms of the insurance contract, creates a cause of action, or is admissible in any civil action.

Section 12. Effective October 1, 2005, subsections (3), (4), (8), and (9) of section 627.701, Florida Statutes, as amended by section 4 of chapter 2004-480, Laws of Florida, are amended to read:

627.701 Liability of insureds; coinsurance; deductibles.--

(3)(a) A policy of residential property insurance shall include a deductible amount applicable to hurricane ~~or wind~~ losses no lower than \$500 and no higher than 2 percent of the policy dwelling limits with respect to personal lines residential risks, and no higher than 3 percent of the policy limits with respect to commercial lines residential risks; however, if a risk was covered on August 24, 1992, under a policy having a higher deductible than the deductibles allowed by this paragraph, a policy covering such risk may include a deductible no higher than the deductible in effect on August 24, 1992. Notwithstanding the other provisions of this

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1 paragraph, a personal lines residential policy covering a risk  
 2 valued at \$50,000 or less may include a deductible amount  
 3 attributable to hurricane ~~or wind~~ losses no lower than \$250,  
 4 and a personal lines residential policy covering a risk valued  
 5 at \$100,000 or more may include a deductible amount  
 6 attributable to hurricane ~~or wind~~ losses no higher than 10 5  
 7 percent of the policy limits unless subject to a higher  
 8 deductible on August 24, 1992; however, no maximum deductible  
 9 is required with respect to a personal lines residential  
 10 policy covering a risk valued at more than \$500,000. An  
 11 insurer may require a higher deductible, provided such  
 12 deductible is the same as or similar to a deductible program  
 13 lawfully in effect on June 14, 1995. In addition to the  
 14 deductible amounts authorized by this paragraph, an insurer  
 15 may also offer policies with a copayment provision under  
 16 which, after exhaustion of the deductible, the policyholder is  
 17 responsible for 10 percent of the next \$10,000 of insured  
 18 hurricane ~~or wind~~ losses.

19 (b)1. Except as otherwise provided in this paragraph,  
 20 prior to issuing a personal lines residential property  
 21 insurance policy on or after January 1, 2006 ~~April 1, 1996~~, or  
 22 prior to the first renewal of a residential property insurance  
 23 policy on or after January 1, 2006 ~~April 1, 1996~~, the insurer  
 24 must offer alternative deductible amounts applicable to  
 25 hurricane ~~or wind~~ losses equal to \$500, ~~and 2 percent,~~ 5  
 26 percent, and 10 percent of the policy dwelling limits, unless  
 27 the specific percentage ~~2 percent~~ deductible is less than  
 28 \$500. The written notice of the offer shall specify the  
 29 hurricane or wind deductible to be applied in the event that  
 30 the applicant or policyholder fails to affirmatively choose a  
 31 hurricane deductible. The insurer must provide such

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1 policyholder with notice of the availability of the deductible  
2 amounts specified in this paragraph in a form approved by the  
3 office in conjunction with each renewal of the policy. The  
4 failure to provide such notice constitutes a violation of this  
5 code but does not affect the coverage provided under the  
6 policy.

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

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

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

26           ~~(c) In order to provide for the transition from wind~~  
27 ~~deductibles to hurricane deductibles as required by this~~  
28 ~~subsection, an insurer is required to provide wind deductibles~~  
29 ~~meeting the requirements of this subsection until the~~  
30 ~~effective date of the insurer's first rate filing made after~~  
31 ~~January 1, 1997, and is thereafter required to provide~~

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1 ~~hurricane deductibles meeting the requirements of this~~  
2 ~~subsection.~~

3           (4)(a) Any policy that contains a separate hurricane  
4 deductible must on its face include in boldfaced type no  
5 smaller than 18 points the following statement: "THIS POLICY  
6 CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY  
7 RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU." A policy  
8 containing a coinsurance provision applicable to hurricane  
9 losses must on its face include in boldfaced type no smaller  
10 than 18 points the following statement: "THIS POLICY CONTAINS  
11 A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-POCKET  
12 EXPENSES TO YOU."

13           (b) Beginning October 1, 2005, for any personal lines  
14 residential property insurance policy containing a separate  
15 hurricane deductible, the insurer shall compute and  
16 prominently display the actual dollar value of the hurricane  
17 deductible on the declarations page of the policy at issuance  
18 and, for renewal, on the renewal declarations page of the  
19 policy or on the premium renewal notice.

20           (c) Beginning October 1, 2005, for any personal lines  
21 residential property insurance policy containing an inflation  
22 guard rider, the insurer shall compute and prominently display  
23 the actual dollar value of the hurricane deductible on the  
24 declarations page of the policy at issuance and, for renewal,  
25 on the renewal declarations page of the policy or on the  
26 premium renewal notice. In addition, beginning October 1,  
27 2005, for any personal lines residential property insurance  
28 policy containing an inflation guard rider, the insurer shall  
29 notify the policyholder of the possibility that the hurricane  
30 deductible may be higher than indicated when loss occurs due  
31 to application of the inflation guard rider. Such notification

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1 shall be made on the declarations page of the policy at  
2 issuance and, for renewal, on the renewal declarations page of  
3 the policy or on the premium renewal notice.

4 ~~(8)(a) The Legislature finds that property insurance~~  
5 ~~coverage has become unaffordable for a significant number of~~  
6 ~~mobile home owners, as evidenced by reports that up to 100,000~~  
7 ~~mobile home owners have terminated their insurance coverage~~  
8 ~~because they cannot afford to pay approved rates charged in~~  
9 ~~the voluntary or residual markets. The Legislature further~~  
10 ~~finds that additional flexibility in available coverages will~~  
11 ~~enable mobile home owners to obtain affordable insurance and~~  
12 ~~increase capacity.~~

13 ~~(b) Notwithstanding the provisions of subsection (3),~~  
14 ~~with respect to mobile home policies:~~

15 ~~1. The deductible for hurricane coverage may not~~  
16 ~~exceed 10 percent of the property value if the property is not~~  
17 ~~subject to any liens and may not exceed 5 percent of the~~  
18 ~~property value if the property is subject to any liens.~~

19 ~~2. The insurer need not make the offers required by~~  
20 ~~paragraph (3)(b).~~

21 ~~(8)(9) Notwithstanding the other provisions of this~~  
22 ~~section or of other law, but only as to hurricane coverage as~~  
23 ~~defined in s. 627.4025 for commercial lines residential~~  
24 ~~coverages, an insurer may offer a deductible in an amount not~~  
25 ~~exceeding 5 percent of the insured value with respect to a~~  
26 ~~condominium association or cooperative association policy, or~~  
27 ~~in an amount not exceeding 10 percent of the insured value~~  
28 ~~with respect to any other commercial lines residential policy,~~  
29 ~~if, at the time of such offer and at each renewal, the insurer~~  
30 ~~also offers to the policyholder a deductible in the amount of~~  
31 ~~3 percent of the insured value. Nothing in this subsection~~

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1 prohibits any deductible otherwise authorized by this section.

2 All forms by which the offers authorized in this subsection  
3 are made or required to be made shall be on forms that are  
4 adopted or approved by the commission or office.

5 Section 13. Subsection (5) of section 627.701, Florida  
6 Statutes, as amended by section 4 of chapter 2004-480, Laws of  
7 Florida, is amended to read:

8 627.701 Liability of Insureds; coinsurance;  
9 deductibles.--

10 (5)(a) The hurricane deductible of any personal lines  
11 residential property insurance policy issued or renewed on or  
12 after May 1, 2005, shall be applied as follows:

13 1.(a) The hurricane deductible shall apply on an  
14 annual basis to all covered hurricane losses that occur during  
15 the calendar year for losses that are covered under one or  
16 more policies issued by the same insurer or an insurer in the  
17 same insurer group.

18 2.(b) If a hurricane deductible applies separately to  
19 each of one or more structures insured under a single policy,  
20 the requirements of this paragraph ~~subsection~~ apply with  
21 respect to the deductible for each structure.

22 3.(c) If there was a hurricane loss for a prior  
23 hurricane or hurricanes during the calendar year, the insurer  
24 may apply a deductible to a subsequent hurricane which ~~that~~ is  
25 the greater of the remaining amount of the hurricane  
26 deductible or the amount of the deductible that applies to  
27 perils other than a hurricane. Insurers may require  
28 policyholders to report hurricane losses that are below the  
29 hurricane deductible or to maintain receipts or other records  
30 of such hurricane losses in order to apply such losses to  
31 subsequent hurricane claims.

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1           ~~4.(d)~~ If there are hurricane losses in a calendar year  
2 on more than one policy issued by the same insurer or an  
3 insurer in the same insurer group, the hurricane deductible  
4 shall be the highest amount stated in any one of the policies.  
5 If a policyholder who had a hurricane loss under the prior  
6 policy is provided or offered a lower hurricane deductible  
7 under the new or renewal policy, the insurer must notify the  
8 policyholder, in writing, at the time the lower hurricane  
9 deductible is provided or offered, that the lower hurricane  
10 deductible will not apply until January 1 of the following  
11 calendar year.

12           (b) For commercial residential property insurance  
13 policies issued or renewed on or after January 1, 2006, the  
14 insurer must offer the policyholder the following alternative  
15 hurricane deductibles:

16           1. A hurricane deductible that applies on an annual  
17 basis as provided in paragraph (a); and

18           2. A hurricane deductible that applies to each  
19 hurricane.

20           Section 14. Effective October 1, 2005, section  
21 627.7011, Florida Statutes, is amended to read:

22           627.7011 Homeowners' policies; offer of replacement  
23 cost coverage and law and ordinance coverage.--

24           (1) Prior to issuing a homeowner's insurance policy on  
25 or after October 1, 2005 ~~June 1, 1994~~, or prior to the first  
26 renewal of a homeowner's insurance policy on or after October  
27 1, 2005 ~~June 1, 1994~~, the insurer must offer each of the  
28 following:

29           (a) A policy or endorsement providing that any loss  
30 which is repaired or replaced will be adjusted on the basis of  
31 replacement costs not exceeding policy limits as to the



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1 dwelling, rather than actual cash value, but not including  
2 costs necessary to meet applicable laws and ordinances  
3 regulating the construction, use, or repair of any property or  
4 requiring the tearing down of any property, including the  
5 costs of removing debris.

6 (b) A policy or endorsement providing that, subject to  
7 other policy provisions, any loss which is repaired or  
8 replaced at any location will be adjusted on the basis of  
9 replacement costs not exceeding policy limits as to the  
10 dwelling, rather than actual cash value, and also including  
11 costs necessary to meet applicable laws and ordinances  
12 regulating the construction, use, or repair of any property or  
13 requiring the tearing down of any property, including the  
14 costs of removing debris; however, such additional costs  
15 necessary to meet applicable laws and ordinances may be  
16 limited to either 25 percent or 50 percent of the dwelling  
17 limit, as selected by the policyholder, and such coverage  
18 shall apply only to repairs of the damaged portion of the  
19 structure unless the total damage to the structure exceeds 50  
20 percent of the replacement cost of the structure.

21  
22 An insurer is not required to make the offers required by this  
23 subsection with respect to the issuance or renewal of a  
24 homeowner's policy that contains the provisions specified in  
25 paragraph (b) for law and ordinance coverage limited to 25  
26 percent of the dwelling limit, except that the insurer must  
27 offer the law and ordinance coverage limited to 50 percent of  
28 the dwelling limit. This subsection does not prohibit the  
29 offer of a guaranteed replacement cost policy.

30 (2) Unless the insurer obtains the policyholder's  
31 written refusal of the policies or endorsements specified in

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1 subsection (1), any policy covering the dwelling is deemed to  
 2 include the coverage specified in paragraph (1)(b). The  
 3 rejection or selection of alternative coverage shall be made  
 4 on a form approved by the office. The form shall fully advise  
 5 the applicant of the nature of the coverage being rejected. If  
 6 this form is signed by a named insured, it will be  
 7 conclusively presumed that there was an informed, knowing  
 8 rejection of the coverage or election of the alternative  
 9 coverage on behalf of all insureds. Unless the policyholder  
 10 requests in writing the coverage specified in this section, it  
 11 need not be provided in or supplemental to any other policy  
 12 that renews, insures, extends, changes, supersedes, or  
 13 replaces an existing policy when the policyholder has rejected  
 14 the coverage specified in this section or has selected  
 15 alternative coverage. The insurer must provide such  
 16 policyholder with notice of the availability of such coverage  
 17 in a form approved by the office at least once every 3 years.  
 18 The failure to provide such notice constitutes a violation of  
 19 this code, but does not affect the coverage provided under the  
 20 policy.

21 (3) In the event of a loss for which a dwelling or  
 22 personal property is insured on the basis of replacement  
 23 costs, the insurer shall pay the replacement cost without  
 24 reservation or holdback of any depreciation in value, whether  
 25 or not the insured replaces or repairs the dwelling or  
 26 property.

27 (4) Any homeowner's insurance policy issued or renewed  
 28 on or after October 1, 2005, must include in bold type no  
 29 smaller than 18 points the following statement:

30 "LAW AND ORDINANCE COVERAGE IS AN IMPORTANT  
 31 COVERAGE THAT YOU MAY WISH TO PURCHASE. YOU MAY

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1           ALSO NEED TO CONSIDER THE PURCHASE OF FLOOD  
 2           INSURANCE FROM THE NATIONAL FLOOD INSURANCE  
 3           PROGRAM. WITHOUT THIS COVERAGE, YOU MAY HAVE  
 4           UNCOVERED LOSSES. PLEASE DISCUSS THESE  
 5           COVERAGES WITH YOUR INSURANCE AGENT."

6           The intent of this subsection is to encourage  
 7 policyholders to purchase sufficient coverage to protect them  
 8 in case events excluded from the standard homeowners policy,  
 9 such as law and ordinance enforcement and flood, combine with  
 10 covered events to produce damage or loss to the insured  
 11 property. The intent is also to encourage policyholders to  
 12 discuss these issues with their insurance agent.

13           ~~(5)(3)~~ Nothing in this section shall be construed to  
 14 apply to policies not considered to be "homeowners' policies,"  
 15 as that term is commonly understood in the insurance industry.  
 16 This section specifically does not apply to mobile home  
 17 policies. Nothing in this section shall be construed as  
 18 limiting the ability of any insurer to reject or nonrenew any  
 19 insured or applicant on the grounds that the structure does  
 20 not meet underwriting criteria applicable to replacement cost  
 21 or law and ordinance policies or for other lawful reasons.

22           Section 15. Effective July 1, 2005, subsections (1)  
 23 and (7) of section 627.7015, Florida Statutes, are amended,  
 24 and subsection (2) of that section is reenacted, to read:

25           627.7015 Alternative procedure for resolution of  
 26 disputed property insurance claims.--

27           (1) PURPOSE AND SCOPE.--This section sets forth a  
 28 nonadversarial alternative dispute resolution procedure for a  
 29 mediated claim resolution conference prompted by the need for  
 30 effective, fair, and timely handling of property insurance  
 31 claims. There is a particular need for an informal,

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1 nonthreatening forum for helping parties who elect this  
2 procedure to resolve their claims disputes because most  
3 homeowner's and commercial residential insurance policies  
4 obligate insureds to participate in a potentially expensive  
5 and time-consuming adversarial appraisal process prior to  
6 litigation. The procedure set forth in this section is  
7 designed to bring the parties together for a mediated claims  
8 settlement conference without any of the trappings or  
9 drawbacks of an adversarial process. Before resorting to these  
10 procedures, insureds and insurers are encouraged to resolve  
11 claims as quickly and fairly as possible. This section is  
12 available with respect to claims under personal lines and  
13 commercial residential policies for all claimants and insurers  
14 prior to commencing the appraisal process, or commencing  
15 litigation. If requested by the insured, participation by  
16 legal counsel shall be permitted. Mediation under this section  
17 is also available to litigants referred to the department by a  
18 county court or circuit court. This section does not apply to  
19 commercial coverages, to private passenger motor vehicle  
20 insurance coverages, or to disputes relating to liability  
21 coverages in policies of property insurance.

22 (2) At the time a first-party claim within the scope  
23 of this section is filed, the insurer shall notify all  
24 first-party claimants of their right to participate in the  
25 mediation program under this section. The department shall  
26 prepare a consumer information pamphlet for distribution to  
27 persons participating in mediation under this section.

28 (7) If the insurer fails to comply with subsection (2)  
29 by failing to notify a first-party claimant of its right to  
30 participate in the mediation program under this section or if  
31 the insurer requests the mediation, and the mediation results

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1 are rejected by either party, the insured shall not be  
 2 required to submit to or participate in any contractual loss  
 3 appraisal process of the property loss damage as a  
 4 precondition to legal action for breach of contract against  
 5 the insurer for its failure to pay the policyholder's claims  
 6 covered by the policy.

7 Section 16. Subsection (1) of section 627.702, Florida  
 8 Statutes, is amended to read:

9 627.702 Valued policy law.--

10 (1)(a) In the event of the total loss of any building,  
 11 structure, mobile home as defined in s. 320.01(2), or  
 12 manufactured building as defined in s. 553.36(12), located in  
 13 this state and insured by any insurer as to a covered peril,  
 14 in the absence of any change increasing the risk without the  
 15 insurer's consent and in the absence of fraudulent or criminal  
 16 fault on the part of the insured or one acting in her or his  
 17 behalf, the insurer's liability, ~~if any,~~ under the policy for  
 18 such total loss, if caused by a covered peril, shall be in the  
 19 amount of money for which such property was so insured as  
 20 specified in the policy and for which a premium has been  
 21 charged and paid.

22 (b) The intent of this subsection is not to deprive an  
 23 insurer of any proper defense under the policy, to create new  
 24 or additional coverage under the policy, or to require an  
 25 insurer to pay for a loss caused by a peril other than the  
 26 covered peril. In furtherance of such legislative intent, when  
 27 a loss was caused in part by a covered peril and in part by a  
 28 noncovered peril, paragraph (a) does not apply. In such  
 29 circumstances, the insurer's liability under this section  
 30 shall be limited to the amount of the loss caused by the  
 31 covered peril. However, if the covered perils alone would have

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1 caused the total loss, paragraph (a) shall apply. The insurer  
 2 is never liable for more than the amount necessary to repair,  
 3 rebuild, or replace the structure following the total loss,  
 4 after considering all other benefits actually paid for the  
 5 total loss.

6 (c) It is the intent of the Legislature that the  
 7 amendment to this section shall not be applied retroactively  
 8 and shall apply only to claims filed after effective date of  
 9 such amendment.

10 Section 17. Section 627.706, Florida Statutes, is  
 11 amended to read:

12 627.706 Sinkhole insurance; definitions.--

13 (1) Every insurer authorized to transact property  
 14 insurance in this state shall make available coverage for  
 15 insurable sinkhole losses on any structure, including contents  
 16 of personal property contained therein, to the extent provided  
 17 in the form to which the sinkhole coverage attaches.

18 (2) As used in ss. 627.706-627.7074, and as used in  
 19 connection with any policy providing coverage for sinkhole  
 20 losses:

21 (a) "Sinkhole" means a landform created by subsidence  
 22 of soil, sediment, or rock as underlying strata are dissolved  
 23 by ground water. A sinkhole may form by collapse into  
 24 subterranean voids created by dissolution of limestone or  
 25 dolostone or by subsidence as these strata are dissolved.

26 ~~(b)(2)~~ "Sinkhole loss" means structural damage to the  
 27 building, including the foundation, caused by sinkhole  
 28 activity. Contents coverage shall apply only if there is  
 29 structural damage to the building caused by sinkhole activity.

30 ~~(c)(3)~~ "Sinkhole activity loss" means actual physical  
 31 damage to the property covered arising out of or caused by

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1 ~~sudden~~ settlement or systematic weakening ~~collapse~~ of the  
 2 earth supporting such property only when such settlement or  
 3 systematic weakening ~~collapse~~ results from movement or  
 4 raveling of soils, sediments, or rock materials into  
 5 subterranean voids created by the effect ~~action~~ of water on a  
 6 limestone or similar rock formation.

7       (d) "Engineer" means a person, as defined in s.  
 8 471.005, who has a bachelor degree or higher in engineering  
 9 with a specialty in the geotechnical engineering field. An  
 10 engineer must have geotechnical experience and expertise in  
 11 the identification of sinkhole activity as well as other  
 12 potential causes of damage to the structure.

13       (e) "Professional geologist" means a person, as  
 14 defined by s. 492.102, who has a bachelor degree or higher in  
 15 geology or related earth science with expertise in the geology  
 16 of Florida. A professional geologist must have geological  
 17 experience and expertise in the identification of sinkhole  
 18 activity as well as other potential geologic causes of damage  
 19 to the structure.

20       (3)(4) Every insurer authorized to transact property  
 21 insurance in this state shall make a proper filing with the  
 22 office for the purpose of extending the appropriate forms of  
 23 property insurance to include coverage for ~~insurable~~ sinkhole  
 24 losses.

25       Section 18. Section 627.7065, Florida Statutes, is  
 26 created to read:

27       627.7065 Database of information relating to  
 28 sinkholes; the Department of Financial Services and the  
 29 Department of Environmental Protection.--

30       (1) The Legislature finds that there has been a  
 31 dramatic increase in the number of sinkholes and insurance

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1 claims for sinkhole damage in the state during the past 10  
2 years. Accordingly, the Legislature recognizes the need to  
3 track current and past sinkhole activity and to make the  
4 information available for prevention and remediation  
5 activities. The Legislature further finds that the Florida  
6 Geological Survey of the Department of Environmental  
7 Protection has created a partial database of some sinkholes  
8 identified in Florida, although the database is not reflective  
9 of all sinkholes or insurance claims for sinkhole damage. The  
10 Legislature determines that creating a complete electronic  
11 database of sinkhole activity serves an important purpose in  
12 protecting the public and in studying property claims  
13 activities in the insurance industry.

14       (2) The Department of Financial Services, including  
15 the employee of the Division of Consumer Services designated  
16 as the primary contact for consumers on issues relating to  
17 sinkholes, and the Office of the Insurance Consumer Advocate  
18 shall consult with the Florida Geological Survey and the  
19 Department of Environmental Protection to implement a  
20 statewide automated database of sinkholes and related activity  
21 identified in the state.

22       (3) Representatives of the Department of Financial  
23 Services, with the agreement of the Department of  
24 Environmental Protection, shall determine the form and content  
25 of the database. The content may include standards for  
26 reporting and investigating sinkholes for inclusion in the  
27 database and requirements for insurers to report to the  
28 departments the receipt of claims involving sinkhole loss and  
29 other similar activities. The Department of Financial Services  
30 may require insurers to report present and past data of  
31 sinkhole claims. The database also may include information of



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1 damage due to ground settling and other subsidence activity.

2 (4) The Department of Financial Services may manage  
3 the database or may contract for its management and  
4 maintenance. The Department of Environmental Protection shall  
5 investigate reports of sinkhole activity and include its  
6 findings and investigations in the database.

7 (5) The Department of Environmental Protection, in  
8 consultation with the Department of Financial Services, shall  
9 present a report of activities relating to the sinkhole  
10 database, including recommendations regarding the database and  
11 similar matters, to the Governor, the Speaker of the House of  
12 Representatives, the President of the Senate, and the Chief  
13 Financial Officer by December 31, 2005. The report may  
14 consider the need for the Legislature to create an entity to  
15 study the increase in sinkhole activity in the state and other  
16 similar issues relating to sinkhole damage, including  
17 recommendations and costs for staffing the entity. The report  
18 may include other information, as appropriate.

19 (6) The Department of Financial Services, in  
20 consultation with the Department of Environmental Protection,  
21 may adopt rules to implement this section.

22 Section 19. Section 627.707, Florida Statutes, is  
23 amended to read:

24 627.707 ~~Minimum~~ Standards for investigation of  
25 sinkhole claims by insurers; nonrenewals.--

26 ~~(1)~~ Upon receipt of a claim for a sinkhole loss, an  
27 insurer must meet the following ~~minimum~~ standards in  
28 investigating a claim:

29 ~~(1)(a) Upon receipt of a claim for a sinkhole loss,~~  
30 The insurer must make an inspection of the insured's premises  
31 to determine if there has been physical damage to the

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1 structure which ~~may~~ might be the result of sinkhole activity.

2 ~~(b) If, upon the investigation pursuant to paragraph~~  
3 ~~(a), the insurer discovers damage to a structure which is~~  
4 ~~consistent with sinkhole activity or if the structure is~~  
5 ~~located in close proximity to a structure in which sinkhole~~  
6 ~~damage has been verified, then prior to denying a claim, the~~  
7 ~~insurer must obtain a written certification from an individual~~  
8 ~~qualified to determine the existence of sinkhole activity,~~  
9 ~~stating that the cause of the claim is not sinkhole activity,~~  
10 ~~and that the analysis conducted was of sufficient scope to~~  
11 ~~eliminate sinkhole activity as the cause of damage within a~~  
12 ~~reasonable professional probability. The written certification~~  
13 ~~must also specify the professional discipline and professional~~  
14 ~~licensure or registration under which the analysis was~~  
15 ~~conducted.~~

16 (2) Following the insurer's initial inspection, the  
17 insurer shall engage an engineer or a professional geologist  
18 to conduct testing as provided in s. 627.7072 to determine the  
19 cause of the loss within a reasonable professional probability  
20 and issue a report as provided in s. 627.7073, if:

21 (a) The insurer is unable to identify a valid cause of  
22 the damage or discovers damage to the structure which is  
23 consistent with sinkhole loss; or

24 (b) The policyholder demands testing in accordance  
25 with this section or s. 627.7072.

26 (3) Following the initial inspection of the insured  
27 premises, the insurer shall provide written notice to the  
28 policyholder disclosing the following information:

29 (a) What the insurer has determined to be the cause of  
30 damage, if the insurer has made such a determination.

31 (b) A statement of the circumstances under which the

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1 insurer is required to engage an engineer or a professional  
 2 geologist to verify or eliminate sinkhole loss and to engage  
 3 an engineer to make recommendations regarding land and  
 4 building stabilization and foundation repair.

5 (c) A statement regarding the right of the  
 6 policyholder to request testing by an engineer or a  
 7 professional geologist and the circumstances under which the  
 8 policyholder may demand certain testing.

9 (4) If the insurer determines that there is no  
 10 sinkhole loss, the insurer may deny the claim. If the insurer  
 11 denies the claim, without performing testing under s.  
 12 627.7072, the policyholder may demand testing by the insurer  
 13 under s. 627.7072. The policyholder's demand for testing must  
 14 be communicated to the insurer in writing after the  
 15 policyholder's receipt of the insurer's denial of the claim.

16 (5)(a) Subject to paragraph (b), if a sinkhole loss is  
 17 verified, the insurer shall pay to stabilize the land and  
 18 building and repair the foundation in accordance with the  
 19 recommendations of the engineer as provided under s. 627.7073,  
 20 and in consultation with the policyholder, subject to the  
 21 coverage and terms of the policy. The insurer shall pay for  
 22 other repairs to the structure and contents in accordance with  
 23 the terms of the policy.

24 (b) The insurer may limit its payment to the actual  
 25 cash value of the sinkhole loss, not including underpinning or  
 26 grouting or any other repair technique performed below the  
 27 existing foundation of the building, until the policyholder  
 28 enters into a contract for the performance of building  
 29 stabilization or foundation repairs. After the policyholder  
 30 enters into the contract, the insurer shall pay the amounts  
 31 necessary to begin and perform such repairs as the work is

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1 performed and the expenses are incurred. The insurer may not  
 2 require the policyholder to advance payment for such repairs.  
 3 If repair has begun and the engineer selected or approved by  
 4 the insurer determines that the repair cannot be completed  
 5 within the policy limits, the insurer must either complete the  
 6 engineer's recommended repair or tender the policy limits to  
 7 the policyholder without a reduction for the repair expenses  
 8 incurred.

9 (6) Except as provided in subsection (7), the fees and  
 10 costs of the engineer or the professional geologist shall be  
 11 paid by the insurer.

12 (7)(c) If the insurer obtains, pursuant to s. 627.7073  
 13 paragraph (b), written certification that there is no sinkhole  
 14 loss or that the cause of the damage claim was not sinkhole  
 15 activity, and if the policyholder has submitted the sinkhole  
 16 claim without good faith grounds for submitting such claim,  
 17 the policyholder shall reimburse the insurer for 50 percent of  
 18 the actual costs cost of the analyses and services provided  
 19 analysis under ss. 627.7072 and 627.7073 paragraph (b);  
 20 however, a policyholder is not required to reimburse an  
 21 insurer more than \$2,500 with respect to any claim. A  
 22 policyholder is required to pay reimbursement under this  
 23 subsection paragraph only if the insurer, prior to ordering  
 24 the analysis under s. 627.7072 paragraph (b), informs the  
 25 policyholder in writing of the policyholder's potential  
 26 liability for reimbursement and gives the policyholder the  
 27 opportunity to withdraw the claim.

28 (8)(2) No insurer shall nonrenew any policy of  
 29 property insurance on the basis of filing of claims for  
 30 partial loss caused by sinkhole damage or clay shrinkage as  
 31 long as the total of such payments does not exceed the current

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1 policy limits of coverage for property damage, and provided  
2 the insured has repaired the structure in accordance with the  
3 engineering recommendations upon which any payment or policy  
4 proceeds were based.

5 (9) The insurer may engage a structural engineer to  
6 make recommendations as to the repair of the structure.

7 Section 20. Section 627.7072, Florida Statutes, is  
8 created to read:

9 627.7072 Testing standards for sinkholes.--

10 (1) The engineer and professional geologist shall  
11 perform such tests as sufficient, in their professional  
12 opinion, to determine the presence or absence of sinkhole loss  
13 or other cause of damage within reasonable professional  
14 probability and for the engineer to make recommendations  
15 regarding necessary building stabilization, and foundation  
16 repair.

17 (2) Testing by a professional geologist shall be  
18 conducted in compliance with the Florida Geological Survey  
19 Special Publication No. 57 (2005).

20 Section 21. Section 627.7073, Florida Statutes, is  
21 created to read:

22 627.7073 Sinkhole reports.--

23 (1) Upon completion of testing as provided in s.  
24 627.7072, the engineer and professional geologist shall issue  
25 a report and certification to the insurer and the policyholder  
26 as provided in this section.

27 (a) Sinkhole loss is verified if, based upon tests  
28 performed in accordance with s. 627.7072, an engineer and a  
29 professional geologist issue a written report and  
30 certification stating:

31 1. That the cause of the actual physical and

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1 structural damage is sinkhole activity within a reasonable  
2 professional probability.

3 2. That the analyses conducted were of sufficient  
4 scope to identify sinkhole activity as the cause of damage  
5 within a reasonable professional probability.

6 3. A description of the tests performed.

7 4. A recommendation by the engineer of methods for  
8 stabilizing the land and building and for making repairs to  
9 the foundation.

10 (b) If sinkhole activity is eliminated as the cause of  
11 damage to the structure, the engineer and professional  
12 geologist shall issue a written report and certification to  
13 the policyholder and the insurer stating:

14 1. That the cause of the damage is not sinkhole  
15 activity within a reasonable professional probability.

16 2. That the analyses and tests conducted were of  
17 sufficient scope to eliminate sinkhole activity as the cause  
18 of damage within a reasonable professional probability.

19 3. A statement of the cause of the damage within a  
20 reasonable professional probability.

21 4. A description of the tests performed.

22 (c) The respective findings, opinions, and  
23 recommendations of the engineer and professional geologist as  
24 to the verification or elimination of a sinkhole loss and the  
25 findings, opinions, and recommendations of the engineer as to  
26 land and building stabilization and foundation repair shall be  
27 presumed correct.

28 (2) Any insurer that has paid a claim for a sinkhole  
29 loss shall file a copy of the report and certification,  
30 prepared pursuant to subsection (1), with the county property  
31 appraiser who shall record the report and certification with

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1 the parcel number. The insurer shall bear the cost of filing  
2 and recording the report and certification. There shall be no  
3 cause of action or liability against an insurer for compliance  
4 with this section. The seller of real property upon which a  
5 sinkhole claim has been made shall disclose to the buyer of  
6 such property that a claim has been paid and whether or not  
7 the full amount of the proceeds were used to repair the  
8 sinkhole damage.

9           Section 22. Effective October 1, 2005, and applicable  
10 to policies issued or renewed on or after that date, section  
11 627.711, Florida Statutes, is created to read:

12           627.711 Notice of premium discounts for hurricane loss  
13 mitigation.--Using a form prescribed by the Office of  
14 Insurance Regulation, the insurer shall clearly notify the  
15 applicant or policyholder of any personal lines residential  
16 property insurance policy, at the time of the issuance of the  
17 policy and at each renewal, of the availability and the range  
18 of each premium discount, credit, other rate differential, or  
19 reduction in deductibles for properties on which fixtures or  
20 construction techniques demonstrated to reduce the amount of  
21 loss in a windstorm can or have been installed or implemented.  
22 The prescribed form shall describe generally what actions the  
23 policyholders may be able to take to reduce their windstorm  
24 premium. The prescribed form and a list of such ranges  
25 approved by the office for each insurer licensed in the state  
26 and providing such discounts, credits, other rate  
27 differentials, or reductions in deductibles for properties  
28 described in this subsection shall be available for electronic  
29 viewing and download from the Department of Financial  
30 Services' or the Office of Insurance Regulation's Internet  
31 website. The Financial Services Commission may adopt rules to

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1 implement this subsection.

2 Section 23. Section 627.712, Florida Statutes, is  
3 created to read:

4 627.712 Timely payment of claims.--

5 (1) An insurer shall, within 30 days after receipt of  
6 a claim under a property insurance policy:

7 (a) Pay that portion of the claim for which the  
8 policyholder has submitted all information that is required  
9 for payment under the terms of the policy;

10 (b) Provide a written denial to the policyholder for  
11 that portion of a claim which the insurer determines is not  
12 covered under the policy, including the specific reasons; and

13 (c) Specify, in writing, the additional information  
14 that the policyholder must submit to the insurer in order for  
15 any remaining amount of the claim to be paid.

16 (2) Within 30 days after receipt of the additional  
17 information specified in paragraph (1)(c), the insurer shall  
18 either pay or deny the claim as specified in paragraph (1)(a)  
19 or paragraph (1)(b).

20 (3) Payment shall be considered made on the date a  
21 check or other valid payment instrument is placed in the  
22 United States mail in a properly addressed, postpaid envelope,  
23 or if not so posted, on the date of delivery.

24 (4) All overdue payments shall bear simple interest at  
25 the rate of 10 percent per year.

26 (5) Following a hurricane or natural disaster, the  
27 requirements of this section are subject to such exceptions or  
28 alternative requirements as may be provided by rule of the  
29 commission or order of the office.

30 Section 24. The Office of Insurance Regulation shall,  
31 by January 1, 2006, submit a report to the President of the



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1 Senate, the Speaker of the House of Representatives, the  
 2 minority party leaders of the Senate and the House of  
 3 Representatives, and the chairs of the standing committees of  
 4 the Senate and the House of Representatives having  
 5 jurisdiction over matters relating to property and casualty  
 6 insurance. The report shall include findings and  
 7 recommendations on requiring residential property insurers to  
 8 provide law and ordinance coverage for residential property  
 9 insurance policies, the increase or decrease in insurance  
 10 costs associated with requiring such coverage, and such other  
 11 related information as the Office of Insurance Regulation  
 12 determines is appropriate for the Legislature to consider.

13           Section 25. Notwithstanding that revenues of Citizens  
 14 Property Insurance Corporation are not state revenues, the  
 15 Auditor General shall perform an operational audit, as defined  
 16 in section 11.45(1), Florida Statutes, of the Citizens  
 17 Property Insurance Corporation created under section  
 18 627.351(6), Florida Statutes. The scope of the audit shall  
 19 also include:

20           (1) An analysis of the corporation's infrastructure,  
 21 customer service, claims handling, accessibility of  
 22 policyholder information to the agent of record, take-out  
 23 programs, take-out bonuses, and financing arrangements.

24           (2) An evaluation of costs associated with the  
 25 administration and servicing of the policies issued by the  
 26 corporation to determine alternatives by which costs can be  
 27 reduced, customer service improved, and claims handling  
 28 improved.

29  
 30 The audit shall contain policy alternatives for the  
 31 Legislature to consider. The Auditor General shall submit a

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1 report to the Governor, the President of the Senate, and the  
2 Speaker of the House of Representatives no later than February  
3 1, 2006.

4 Section 26. The board of governors of the Citizens  
5 Property Insurance Corporation created under section  
6 627.351(6), Florida Statutes, shall, by February 1, 2006,  
7 submit a report to the President of the Senate, the Speaker of  
8 the House of Representatives, the minority party leaders of  
9 the Senate and the House of Representatives, and the chairs of  
10 the standing committees of the Senate and the House of  
11 Representatives having jurisdiction over matters relating to  
12 property and casualty insurance. The report shall include the  
13 board's findings and recommendations on the following issues:

14 (1) The number of policies and the aggregate premium  
15 of the Citizens Property Insurance Corporation, before and  
16 after enactment of this act, and projections for future policy  
17 and premium growth.

18 (2) Increases or decreases in availability of  
19 residential property coverage in the voluntary market and the  
20 effectiveness of this act in improving the availability of  
21 residential property coverage in the voluntary market in the  
22 state.

23 (3) The board's efforts to depopulate the corporation  
24 and the willingness of insurers in the voluntary market to  
25 avail themselves of depopulation incentives.

26 (4) Further actions that could be taken by the  
27 Legislature to improve availability of residential property  
28 coverage in the voluntary and residual markets.

29 (5) Actions that the board has taken to restructure  
30 the corporation and recommendations for legislative action to  
31 restructure the corporation, including, but not limited to,

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1 actions relating to claims handling and customer service.

2 (6) Projected surpluses or deficits and possible means  
3 of providing funding to ensure the continued solvency of the  
4 corporation.

5 (7) The corporation's efforts to procure catastrophe  
6 reinsurance to cover its projected 100-year probable maximum  
7 loss with specification as to what best efforts were made by  
8 the corporation to procure such reinsurance.

9 (8) Such other issues as the board determines are  
10 worthy of the Legislature's consideration.

11 Section 27. For the 2005-2006 fiscal year, there is  
12 appropriated \$350,000 in recurring funds from the Insurance  
13 Regulatory Trust Fund and four positions are authorized to the  
14 Office of the Consumer Advocate within the Department of  
15 Financial Services for the purposes provided in section  
16 627.0613, Florida Statutes.

17 Section 28. The amendment to section 627.0628, Florida  
18 Statutes, and the creation of section 627.06281, Florida  
19 Statutes, as provided in this act shall take effect on the  
20 same date that House Bill 1939, Senate Bill 1478, or similar  
21 legislation takes effect, if such legislation is adopted in  
22 the same legislative session or an extension thereof and  
23 becomes a law.

24 Section 29. Except as otherwise expressly provided in  
25 this act, this act shall take effect upon becoming a law.

26  
27

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

29 And the title is amended as follows:

30 Delete everything before the enacting clause

31

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1 and insert:

2 A bill to be entitled

3 An act relating to property insurance; amending

4 s. 215.555, F.S.; revising the retention of

5 losses for which an insurer is not entitled to

6 reimbursement from the Florida Hurricane

7 Catastrophe Fund; amending s. 215.559, F.S.;

8 revising the allocation of funds appropriated

9 to the Department of Community Affairs from the

10 Florida Hurricane Catastrophe Fund for the

11 Hurricane Loss Mitigation Program; requiring

12 that the department establish a low-interest

13 loan program and pilot project for hurricane

14 loss mitigation; authorizing contractual

15 agreements between the department and financial

16 institutions; authorizing the Department of

17 Community Affairs to adopt rules; amending s.

18 627.062, F.S.; requiring the Office of

19 Insurance Regulation to submit a proposed plan

20 to the Legislature establishing uniform rating

21 territories to be used by insurers for

22 residential property insurance rate filings;

23 requiring a further act of the Legislature to

24 implement the plan; limiting the recoupment by

25 an insurer in its rates of the reimbursement

26 premium it pays to the Florida Hurricane

27 Catastrophe Fund; amending s. 627.0628, F.S.;

28 restricting the admissibility and relevance in

29 rate proceedings of findings of the Florida

30 Commission on Hurricane Loss Projection

31 Methodology; amending s. 627.0629, F.S.;

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1 lowering the percentage amount of a rate filing  
 2 based on a computer model which requires a  
 3 public hearing; creating s. 627.06281, F.S.;  
 4 requiring residential property insurers and  
 5 rating and advisory organizations to report  
 6 hurricane loss data for development of a public  
 7 hurricane model for hurricane loss projections;  
 8 amending s. 627.351, F.S.; revising the  
 9 appointments to the board and the approval of  
 10 officers and employees of the corporation;  
 11 providing additional legislative intent  
 12 relating to the Citizens Property Insurance  
 13 Corporation; authorizing the corporation to  
 14 issue bonds and incur indebtedness for certain  
 15 purposes; requiring creation of a Market  
 16 Accountability Advisory Committee to assist the  
 17 corporation for certain purposes; providing for  
 18 appointment of committee members; providing for  
 19 terms; requiring reports to the corporation;  
 20 revising requirements for the plan of operation  
 21 of the corporation; requiring the corporation  
 22 to require the securing of flood insurance as a  
 23 condition of coverage under certain  
 24 circumstances; providing requirements and  
 25 limitations; creating s. 627.40951, F.S.;  
 26 providing legislative findings and intent;  
 27 providing for an advisory committee; providing  
 28 for membership; providing for recommendations  
 29 to be submitted to the Legislature regarding  
 30 standard residential property insurance  
 31 policies; amending s. 627.411, F.S.; adding

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1 grounds for which the Office of Insurance  
2 Regulation must disapprove a form filed by an  
3 insurer; amending s. 627.4133, F.S.;  
4 prohibiting insurers from canceling or  
5 nonrenewing residential property insurance  
6 policies under certain emergency circumstances;  
7 providing exceptions; providing notice  
8 requirements; providing application to personal  
9 residential and commercial residential policies  
10 covering certain damaged property; extending  
11 the effective date of certain policies under  
12 certain hurricane circumstances; authorizing  
13 the insurer to collect premiums for the  
14 extended period; providing nonapplication;  
15 amending s. 627.4143, F.S.; requiring insurers  
16 to provide personal lines property insurance  
17 policyholders with a checklist of items  
18 contained in policies; authorizing the  
19 Financial Services Commission to adopt rules;  
20 prescribing elements to be contained in the  
21 checklist; requiring the checklist and outline  
22 of insurance coverage to be sent with each  
23 renewal; clarifying that homeowners' insurance  
24 includes mobile homeowners', dwelling, and  
25 condominium unit owners' insurance for purposes  
26 of the outline of coverage; amending s.  
27 627.701, F.S.; increasing the maximum allowable  
28 hurricane deductible for personal lines and  
29 certain commercial lines residential policies;  
30 requiring insurers to offer specified hurricane  
31 deductibles for such policies; requiring

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1 insurers to provide written notice explaining  
2 hurricane deductible options for such policies;  
3 providing for computation and display of the  
4 dollar value of hurricane deductibles;  
5 requiring insurers to compute and display  
6 actual dollar values of certain riders for  
7 certain policies; amending s. 627.701, F.S.;

8 providing that the requirement for a hurricane  
9 deductible to apply on an annual basis applies  
10 to personal lines residential property  
11 insurance policies; requiring insurers that  
12 provide commercial residential property  
13 insurance to offer alternative hurricane  
14 deductibles that apply on an annual basis or to  
15 each hurricane; amending s. 627.7011, F.S.;

16 requiring insurers to offer coverage for  
17 additional costs of repair due to laws and  
18 ordinances; requiring insurers to pay the  
19 replacement cost for a loss insured on that  
20 basis, whether or not the insured replaces or  
21 repairs the dwelling or property; requiring  
22 certain homeowner's insurance policies to  
23 contain a specified statement; providing  
24 intent; amending s. 627.7015, F.S.; revising  
25 purpose and scope provisions relating to an  
26 alternative procedure for resolution of  
27 disputed property insurance claims; providing  
28 that failure of an insurer to notify a claimant  
29 of the availability of mediation excuses an  
30 insured from being required to submit to  
31 certain loss appraisal processes; amending s.

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1 627.702, F.S.; providing legislative intent  
2 regarding the requirement that an insurer pay  
3 policy limits if there is a total loss of a  
4 building; providing nonapplication of certain  
5 insurer liability requirements under certain  
6 circumstances; limiting an insurer's liability  
7 to certain loss covered by a covered peril;  
8 amending s. 627.706, F.S., relating to sinkhole  
9 insurance; providing definitions; creating s.  
10 627.7065, F.S.; providing legislative findings;  
11 requiring the Department of Financial Services  
12 and the Office of the Insurance Consumer  
13 Advocate to consult with the Florida Geological  
14 Survey and the Department of Environmental  
15 Protection to implement a statewide automated  
16 database of sinkholes and related activity;  
17 providing requirements for the form and content  
18 of the database; authorizing the Department of  
19 Financial Services to require insurers to  
20 provide certain information; providing for  
21 management of the database; requiring the  
22 department to investigate sinkhole activity  
23 reports and include findings and investigations  
24 in the database; requiring the Department of  
25 Environmental Protection to report on the  
26 database to the Governor, Legislature, and  
27 Chief Financial Officer; authorizing the  
28 Department of Financial Services to adopt  
29 implementing rules; amending s. 627.707, F.S.;  
30 revising standards for investigations of  
31 sinkhole claims by insurers; requiring an



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1 insurer to engage an engineer or professional  
2 geologist for certain purposes; requiring a  
3 report under certain circumstances; requiring  
4 an insurer to provide written notice to a  
5 policyholder disclosing certain information;  
6 authorizing an insurer to deny a claim under  
7 certain circumstances; authorizing a  
8 policyholder to demand certain testing;  
9 providing requirements; specifying required  
10 activities for insurers if a sinkhole loss is  
11 verified; specifying payment requirements for  
12 insurers; providing limitations; requiring the  
13 insurer to pay fees of the engineer and  
14 geologist; authorizing an insurer to engage a  
15 structural engineer for certain purposes;  
16 creating s. 627.7072, F.S.; specifying  
17 requirements for sinkhole testing by engineers  
18 and geologists; creating s. 627.7073, F.S.;  
19 providing reporting requirements for engineers  
20 and geologists after testing for sinkholes;  
21 specifying a presumption of correctness of  
22 certain findings; requiring an insurer paying a  
23 sinkhole loss claim to file a report and  
24 certification with the county property  
25 appraiser; requiring the property appraiser to  
26 record the report and certification; requiring  
27 the insurer to bear the cost of filing and  
28 recording; requiring a seller of certain  
29 property to make certain disclosures to  
30 property buyers under certain circumstances;  
31 creating s. 627.711, F.S.; requiring insurers

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1 to notify applicants or policyholders of the  
2 availability and amounts of certain discounts,  
3 credits, rate differentials, or reductions in  
4 deductibles for properties on which certain  
5 fixtures have been installed or construction  
6 techniques have been implemented; requiring  
7 insurers to provide qualifying information;  
8 authorizing the Financial Services Commission  
9 to adopt rules; creating s. 627.712, F.S.;  
10 requiring property insurers to pay or deny  
11 claims within certain time periods; providing  
12 that overdue payments bear interest; requiring  
13 the Office of Insurance Regulation to submit a  
14 report to the Legislature relating to  
15 residential property insurance; providing  
16 report requirements; requiring the Office of  
17 the Auditor General to conduct an operational  
18 audit of Citizens Property Insurance  
19 Corporation; specifying audit requirements;  
20 requiring a report; requiring the board of  
21 governors of the Citizens Property Insurance  
22 Corporation to submit a report to the  
23 Legislature relating to property and casualty  
24 insurance; specifying report requirements;  
25 providing an appropriation and authorizing  
26 positions; providing a contingent effective  
27 date; providing effective dates.

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