

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

.
.
.
.

1 Representative(s) Ross offered the following:

2
3 **Amendment (with title amendment)**

4 Between lines 918 and 919, insert:

5 Section 8. Effective October 1, 2005, subsection (1) of
6 section 627.7011, Florida Statutes, is amended, and subsection
7 (4) is added to said section, to read:

8 627.7011 Homeowners' policies; offer of replacement cost
9 coverage and law and ordinance coverage.--

10 (1) Prior to issuing a homeowner's insurance policy on or
11 after October 1, 2005 ~~June 1, 1994~~, or prior to the first
12 renewal of a homeowner's insurance policy on or after October 1,
13 2005 ~~June 1, 1994~~, the insurer must offer each of the following:

14 (a) A policy or endorsement providing that any loss which
15 is repaired or replaced will be adjusted on the basis of

521911

4/25/2005 4:47:27 PM

Amendment No. (for drafter's use only)

16 replacement costs not exceeding policy limits as to the
17 dwelling, rather than actual cash value, but not including costs
18 necessary to meet applicable laws and ordinances regulating the
19 construction, use, or repair of any property or requiring the
20 tearing down of any property, including the costs of removing
21 debris.

22 (b) A policy or endorsement providing that, subject to
23 other policy provisions, any loss which is repaired or replaced
24 at any location will be adjusted on the basis of replacement
25 costs not exceeding policy limits as to the dwelling, rather
26 than actual cash value, and also including costs necessary to
27 meet applicable laws and ordinances regulating the construction,
28 use, or repair of any property or requiring the tearing down of
29 any property, including the costs of removing debris; however,
30 such additional costs necessary to meet applicable laws and
31 ordinances may be limited to either 25 percent or 50 percent of
32 the dwelling limit, as selected by the policyholder, and such
33 coverage shall apply only to repairs of the damaged portion of
34 the structure unless the total damage to the structure exceeds
35 50 percent of the replacement cost of the structure.

36
37 An insurer is not required to make the offers required by this
38 subsection with respect to the issuance or renewal of a
39 homeowner's policy that contains the provisions specified in
40 paragraph (b) for law and ordinance coverage limited to 25
41 percent of the dwelling limit, except that the insurer must
42 offer the law and ordinance coverage limited to 50 percent of

521911

4/25/2005 4:47:27 PM

Amendment No. (for drafter's use only)

43 the dwelling limit. This subsection does not prohibit the offer
44 of a guaranteed replacement cost policy.

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

48 "LAW AND ORDINANCE COVERAGE IS AN IMPORTANT COVERAGE THAT
49 YOU MAY WISH TO PURCHASE. YOU MAY ALSO NEED TO CONSIDER
50 THE PURCHASE OF FLOOD INSURANCE FROM THE NATIONAL FLOOD
51 INSURANCE PROGRAM. WITHOUT THIS COVERAGE, YOU MAY HAVE
52 UNCOVERED LOSSES. PLEASE DISCUSS THESE COVERAGES WITH
53 YOUR INSURANCE AGENT."

54 The intent of this subsection is to encourage policyholders to
55 purchase sufficient coverage to protect them in case events
56 excluded from the standard homeowners policy, such as law and
57 ordinance enforcement and flood, combine with covered events to
58 produce damage or loss to the insured property. The intent is
59 also to encourage policyholders to discuss these issues with
60 their insurance agent.

61
62 ===== T I T L E A M E N D M E N T =====

63 Remove line 48 and insert:
64 disapproval of certain forms; amending s. 627.7011, F.S. ;
65 requiring insurers to offer coverage for additional costs of
66 repair due to laws and ordinances; requiring certain homeowner's
67 insurance policies to contain a specified statement; providing
68 intent; amending s. 627.7015, F.S. ;

521911

4/25/2005 4:47:27 PM