

Bill No. SB 4-A

Barcode 635940

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance (Deutch) recommended
the following amendment:

Senate Amendment (with title amendment)

On page 82, between lines 14 and 15,

insert:

Section 17. Paragraph (a) of subsection (11) of
section 718.111, Florida Statutes, is amended to read:

718.111 The association.--

(11) INSURANCE.--In order to protect the safety,
health, and welfare of the people of the State of Florida and
to ensure consistency in the provision of insurance coverage
to condominiums and their unit owners, paragraphs (b) and (c)
are deemed to apply to every condominium in the state,
regardless of the date of its declaration of condominium. It
is the intent of the Legislature to encourage lower or stable
insurance premiums for associations described in this section.
Therefore, the Legislature requires a report to be prepared by
the Office of Insurance Regulation of the Department of
Financial Services for publication 18 months from the

Bill No. SB 4-A

Barcode 635940

1 effective date of this act, evaluating premium increases or
 2 decreases for associations, unit owner premium increases or
 3 decreases, recommended changes to better define common areas,
 4 or any other information the Office of Insurance Regulation
 5 deems appropriate.

6 (a) A unit-owner controlled association operating a
 7 residential condominium shall use its best efforts to obtain
 8 and maintain adequate insurance to protect the association,
 9 the association property, the common elements, and the
 10 condominium property required to be insured by the association
 11 pursuant to paragraph (b). If the association is developer
 12 controlled, the association shall exercise due diligence to
 13 obtain and maintain such insurance. Failure to obtain and
 14 maintain adequate insurance during any period of developer
 15 control shall constitute a breach of fiduciary responsibility
 16 by the developer-appointed members of the board of directors
 17 of the association, unless said members can show that despite
 18 such failure, they have exercised due diligence. The
 19 declaration of condominium as originally recorded, or amended
 20 pursuant to procedures provided therein, may require that
 21 condominium property consisting of freestanding buildings
 22 where there is no more than one building in or on such unit
 23 need not be insured by the association if the declaration
 24 requires the unit owner to obtain adequate insurance for the
 25 condominium property. An association may also obtain and
 26 maintain liability insurance for directors and officers,
 27 insurance for the benefit of association employees, and flood
 28 insurance for common elements, association property, and
 29 units. Adequate insurance, regardless of any requirement in
 30 the declaration of condominium for coverage by the association
 31 for "full insurable value," "replacement cost," or the like,

Bill No. SB 4-A

Barcode 635940

1 may include reasonable deductibles as determined by the board
2 based upon available funds or predetermined assessments
3 authorized at the time that the insurance was obtained.

4 1. Windstorm insurance coverage for a group of no
5 fewer than three communities created and operating under this
6 chapter, chapter 719, chapter 720, or chapter 721 may be
7 obtained and maintained for such communities provided that the
8 insurance coverage is sufficient to cover an amount equal to
9 the probable maximum loss for such communities for a 250-year
10 windstorm event. Such probable maximum loss shall be
11 determined through the use of a competent model that has been
12 accepted by the Florida Commission on Hurricane Loss Project
13 Methodology. Such insurance coverage shall be deemed adequate
14 windstorm insurance for purposes of this section.

15 2. An association or group of associations may
16 self-insure against claims against the association, the
17 association property, and the condominium property required to
18 be insured by an association, upon compliance with the
19 applicable provisions of ss. 624.460-624.488, which shall be
20 considered adequate insurance for purposes of this section. A
21 copy of each policy of insurance in effect shall be made
22 available for inspection by unit owners at reasonable times.

23
24 (Redesignate subsequent sections.)

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26
27 ===== T I T L E A M E N D M E N T =====

28 And the title is amended as follows:

29 On page 5, line 28, following the semicolon

30
31 insert:

Bill No. SB 4-A

Barcode 635940

1 amending s. 718.111, F.S.; revising duties of
2 unit-owner controlled condominium associations
3 with respect to obtaining and maintaining
4 insurance coverage;
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