

By Senator Gaetz

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1 A bill to be entitled

2 An act relating to mitigation discounts for residential
3 property insurance premiums; amending s. 627.0629, F.S.;
4 requiring that the Office of Insurance Regulation develop
5 and make publicly available before a specified deadline a
6 proposed method for insurers to establish windstorm
7 mitigation premium discounts that correlate to the uniform
8 home rating scale; requiring that the Financial Services
9 Commission adopt rules before a specified deadline;
10 requiring insurers to make rate filings pursuant to such
11 method; authorizing the commission to make changes by rule
12 to the uniform home grading scale and specify by rule the
13 minimum required discounts, credits, or other rate
14 differentials; requiring that such rate differentials be
15 consistent with generally accepted actuarial principles
16 and wind loss mitigation studies; providing an effective
17 date.

18
19 Be It Enacted by the Legislature of the State of Florida:

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21 Section 1. Subsection (1) of section 627.0629, Florida
22 Statutes, is amended to read:

23 627.0629 Residential property insurance; rate filings.--

24 (1) (a) It is the intent of the Legislature that insurers
25 must provide savings to consumers who install or implement
26 windstorm damage mitigation techniques, alterations, or solutions
27 to their properties to prevent windstorm losses. A rate filing
28 for residential property insurance must include actuarially
29 reasonable discounts, credits, or other rate differentials, or

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30 appropriate reductions in deductibles, for properties on which
31 fixtures or construction techniques demonstrated to reduce the
32 amount of loss in a windstorm have been installed or implemented.
33 The fixtures or construction techniques shall include, but not be
34 limited to, fixtures or construction techniques which enhance
35 roof strength, roof covering performance, roof-to-wall strength,
36 wall-to-floor-to-foundation strength, opening protection, and
37 window, door, and skylight strength. Credits, discounts, or other
38 rate differentials, or appropriate reductions in deductibles, for
39 fixtures and construction techniques which meet the minimum
40 requirements of the Florida Building Code must be included in the
41 rate filing. All insurance companies must make a rate filing
42 which includes the credits, discounts, or other rate
43 differentials or reductions in deductibles by February 28, 2003.
44 By July 1, 2007, the office shall reevaluate the discounts,
45 credits, other rate differentials, and appropriate reductions in
46 deductibles for fixtures and construction techniques that meet
47 the minimum requirements of the Florida Building Code, based upon
48 actual experience or any other loss relativity studies available
49 to the office. The office shall determine the discounts, credits,
50 other rate differentials, and appropriate reductions in
51 deductibles that reflect the full actuarial value of such
52 revaluation, which may be used by insurers in rate filings.

53 (b) By February 1, 2009, the Office of Insurance
54 Regulation, in consultation with the Department of Financial
55 Services and the Department of Community Affairs, shall develop
56 and make publicly available a proposed method for insurers to
57 establish discounts, credits, or other rate differentials for
58 hurricane mitigation features which directly correlate to the

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59 numerical rating assigned to a structure pursuant to the uniform
60 home grading scale adopted by the Financial Services Commission
61 pursuant to s. 215.55865, including any proposed changes to the
62 uniform home grading scale. By October 1, 2009, the commission
63 shall adopt rules requiring insurers to make rate filings for
64 residential property insurance which revise insurers' discounts,
65 credits, or other rate differentials for hurricane mitigation
66 features so that such rate differentials correlate directly to
67 the uniform home grading scale. The rules may include such
68 changes to the uniform home grading scale as the commission
69 determines are necessary, and may specify the minimum required
70 discounts, credits, or other rate differentials. However, such
71 rate differentials must be consistent with generally accepted
72 actuarial principles and wind loss mitigation studies.

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