



249528

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/22/2011	.	
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The Committee on Banking and Insurance (Richter) recommended the following:

Senate Amendment (with title amendment)

Delete lines 2518 - 2538
and insert:

(a) For a dwelling, the insurer must initially pay at least the actual cash value of the insured loss, less any applicable deductible. To receive payment from an insurer for replacement costs, the policyholder must enter into a contract for the performance of building and structural repairs, unless the requirement for a contract is waived by the insurer. The insurer shall pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred. The



13 insurer or any contractor or subcontractor may not require the
14 policyholder to advance payment for such repairs or expenses,
15 with the exception of incidental expenses to mitigate further
16 damage. If a total loss of a dwelling occurs, the insurer shall
17 pay the replacement cost coverage without reservation or
18 holdback of any depreciation in value, pursuant to s. 627.702.

19 (b) For personal property, the insurer may limit the
20 initial payment to the actual cash value of the personal
21 property to be replaced. An insurer may require an insured to
22 provide receipts for the purchase of the property financed by
23 the initial payment and use such receipts to make the next
24 payment requested by the insured for the replacement of insured
25 property, and continue this process until the insured remits all
26 receipts up to the policy limits for replacement costs. The
27 insurer must provide clear notice of this process in the
28 insurance contract. The insurer may not require the policyholder
29 to advance payment for the replaced property ~~the insurer shall~~
30 ~~pay~~

31
32 ===== T I T L E A M E N D M E N T =====

33 And the title is amended as follows:

34 Delete lines 133 - 147

35 and insert:

36 627.7011, F.S.; requiring the insurer to pay the
37 actual cash value of an insured loss for a dwelling,
38 less any applicable deductible; requiring a
39 policyholder to enter into a contract for the
40 performance of building and structural repairs unless
41 waived by the insurer; restricting insurers and



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42 contractors from requiring advance payments for
43 repairs and expenses; authorizing an insurer to limit
44 the initial payment for personal property to the
45 actual cash value of the property to be replaced and
46 to require the insured to provide receipts for
47 purchases; requiring the insurer to provide notice of
48 this process in the insurance contract; prohibiting an
49 insurer from requiring the insured to advance payment;
50 amending s.