

1                                   A bill to be entitled  
 2           An act relating to the repeal of property and casualty  
 3           insurance provisions; amending s. 215.5595, F.S.; deleting  
 4           an obsolete requirement for the State Board of  
 5           Administration to transfer to the Citizens Property  
 6           Insurance Corporation certain funds of the Insurance  
 7           Capital Build-Up Incentive Program; amending s. 627.311,  
 8           F.S.; deleting an obsolete presuit notice requirement for  
 9           the Florida Automobile Joint Underwriting Association;  
 10          repealing s. 627.3519, F.S., relating to annual report of  
 11          aggregate net probable maximum losses, financing options,  
 12          and potential assessments; amending s. 627.706, F.S.;  
 13          deleting an obsolete form filing deadline for sinkhole  
 14          coverage; amending s. 627.7065, F.S.; deleting an obsolete  
 15          reporting requirement for activities relating to the  
 16          sinkhole database; repealing s. 627.7077, F.S., relating  
 17          to a feasibility and cost-benefit study of a Florida  
 18          Sinkhole Insurance Facility and other matters related to  
 19          affordability and availability of sinkhole insurance;  
 20          amending s. 627.712, F.S.; deleting an obsolete effective  
 21          date for the exclusion of windstorm and contents coverage;  
 22          providing an effective date.

23  
 24   Be It Enacted by the Legislature of the State of Florida:

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 26           Section 1. Subsection (11) of section 215.5595, Florida  
 27           Statutes, is amended to read:  
 28           215.5595 Insurance Capital Build-Up Incentive Program.—

29       ~~(11) On January 15, 2009, the State Board of~~  
 30       ~~Administration shall transfer to Citizens Property Insurance~~  
 31       ~~Corporation any funds that have not been committed or reserved~~  
 32       ~~for insurers approved to receive such funds under the program,~~  
 33       ~~from the funds that were transferred from Citizens Property~~  
 34       ~~Insurance Corporation in 2008-2009 for such purposes.~~

35       Section 2. Paragraph (k) of subsection (3) of section  
 36       627.311, Florida Statutes, is amended to read:

37       627.311 Joint underwriters and joint reinsurers; public  
 38       records and public meetings exemptions.—

39       (3) The office may, after consultation with insurers  
 40       licensed to write automobile insurance in this state, approve a  
 41       joint underwriting plan for purposes of equitable apportionment  
 42       or sharing among insurers of automobile liability insurance and  
 43       other motor vehicle insurance, as an alternate to the plan  
 44       required in s. 627.351(1). All insurers authorized to write  
 45       automobile insurance in this state shall subscribe to the plan  
 46       and participate therein. The plan shall be subject to continuous  
 47       review by the office which may at any time disapprove the entire  
 48       plan or any part thereof if it determines that conditions have  
 49       changed since prior approval and that in view of the purposes of  
 50       the plan changes are warranted. Any disapproval by the office  
 51       shall be subject to the provisions of chapter 120. The Florida  
 52       Automobile Joint Underwriting Association is created under the  
 53       plan. The plan and the association:

54       ~~(k)1.~~ Shall have no liability, and no cause of action of  
 55       any nature shall arise against any member insurer or its agents  
 56       or employees, agents or employees of the association, members of

CS/HB 4099

2011

57 the board of governors of the association, the Chief Financial  
58 Officer, or the office or its representatives for any action  
59 taken by them in the performance of their duties or  
60 responsibilities under this subsection. Such immunity does not  
61 apply to actions for or arising out of breach of any contract or  
62 agreement pertaining to insurance, or any willful tort.

63 ~~2. Notwithstanding the requirements of s. 624.155(3)(a),~~  
64 ~~as a condition precedent to bringing an action against the plan~~  
65 ~~under s. 624.155, the department and the plan must have been~~  
66 ~~given 90 days' written notice of the violation. If the~~  
67 ~~department returns a notice for lack of specificity, the 90-day~~  
68 ~~time period shall not begin until a proper notice is filed. This~~  
69 ~~notice must comply with the information requirements of s.~~  
70 ~~624.155(3)(b). Effective October 1, 2007, this subparagraph~~  
71 ~~shall expire unless reenacted by the Legislature prior to that~~  
72 ~~date.~~

73 Section 3. Section 627.3519, Florida Statutes, is  
74 repealed.

75 Section 4. Subsections (3), (4), and (5) of section  
76 627.706, Florida Statutes, are amended to read:

77 627.706 Sinkhole insurance; catastrophic ground cover  
78 collapse; definitions.—

79 ~~(3) On or before June 1, 2007, every insurer authorized to~~  
80 ~~transact property insurance in this state shall make a proper~~  
81 ~~filing with the office for the purpose of extending the~~  
82 ~~appropriate forms of property insurance to include coverage for~~  
83 ~~catastrophic ground cover collapse or for sinkhole losses.~~  
84 ~~Coverage for catastrophic ground cover collapse may not go into~~

85 ~~effect until the effective date provided for in the filing~~  
 86 ~~approved by the office.~~

87 (3)~~(4)~~ Insurers offering policies that exclude coverage  
 88 for sinkhole losses shall inform policyholders in bold type of  
 89 not less than 14 points as follows: "YOUR POLICY PROVIDES  
 90 COVERAGE FOR A CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS  
 91 IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE,  
 92 YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU  
 93 MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN  
 94 ADDITIONAL PREMIUM."

95 (4)~~(5)~~ An insurer offering sinkhole coverage to  
 96 policyholders before or after the adoption of s. 30, chapter  
 97 2007-1, Laws of Florida, may nonrenew the policies of  
 98 policyholders maintaining sinkhole coverage in Pasco County or  
 99 Hernando County, at the option of the insurer, and provide an  
 100 offer of coverage to such policyholders which includes  
 101 catastrophic ground cover collapse and excludes sinkhole  
 102 coverage. Insurers acting in accordance with this subsection are  
 103 subject to the following requirements:

104 (a) Policyholders must be notified that a nonrenewal is  
 105 for purposes of removing sinkhole coverage, and that the  
 106 policyholder is still being offered a policy that provides  
 107 coverage for catastrophic ground cover collapse.

108 (b) Policyholders must be provided an actuarially  
 109 reasonable premium credit or discount for the removal of  
 110 sinkhole coverage and provision of only catastrophic ground  
 111 cover collapse.

112 (c) Subject to the provisions of this subsection and the

CS/HB 4099

2011

113 insurer's approved underwriting or insurability guidelines, the  
114 insurer shall provide each policyholder with the opportunity to  
115 purchase an endorsement to his or her policy providing sinkhole  
116 coverage and may require an inspection of the property before  
117 issuance of a sinkhole coverage endorsement.

118 (d) Section 624.4305 does not apply to nonrenewal notices  
119 issued pursuant to this subsection.

120 Section 5. Subsections (5) and (6) of section 627.7065,  
121 Florida Statutes, are amended to read:

122 627.7065 Database of information relating to sinkholes;  
123 the Department of Financial Services and the Department of  
124 Environmental Protection.—

125 ~~(5) The Department of Environmental Protection, in~~  
126 ~~consultation with the Department of Financial Services, shall~~  
127 ~~present a report of activities relating to the sinkhole~~  
128 ~~database, including recommendations regarding the database and~~  
129 ~~similar matters, to the Governor, the Speaker of the House of~~  
130 ~~Representatives, the President of the Senate, and the Chief~~  
131 ~~Financial Officer by December 31, 2005. The report may consider~~  
132 ~~the need for the Legislature to create an entity to study the~~  
133 ~~increase in sinkhole activity in the state and other similar~~  
134 ~~issues relating to sinkhole damage, including recommendations~~  
135 ~~and costs for staffing the entity. The report may include other~~  
136 ~~information, as appropriate.~~

137 (5) ~~(6)~~ The Department of Financial Services, in  
138 consultation with the Department of Environmental Protection,  
139 may adopt rules to implement this section.

CS/HB 4099

2011

140 Section 6. Section 627.7077, Florida Statutes, is  
 141 repealed.

142 Section 7. Subsection (7) of section 627.712, Florida  
 143 Statutes, is amended to read:

144 627.712 Residential windstorm coverage required;  
 145 availability of exclusions for windstorm or contents.-

146 ~~(7) This section is effective July 1, 2007, but the office~~  
 147 ~~may delay application of this section until a date no later than~~  
 148 ~~October 1, 2007, upon approval by the Financial Services~~  
 149 ~~Commission.~~

150 Section 8. This act shall take effect July 1, 2011.