

HB 7181

2011

1 A bill to be entitled
2 An act relating to repeal of the correlation of mitigation
3 discounts, credits, or other rate differentials to the
4 uniform home grading scale; amending s. 627.0629, F.S.;
5 repealing an obsolete provision relating to a method for
6 correlating mitigation discounts, credits, or other rate
7 differentials to the uniform home grading scale; repealing
8 specified rulemaking authority of the Financial Services
9 Commission relating to the uniform home grading scale;
10 repealing a provision requiring discounts, credits, or
11 other rate differentials to supersede other discounts,
12 credits, or rate differentials; providing an effective
13 date.

14
15 Be It Enacted by the Legislature of the State of Florida:

16
17 Section 1. Subsection (1) of section 627.0629, Florida
18 Statutes, is amended to read:

19 627.0629 Residential property insurance; rate filings.—
20 (1)~~(a)~~ It is the intent of the Legislature that insurers
21 must provide savings to consumers who install or implement
22 windstorm damage mitigation techniques, alterations, or
23 solutions to their properties to prevent windstorm losses. A
24 rate filing for residential property insurance must include
25 actuarially reasonable discounts, credits, or other rate
26 differentials, or appropriate reductions in deductibles, for
27 properties on which fixtures or construction techniques
28 demonstrated to reduce the amount of loss in a windstorm have

HB 7181

2011

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

51 | ~~(b) By February 1, 2011, the Office of Insurance~~
52 | ~~Regulation, in consultation with the Department of Financial~~
53 | ~~Services and the Department of Community Affairs, shall develop~~
54 | ~~and make publicly available a proposed method for insurers to~~
55 | ~~establish discounts, credits, or other rate differentials for~~
56 | ~~hurricane mitigation measures which directly correlate to the~~

HB 7181

2011

57 ~~numerical rating assigned to a structure pursuant to the uniform~~
58 ~~home grading scale adopted by the Financial Services Commission~~
59 ~~pursuant to s. 215.55865, including any proposed changes to the~~
60 ~~uniform home grading scale. By October 1, 2011, the commission~~
61 ~~shall adopt rules requiring insurers to make rate filings for~~
62 ~~residential property insurance which revise insurers' discounts,~~
63 ~~credits, or other rate differentials for hurricane mitigation~~
64 ~~measures so that such rate differentials correlate directly to~~
65 ~~the uniform home grading scale. The rules may include such~~
66 ~~changes to the uniform home grading scale as the commission~~
67 ~~determines are necessary, and may specify the minimum required~~
68 ~~discounts, credits, or other rate differentials. Such rate~~
69 ~~differentials must be consistent with generally accepted~~
70 ~~actuarial principles and wind-loss mitigation studies. The rules~~
71 ~~shall allow a period of at least 2 years after the effective~~
72 ~~date of the revised mitigation discounts, credits, or other rate~~
73 ~~differentials for a property owner to obtain an inspection or~~
74 ~~otherwise qualify for the revised credit, during which time the~~
75 ~~insurer shall continue to apply the mitigation credit that was~~
76 ~~applied immediately prior to the effective date of the revised~~
77 ~~credit. Discounts, credits, and other rate differentials~~
78 ~~established for rate filings under this paragraph shall~~
79 ~~supersede, after adoption, the discounts, credits, and other~~
80 ~~rate differentials included in rate filings under paragraph (a).~~

81 Section 2. This act shall take effect July 1, 2011.