

1 A bill to be entitled
2 An act relating to insurance; amending s. 627.40951,
3 F.S., relating to standard personal lines residential
4 insurance policy; providing application to certain
5 commercial lines residential property insurance
6 policies; amending s. 627.4137, F.S.; specifying that
7 upon written request of a claimant, an insurer
8 providing liability insurance coverage must disclose
9 certain information to the claimant within a specified
10 time after the written request; amending s. 627.701,
11 F.S.; authorizing a surplus lines carrier to issue
12 real or personal property coverage containing a
13 coinsurance clause imposing liability on the insured
14 only under certain circumstances; requiring a policy
15 containing a separate windstorm deductible or
16 coinsurance provision to include certain disclosures
17 in boldfaced type; voiding separate deductibles for
18 hurricane or windstorm coverage if a policy fails to
19 comply with required disclosures relating to separate
20 deductibles; providing that the applicable deductible
21 in such policy reverts to the all covered perils
22 deductible under certain circumstances; specifying
23 that certain policies that contain commercial lines
24 residential coverage must include specified statements
25 relating to dwelling policy limits and deductibles;
26 voiding separate deductibles for hurricane or
27 windstorm coverage if certain policies containing
28 commercial lines residential coverage fail to make the

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29 required disclosures relating to dwelling policy
30 limits and deductibles; providing that the applicable
31 separate deductibles in certain policies that contain
32 commercial lines residential coverage revert to the
33 applicable all covered perils deductible under certain
34 circumstances; providing an effective date.

35
36 Be It Enacted by the Legislature of the State of Florida:

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38 Section 1. Subsection (1) of section 627.40951, Florida
39 Statutes, is amended to read:

40 627.40951 Standard personal lines residential insurance
41 policy.—

42 (1) The Legislature finds that many consumers who filed
43 property loss claims as a result of the hurricanes that struck
44 this state in 2004 were inadequately insured due to the
45 difficulty consumers encounter in trying to understand the
46 complex nature of property insurance policies. The purpose and
47 intent of this section is to have property and casualty insurers
48 offer standard personal lines residential property insurance
49 policies and standard checklists of policy contents, in
50 accordance with s. 627.4143, to consumers and to ensure that
51 these policies and checklists are written in a simple format
52 with easily readable language that will enable most consumers to
53 understand the principal benefits and coverage provided in the
54 policy; the principal exclusions and limitations or reductions
55 contained in the policy, including, but not limited to,
56 deductibles, coinsurance, and any other limitations or

57 reductions; and any additional coverage provided through any
 58 rider or endorsement that accompanies the policy and renewal or
 59 cancellation provisions. Beginning July 1, 2012, this subsection
 60 applies to commercial lines residential property insurance
 61 policies entered into on or after that date.

62 Section 2. Subsection (1) of section 627.4137, Florida
 63 Statutes, is amended to read:

64 627.4137 Disclosure of certain information required.—

65 (1) Each insurer which does or may provide liability
 66 insurance coverage to pay all or a portion of any claim which
 67 might be made shall provide, within 30 days after ~~of~~ the written
 68 request of the claimant, a statement, under oath, of a corporate
 69 officer or the insurer's claims manager or superintendent
 70 setting forth the following information with regard to each
 71 known policy of insurance, including excess or umbrella
 72 insurance:

- 73 (a) The name of the insurer.
- 74 (b) The name of each insured.
- 75 (c) The limits of the liability coverage.
- 76 (d) A statement of any policy or coverage defense which
 77 such insurer reasonably believes is available to such insurer at
 78 the time of filing such statement.
- 79 (e) A copy of the policy.

80
 81 In addition, the insured, or her or his insurance agent, upon
 82 written request of the claimant or the claimant's attorney,
 83 shall disclose the name and coverage of each known insurer to
 84 the claimant and shall forward such request for information as

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85 | required by this subsection to all affected insurers. The
86 | insurer shall then supply the information required in this
87 | subsection to the claimant within 30 days after ~~of~~ receipt of
88 | such request.

89 | Section 3. Subsection (1), paragraph (a) of subsection
90 | (4), and subsection (8) of section 627.701, Florida Statutes,
91 | are amended to read:

92 | 627.701 Liability of insureds; coinsurance; deductibles.-

93 | (1) A property insurer, including any surplus lines
94 | carrier issuing a policy of insurance in this state, may issue
95 | an insurance policy or contract covering either real or personal
96 | property in this state which contains provisions requiring the
97 | insured to be liable as a coinsurer with the insurer issuing the
98 | policy for any part of the loss or damage by covered peril to
99 | the property described in the policy only if:

100 | (a) The following words are printed or stamped on the face
101 | of the policy, or a form containing the following words is
102 | attached to the policy: "Coinsurance contract: The rate charged
103 | in this policy is based upon the use of the coinsurance clause
104 | attached to this policy, with the consent of the insured.";

105 | (b) The coinsurance clause in the policy is clearly
106 | identifiable; and

107 | (c) The rate for the insurance with or without the
108 | coinsurance clause is furnished the insured upon his or her
109 | request.

110 | (4) (a) Any policy that contains a separate hurricane or
111 | windstorm deductible of any kind must on its face include in
112 | boldfaced type no smaller than 18 points the following

113 statement: "THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR
 114 HURRICANE OR WINDSTORM LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-
 115 POCKET EXPENSES TO YOU." A policy containing a coinsurance
 116 provision applicable to hurricane or windstorm losses must on
 117 its face include in boldfaced type no smaller than 18 points the
 118 following statement: "THIS POLICY CONTAINS A CO-PAY PROVISION
 119 THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."
 120 Beginning July 1, 2012, failure to comply with this paragraph
 121 voids any separate deductible for hurricane or windstorm losses
 122 contained in a policy entered into on or after that date, and
 123 the otherwise applicable separate deductible in the policy must
 124 then revert to the all covered perils deductible applicable to
 125 the policy.

126 (8) Notwithstanding the other provisions of this section
 127 or of other law, but only as to hurricane coverage as defined in
 128 s. 627.4025 for commercial lines residential coverages:r

129 (a) An insurer may offer a deductible in an amount not
 130 exceeding 10 percent of the insured value if, at the time of
 131 such offer and at each renewal, the insurer also offers to the
 132 policyholder a deductible in the amount of 3 percent of the
 133 insured value. Nothing in this subsection prohibits any
 134 deductible otherwise authorized by this section. All forms by
 135 which the offers authorized in this subsection are made or
 136 required to be made shall be on forms that are adopted or
 137 approved by the commission or office.

138 (b) For any insurance contract entered into on or after
 139 July 1, 2012, which contains such coverage, the policy must:

140 1. State on the declarations page the dwelling policy

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141 limits as an aggregate dollar amount and the deductible in an
142 aggregate dollar amount in addition to any stated percentage.

143 2. If the dwelling policy limits are calculated on a per
144 building basis, clearly state any deductible on a per building
145 basis and identify on the same page the dollar amount of any
146 deductible for each building.

147 3. Comply with this paragraph, and any failure to comply
148 voids any separate deductible for hurricane or windstorm losses
149 contained in the policy, and results in the reversion of an
150 otherwise applicable separate deductible in the policy to the
151 all covered perils deductible applicable to the policy.

152 Section 4. This act shall take effect July 1, 2012.