

By Senator Simpson

18-00158A-13

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1                   A bill to be entitled  
2           An act relating to homeowner's insurance; amending s.  
3           627.7011, F.S.; providing an additional coverage  
4           option that offers the actual cash value of the  
5           property; making technical and grammatical changes;  
6           providing an effective date.

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8   Be It Enacted by the Legislature of the State of Florida:

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10           Section 1. Subsection (1) of section 627.7011, Florida  
11   Statutes, is amended to read:

12           627.7011 Homeowners' policies; ~~offer of replacement cost~~  
13   ~~coverage and law and ordinance coverage options.~~-

14           (1) Before ~~Prior to~~ issuing a homeowner's insurance policy,  
15   the insurer must offer a potential policyholder all each of the  
16   following options:

17           (a) A policy or endorsement ~~providing~~ that provides that  
18   any loss that is repaired or replaced will be adjusted on the  
19   basis of replacement costs to the dwelling, not exceeding policy  
20   limits, rather than actual cash value, but does not include  
21   ~~including~~ costs necessary to meet applicable laws and ordinances  
22   regulating the construction, use, or repair of any property or  
23   requiring the tearing down of any property, including the costs  
24   of removing debris.

25           (b) A policy or endorsement that provides that any loss  
26   that is repaired or replaced will be adjusted on the basis of  
27   the actual cash value of the dwelling, not exceeding policy  
28   limits, rather than replacement costs, but does not include  
29   costs necessary to meet applicable laws and ordinances

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30 regulating the construction, use, or repair of any property or  
31 requiring the tearing down of any property, including the costs  
32 of removing debris.

33 (c) ~~(b)~~ A policy or endorsement ~~providing~~ that, subject to  
34 other policy provisions, provides that any loss that is repaired  
35 or replaced at any location will be adjusted on the basis of  
36 replacement costs to the dwelling, not exceeding policy limits,  
37 rather than actual cash value, and also includes ~~including~~ costs  
38 necessary to meet applicable laws and ordinances regulating the  
39 construction, use, or repair of any property or requiring the  
40 tearing down of any property, including the costs of removing  
41 debris. However, additional costs necessary to meet applicable  
42 laws and ordinances may be limited to 25 percent or 50 percent  
43 of the dwelling limit, as selected by the policyholder, and such  
44 coverage applies only to repairs of the damaged portion of the  
45 structure unless the total damage to the structure exceeds 50  
46 percent of the replacement cost of the structure. An insurer is  
47 not required to offer the ~~make the offers required by this~~  
48 ~~subsection with respect to the issuance or renewal of a~~  
49 ~~homeowner's policy that contains the provisions specified in~~  
50 ~~paragraph (b) for~~ law and ordinance coverage limited to 25  
51 percent of the dwelling limit, but ~~except that the insurer~~ must  
52 offer the law and ordinance coverage limited to 50 percent of  
53 the dwelling limit.

54  
55 This subsection does not prohibit the offer of a guaranteed  
56 replacement cost policy.

57 Section 2. This act shall take effect July 1, 2013.