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1                   A bill to be entitled  
2     An act relating to the peril of flood; amending s.  
3     163.3178, F.S.; specifying requirements for the  
4     coastal management element required for a local  
5     government comprehensive plan; creating s. 472.0366,  
6     F.S.; defining terms; requiring a surveyor and mapper  
7     to submit a copy of each elevation certificate that he  
8     or she completes to the Division of Emergency  
9     Management within a specified period beginning on a  
10    specified date; authorizing the redaction of certain  
11    personal information from the copy; amending s.  
12    627.715, F.S.; authorizing flexible flood insurance;  
13    specifying coverage requirements; deleting a provision  
14    that prohibits supplemental flood insurance from  
15    including excess coverage over any other insurance  
16    covering the peril of flood; revising the information  
17    that must be prominently noted on a certain page of a  
18    flood insurance policy; requiring the Office of  
19    Insurance Regulation to require an insurer to provide  
20    an appropriate credit or refund to affected insureds  
21    if the office determines that a rate of the insurer is  
22    excessive or unfairly discriminatory; revising the  
23    notice that must be provided to and acknowledged by an  
24    applicant for flood coverage from an authorized or  
25    surplus lines insurer if the applicant's property is  
26    receiving flood insurance under the National Flood  
27    Insurance Program; allowing an authorized insurer to  
28    request a certification from the office which  
29    indicates that a policy, contract, or endorsement

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30 issued by the insurer provides coverage for the peril  
31 of flood which equals or exceeds the flood coverage  
32 offered by the National Flood Insurance Program;  
33 specifying requirements for such certification;  
34 authorizing such insurer or its agent to reference or  
35 include the certification in specified advertising,  
36 communications, and documentation; providing that  
37 misrepresenting that a flood policy, contract, or  
38 endorsement is certified is an unfair or deceptive  
39 act; providing an effective date.  
40

41 Be It Enacted by the Legislature of the State of Florida:  
42

43 Section 1. Paragraph (f) of subsection (2) of section  
44 163.3178, Florida Statutes, is amended to read:

45 163.3178 Coastal management.—

46 (2) Each coastal management element required by s.  
47 163.3177(6)(g) shall be based on studies, surveys, and data; be  
48 consistent with coastal resource plans prepared and adopted  
49 pursuant to general or special law; and contain:

50 (f) A redevelopment component that ~~which~~ outlines the  
51 principles that must ~~which shall~~ be used to eliminate  
52 inappropriate and unsafe development in the coastal areas when  
53 opportunities arise. The component must:

54 1. Include development and redevelopment principles,  
55 strategies, and engineering solutions that reduce the flood risk  
56 in coastal areas which results from high-tide events, storm  
57 surge, flash floods, stormwater runoff, and the related impacts  
58 of sea-level rise.

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59           2. Encourage the use of best practices development and  
60 redevelopment principles, strategies, and engineering solutions  
61 that will result in the removal of coastal real property from  
62 flood zone designations established by the Federal Emergency  
63 Management Agency.

64           3. Identify site development techniques and best practices  
65 that may reduce losses due to flooding and claims made under  
66 flood insurance policies issued in this state.

67           4. Be consistent with, or more stringent than, the flood-  
68 resistant construction requirements in the Florida Building Code  
69 and applicable flood plain management regulations set forth in  
70 44 C.F.R. part 60.

71           5. Require that any construction activities seaward of the  
72 coastal construction control lines established pursuant to s.  
73 161.053 be consistent with chapter 161.

74           6. Encourage local governments to participate in the  
75 National Flood Insurance Program Community Rating System  
76 administered by the Federal Emergency Management Agency to  
77 achieve flood insurance premium discounts for their residents.

78           Section 2. Section 472.0366, Florida Statutes, is created  
79 to read:

80           472.0366 Elevation certificates; requirements for surveyors  
81 and mappers.—

82           (1) As used in this section, the term:

83           (a) "Division" means the Division of Emergency Management  
84 established within the Executive Office of the Governor under s.  
85 14.2016.

86           (b) "Elevation certificate" means the certificate used to  
87 demonstrate the elevation of property which has been developed

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88 by the Federal Emergency Management Agency pursuant to federal  
89 floodplain management regulation and which is completed by a  
90 surveyor and mapper.

91 (2) Beginning January 1, 2017, a surveyor and mapper shall,  
92 within 30 days after completion, submit to the division a copy  
93 of each elevation certificate that he or she completes. The copy  
94 must be unaltered, except that the surveyor and mapper may  
95 redact the name of the property owner.

96 Section 3. Section 627.715, Florida Statutes, is amended to  
97 read:

98 627.715 Flood insurance.—An authorized insurer may issue an  
99 insurance policy, contract, or endorsement providing personal  
100 lines residential coverage for the peril of flood on any  
101 structure or the contents of personal property contained  
102 therein, subject to this section. This section does not apply to  
103 commercial lines residential or commercial lines nonresidential  
104 coverage for the peril of flood. This section also does not  
105 apply to coverage for the peril of flood that is excess coverage  
106 over any other insurance covering the peril of flood. An insurer  
107 may issue flood insurance policies, contracts, or endorsements  
108 on a standard, preferred, customized, or supplemental basis.

109 (1) (a) 1. Standard flood insurance must cover only losses  
110 from the peril of flood, as defined in paragraph (b), equivalent  
111 to that provided under a standard flood insurance policy under  
112 the National Flood Insurance Program. Standard flood insurance  
113 issued under this section must provide the same coverage,  
114 including deductibles and adjustment of losses, as that provided  
115 under a standard flood insurance policy under the National Flood  
116 Insurance Program.

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117 2. Preferred flood insurance must include the same coverage  
118 as standard flood insurance but:

119 a. Include, within the definition of "flood," losses from  
120 water intrusion originating from outside the structure that are  
121 not otherwise covered under the definition of "flood" provided  
122 in paragraph (b).

123 b. Include coverage for additional living expenses.

124 c. Require that any loss under personal property or  
125 contents coverage that is repaired or replaced be adjusted only  
126 on the basis of replacement costs up to the policy limits.

127 3. Customized flood insurance must include coverage that is  
128 broader than the coverage provided under standard flood  
129 insurance.

130 4. Flexible flood insurance must cover losses from the  
131 peril of flood, as defined in paragraph (b), and may also  
132 include coverage for losses from water intrusion originating  
133 from outside the structure which is not otherwise covered by the  
134 definition of flood. Flexible flood insurance must include one  
135 or more of the following provisions:

136 a. An agreement between the insurer and the insured that  
137 the flood coverage is in a specified amount, such as coverage  
138 that is limited to the total amount of each outstanding mortgage  
139 applicable to the covered property.

140 b. A requirement for a deductible in an amount authorized  
141 under s. 627.701, including a deductible in an amount authorized  
142 for hurricanes.

143 c. A requirement that flood loss to a dwelling be adjusted  
144 in accordance with s. 627.7011(3) or adjusted only on the basis  
145 of the actual cash value of the property.

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146 d. A restriction limiting flood coverage to the principal  
147 building defined in the policy.

148 e. A provision including or excluding coverage for  
149 additional living expenses.

150 f. A provision excluding coverage for personal property or  
151 contents as to the peril of flood.

152 ~~5.4.~~ Supplemental flood insurance may provide coverage  
153 designed to supplement a flood policy obtained from the National  
154 Flood Insurance Program or from an insurer issuing standard or  
155 preferred flood insurance pursuant to this section. Supplemental  
156 flood insurance may provide, but need not be limited to,  
157 coverage for jewelry, art, deductibles, and additional living  
158 expenses. ~~Supplemental flood insurance does not include coverage~~  
159 ~~for the peril of flood that is excess coverage over any other~~  
160 ~~insurance covering the peril of flood.~~

161 (b) "Flood" means a general and temporary condition of  
162 partial or complete inundation of two or more acres of normally  
163 dry land area or of two or more properties, at least one of  
164 which is the policyholder's property, from:

- 165 1. Overflow of inland or tidal waters;
- 166 2. Unusual and rapid accumulation or runoff of surface  
167 waters from any source;
- 168 3. Mudflow; or
- 169 4. Collapse or subsidence of land along the shore of a lake  
170 or similar body of water as a result of erosion or undermining  
171 caused by waves or currents of water exceeding anticipated  
172 cyclical levels that result in a flood as defined in this  
173 paragraph.

174 (2) ~~Any limitations on~~ Flood coverage deductibles and or

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175 policy limits pursuant to this section, ~~including, but not~~  
176 ~~limited to, deductibles,~~ must be prominently noted on the policy  
177 declarations page or face page.

178 (3) (a) An insurer may establish and use flood coverage  
179 rates in accordance with the rate standards provided in s.  
180 627.062.

181 (b) For flood coverage rates filed with the office before  
182 October 1, 2019, the insurer may also establish and use such  
183 rates in accordance with the rates, rating schedules, or rating  
184 manuals filed by the insurer with the office which allow the  
185 insurer a reasonable rate of return on flood coverage written in  
186 this state. Flood coverage rates established pursuant to this  
187 paragraph are not subject to s. 627.062(2) (a) and (f). An  
188 insurer shall notify the office of any change to such rates  
189 within 30 days after the effective date of the change. The  
190 notice must include the name of the insurer and the average  
191 statewide percentage change in rates. Actuarial data with regard  
192 to such rates for flood coverage must be maintained by the  
193 insurer for 2 years after the effective date of such rate change  
194 and is subject to examination by the office. The office may  
195 require the insurer to incur the costs associated with an  
196 examination. Upon examination, the office, in accordance with  
197 generally accepted and reasonable actuarial techniques, shall  
198 consider the rate factors in s. 627.062(2) (b), (c), and (d), and  
199 the standards in s. 627.062(2) (e), to determine if the rate is  
200 excessive, inadequate, or unfairly discriminatory. If the office  
201 determines that a rate is excessive or unfairly discriminatory,  
202 the office shall require the insurer to provide appropriate  
203 credit to affected insureds or an appropriate refund to affected

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204 insureds who no longer receive coverage from the insurer.

205 (4) A surplus lines agent may export a contract or  
206 endorsement providing flood coverage to an eligible surplus  
207 lines insurer without making a diligent effort to seek such  
208 coverage from three or more authorized insurers under s.  
209 626.916(1) (a). This subsection expires July 1, 2017.

210 (5) In addition to any other applicable requirements, an  
211 insurer providing flood coverage in this state must:

212 (a) Notify the office at least 30 days before writing flood  
213 insurance in this state; and

214 (b) File a plan of operation and financial projections or  
215 revisions to such plan, as applicable, with the office.

216 (6) Citizens Property Insurance Corporation may not provide  
217 insurance for the peril of flood.

218 (7) The Florida Hurricane Catastrophe Fund may not provide  
219 reimbursement for losses proximately caused by the peril of  
220 flood, including losses that occur during a covered event as  
221 defined in s. 215.555(2) (b).

222 (8) An agent must, upon receiving ~~obtaining~~ an application  
223 for flood coverage from an authorized or surplus lines insurer  
224 for a property receiving flood insurance under the National  
225 Flood Insurance Program, ~~must~~ must obtain an acknowledgment signed by  
226 the applicant before placing the coverage with the authorized or  
227 surplus lines insurer. The acknowledgment must notify the  
228 applicant that, if the applicant discontinues coverage under the  
229 National Flood Insurance Program which is provided at a  
230 subsidized rate, the full risk rate for flood insurance may  
231 apply to the property if the applicant ~~such insurance is~~ later  
232 seeks to reinstate coverage ~~obtained~~ under the ~~National Flood~~



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233 ~~Insurance~~ program.

234 (9) With respect to the regulation of flood coverage  
235 written in this state by authorized insurers, this section  
236 supersedes any other provision in the Florida Insurance Code in  
237 the event of a conflict.

238 (10) If federal law or rule requires a certification by a  
239 state insurance regulatory official as a condition of qualifying  
240 for private flood insurance or disaster assistance, the  
241 Commissioner of Insurance Regulation may provide the  
242 certification, and such certification is not subject to review  
243 under chapter 120.

244 (11) (a) An authorized insurer offering flood insurance may  
245 request the office to certify that a policy, contract, or  
246 endorsement provides coverage for the peril of flood which  
247 equals or exceeds the flood coverage offered by the National  
248 Flood Insurance Program. To be eligible for certification, such  
249 policy, contract, or endorsement must contain a provision  
250 stating that it meets the private flood insurance requirements  
251 specified in 42 U.S.C. s. 4012a(b) and may not contain any  
252 provision that is not in compliance with 42 U.S.C. s. 4012a(b).

253 (b) The authorized insurer or its agent may reference or  
254 include a certification under paragraph (a) in advertising or  
255 communications with an agent, a lending institution, an insured,  
256 or a potential insured only for a policy, contract, or  
257 endorsement that is certified under this subsection. The  
258 authorized insurer may include a statement that notifies an  
259 insured of the certification on the declarations page or other  
260 policy documentation related to flood coverage certified under  
261 this subsection.

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262        (c) An insurer or agent who knowingly misrepresents that a  
263 flood policy, contract, or endorsement is certified under this  
264 subsection commits an unfair or deceptive act under s. 626.9541.

265        Section 4. This act shall take effect July 1, 2015.