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1 A bill to be entitled
2 An act relating to property and casualty insurance;
3 amending s. 627.715, F.S.; authorizing flexible flood
4 insurance; specifying coverage requirements; deleting
5 a provision that prohibits supplemental flood
6 insurance from including excess coverage over any
7 other insurance covering the peril of flood; amending
8 s. 629.271, F.S.; authorizing domestic reciprocal
9 insurers to return a portion of unassigned funds to
10 their subscribers; providing limitations; providing an
11 effective date.

12
13 Be It Enacted by the Legislature of the State of Florida:

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15 Section 1. Paragraph (a) of subsection (1) of section
16 627.715, Florida Statutes, is amended to read:

17 627.715 Flood insurance.—An authorized insurer may issue an
18 insurance policy, contract, or endorsement providing personal
19 lines residential coverage for the peril of flood on any
20 structure or the contents of personal property contained
21 therein, subject to this section. This section does not apply to
22 commercial lines residential or commercial lines nonresidential
23 coverage for the peril of flood. This section also does not
24 apply to coverage for the peril of flood that is excess coverage
25 over any other insurance covering the peril of flood. An insurer
26 may issue flood insurance policies, contracts, or endorsements
27 on a standard, preferred, customized, flexible, or supplemental
28 basis.

29 (1) (a) 1. Standard flood insurance must cover only losses

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30 from the peril of flood, as defined in paragraph (b), equivalent
31 to that provided under a standard flood insurance policy under
32 the National Flood Insurance Program. Standard flood insurance
33 issued under this section must provide the same coverage,
34 including deductibles and adjustment of losses, as that provided
35 under a standard flood insurance policy under the National Flood
36 Insurance Program.

37 2. Preferred flood insurance must include the same coverage
38 as standard flood insurance but:

39 a. Include, within the definition of "flood," losses from
40 water intrusion originating from outside the structure that are
41 not otherwise covered under the definition of "flood" provided
42 in paragraph (b).

43 b. Include coverage for additional living expenses.

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

47 3. Customized flood insurance must include coverage that is
48 broader than the coverage provided under standard flood
49 insurance.

50 4. Flexible flood insurance must cover losses from the
51 peril of flood, as defined in paragraph (b), and may also
52 include coverage for losses from water intrusion originating
53 from outside the structure which is not otherwise covered by the
54 definition of flood. Flexible flood insurance must include one
55 or more of the following provisions:

56 a. An agreement between the insurer and the insured that
57 the flood coverage is in a specified amount, such as coverage
58 that is limited to the total amount of each outstanding mortgage

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59 applicable to the covered property.

60 b. A requirement for a deductible in an amount authorized
61 under s. 627.701, including a deductible in an amount authorized
62 for hurricanes.

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

66 d. A restriction limiting flood coverage to the principal
67 building defined in the policy.

68 e. A provision including or excluding coverage for
69 additional living expenses.

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

72 ~~5.4.~~ Supplemental flood insurance may provide coverage
73 designed to supplement a flood policy obtained from the National
74 Flood Insurance Program or from an insurer issuing standard or
75 preferred flood insurance pursuant to this section. Supplemental
76 flood insurance may provide, but need not be limited to,
77 coverage for jewelry, art, deductibles, and additional living
78 expenses. ~~Supplemental flood insurance does not include coverage~~
79 ~~for the peril of flood that is excess coverage over any other~~
80 ~~insurance covering the peril of flood.~~

81 Section 2. Section 629.271, Florida Statutes, is amended to
82 read:

83 629.271 Distribution of savings.—

84 (1) A reciprocal insurer may ~~from time to time~~ return to
85 its subscribers any unused premiums, savings, or credits
86 accruing to their accounts. ~~Any~~ Such distribution may ~~shall~~ not
87 unfairly discriminate between classes of risks~~7~~ or policies, or

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88 between subscribers, but ~~such distribution~~ may vary as to
89 classes of subscribers based on ~~upon~~ the experience of the ~~such~~
90 classes.

91 (2) In addition to the option provided in subsection (1), a
92 domestic reciprocal insurer may, upon the prior written approval
93 of the office, pay to its subscribers a portion of unassigned
94 funds of up to 10 percent of surplus with such distribution
95 limited to 50 percent of net income from the previous calendar
96 year. Such distribution may not unfairly discriminate between
97 classes of risks or policies, or between subscribers, but may
98 vary as to classes of subscribers based on the experience of
99 such classes.

100 Section 3. This act shall take effect July 1, 2015.