

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED \_\_\_\_\_ (Y/N)  
ADOPTED AS AMENDED \_\_\_\_\_ (Y/N)  
ADOPTED W/O OBJECTION \_\_\_\_\_ (Y/N)  
FAILED TO ADOPT \_\_\_\_\_ (Y/N)  
WITHDRAWN \_\_\_\_\_ (Y/N)  
OTHER

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1 Committee/Subcommittee hearing bill: Insurance & Banking  
2 Subcommittee

3 Representative Lee offered the following:

4  
5 **Amendment (with title amendment)**

6 Remove lines 41-153 and insert:

7 lines residential coverage for the peril of flood or excess  
8 coverage for the peril of flood on any structure or the contents  
9 of personal property contained therein, subject to this section.

10 This section does not apply to commercial lines residential or  
11 commercial lines nonresidential coverage for the peril of flood.

12 ~~This section also does not apply to coverage for the peril of~~  
13 ~~flood that is excess coverage over any other insurance covering~~

14 ~~the peril of flood.~~ An insurer may issue flood insurance  
15 policies, contracts, ~~or~~ endorsements, or excess coverage on a

Amendment No. 1

16 standard, preferred, customized, flexible, or supplemental  
17 basis.

18 (1) (a) Except for excess flood insurance policies,  
19 policies issued under this section include:

20 1. Standard flood insurance, which must cover only losses  
21 from the peril of flood, as defined in paragraph (b), equivalent  
22 to that provided under a standard flood insurance policy under  
23 the National Flood Insurance Program. Standard flood insurance  
24 issued under this section must provide the same coverage,  
25 including deductibles and adjustment of losses, as that provided  
26 under a standard flood insurance policy under the National Flood  
27 Insurance Program.

28 2. Preferred flood insurance, which must include the same  
29 coverage as standard flood insurance but:

30 a. Include, within the definition of "flood," losses from  
31 water intrusion originating from outside the structure that are  
32 not otherwise covered under the definition of "flood" provided  
33 in paragraph (b).

34 b. Include coverage for additional living expenses.

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

38 3. Customized flood insurance, which must include coverage  
39 that is broader than the coverage provided under standard flood  
40 insurance.

## Amendment No. 1

41 4. Flexible flood insurance, which must cover losses from  
42 the peril of flood, as defined in paragraph (b), and may also  
43 include coverage for losses from water intrusion originating  
44 from outside the structure which is not otherwise covered by the  
45 definition of flood. Flexible flood insurance must include one  
46 or more of the following provisions:

47 a. An agreement between the insurer and the insured that  
48 the flood coverage is in a specified amount, such as coverage  
49 that is limited to the total amount of each outstanding mortgage  
50 applicable to the covered property.

51 b. A requirement for a deductible in an amount authorized  
52 under s. 627.701, including a deductible in an amount authorized  
53 for hurricanes.

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

57 d. A restriction limiting flood coverage to the principal  
58 building defined in the policy.

59 e. A provision including or excluding coverage for  
60 additional living expenses.

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

63 5. Supplemental flood insurance, which may provide  
64 coverage designed to supplement a flood policy obtained from the  
65 National Flood Insurance Program or from an insurer issuing

Amendment No. 1

66 standard or preferred flood insurance pursuant to this section.  
67 Supplemental flood insurance may provide, but need not be  
68 limited to, coverage for jewelry, art, deductibles, and  
69 additional living expenses.

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

- 74 1. Overflow of inland or tidal waters;
- 75 2. Unusual and rapid accumulation or runoff of surface  
76 waters from any source;
- 77 3. Mudflow; or
- 78 4. Collapse or subsidence of land along the shore of a  
79 lake or similar body of water as a result of erosion or  
80 undermining caused by waves or currents of water exceeding  
81 anticipated cyclical levels that result in a flood as defined in  
82 this paragraph.

83 (2) Flood coverage deductibles and policy limits pursuant  
84 to this section must be prominently noted on the policy  
85 declarations page or face page.

86 (3) (a) An insurer may establish and use flood coverage  
87 rates in accordance with the rate standards provided in s.  
88 627.062.

89 (b) For flood coverage rates filed with the office before  
90 October 1, 2025 ~~2019~~, the insurer may also establish and use

Amendment No. 1

91 such rates in accordance with the rates, rating schedules, or  
92 rating manuals filed by the insurer with the office which allow  
93 the insurer a reasonable rate of return on flood coverage  
94 written in this state. Flood coverage rates established pursuant  
95 to this paragraph are not subject to s. 627.062(2)(a) and (f).  
96 An insurer shall notify the office of any change to such rates  
97 within 30 days after the effective date of the change. The  
98 notice must include the name of the insurer and the average  
99 statewide percentage change in rates. Actuarial data with regard  
100 to such rates for flood coverage must be maintained by the  
101 insurer for 2 years after the effective date of such rate change  
102 and is subject to examination by the office. The office may  
103 require the insurer to incur the costs associated with an  
104 examination. Upon examination, the office, in accordance with  
105 generally accepted and reasonable actuarial techniques, shall  
106 consider the rate factors in s. 627.062(2)(b), (c), and (d), and  
107 the standards in s. 627.062(2)(e), to determine if the rate is  
108 excessive, inadequate, or unfairly discriminatory. If the office  
109 determines that a rate is excessive or unfairly discriminatory,  
110 the office shall require the insurer to provide appropriate  
111 credit to affected insureds or an appropriate refund to affected  
112 insureds who no longer receive coverage from the insurer.

113 (4) A surplus lines agent may export a contract or  
114 endorsement providing flood coverage to an eligible surplus  
115 lines insurer without making a diligent effort to seek such

Amendment No. 1

116 coverage from three or more authorized insurers under s.  
117 626.916(1) if the surplus lines insurer maintains a financial  
118 strength rating of "superior" or "excellent" by A.M. Best Rating  
119 Services s. 626.916(1) (a). This subsection expires July 1, 2017.

120 (5) In addition to any other applicable requirements, an  
121 insurer providing flood coverage that is not excess coverage in  
122 this state must:

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125 **T I T L E A M E N D M E N T**

126 Remove lines 7-17 and insert:  
127 amending s. 627.715, F.S.; authorizing certain insurers to issue  
128 insurance policies, contracts, or endorsements providing certain  
129 excess coverage for the peril of flood; revising applicability;  
130 authorizing an insurer to issue flood insurance policies on a  
131 flexible basis; extending the last date of filing with the  
132 Office of Insurance Regulation of certain flood coverage rates  
133 that may be established and used by an insurer; specifying a  
134 condition for an eligible surplus lines insurer before a surplus  
135 lines agent may be excepted from a diligent-effort requirement  
136 when exporting flood insurance contracts or endorsements to the  
137 insurer; deleting the expiration date of the exception; revising  
138 applicability of certain notification and filing requirements;  
139 revising provisions