



1                   A bill to be entitled  
2           An act relating to flood insurance; amending s.  
3           627.0628, F.S.; revising the intervals at which  
4           specified standards and guidelines for projecting  
5           certain rate filings must be revised by the Florida  
6           Commission on Hurricane Loss Projection Methodology;  
7           amending s. 627.715, F.S.; authorizing certain  
8           insurers to issue insurance policies, contracts, or  
9           endorsements providing certain excess coverage for the  
10          peril of flood on a flexible basis; revising  
11          applicability; exempting certain surplus lines  
12          insurers from a diligent-effort requirement under  
13          certain circumstances; extending the expiration date  
14          of the exemption under certain conditions; revising  
15          applicability of certain notification and filing  
16          requirements; requiring agents to provide certain  
17          written notice to be signed by applicants when  
18          procuring private flood insurance policies for  
19          properties currently insured under the National Flood  
20          Insurance Program; requiring the agent to obtain the  
21          signed written notice from the applicant within a  
22          specified period; providing applicability; providing  
23          an effective date.

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



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Section 1. Paragraph (f) of subsection (3) of section 627.0628, Florida Statutes, is amended to read:

627.0628 Florida Commission on Hurricane Loss Projection Methodology; public records exemption; public meetings exemption.—

(3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

(f) The commission shall revise previously adopted actuarial methods, principles, standards, models, or output ranges every odd-numbered year for hurricane loss projections. The commission shall revise previously adopted actuarial methods, principles, standards, models, or output ranges no less than every 4 years for flood loss projections.

Section 2. Section 627.715, Florida Statutes, is amended to read:

627.715 Flood insurance.—An authorized insurer may issue an insurance policy, contract, or endorsement providing personal lines residential coverage for the peril of flood or excess coverage for the peril of flood on any structure or the contents of personal property contained therein, subject to this section. This section does not apply to commercial lines residential or commercial lines nonresidential coverage for the peril of flood. ~~This section also does not apply to coverage for the peril of flood that is excess coverage over any other insurance covering the peril of flood.~~ An insurer may issue flood insurance



51 policies, contracts, ~~or~~ endorsements, or excess coverage on a  
52 standard, preferred, customized, flexible, or supplemental  
53 basis.

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

56 1. Standard flood insurance, which must cover only losses  
57 from the peril of flood, as defined in paragraph (b), equivalent  
58 to that provided under a standard flood insurance policy under  
59 the National Flood Insurance Program. Standard flood insurance  
60 issued under this section must provide the same coverage,  
61 including deductibles and adjustment of losses, as that provided  
62 under a standard flood insurance policy under the National Flood  
63 Insurance Program.

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

66 a. Include, within the definition of "flood," losses from  
67 water intrusion originating from outside the structure that are  
68 not otherwise covered under the definition of "flood" provided  
69 in paragraph (b).

70 b. Include coverage for additional living expenses.

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

74 3. Customized flood insurance, which must include coverage  
75 that is broader than the coverage provided under standard flood



76 insurance.

77 4. Flexible flood insurance, which must cover losses from  
78 the peril of flood, as defined in paragraph (b), and may also  
79 include coverage for losses from water intrusion originating  
80 from outside the structure which is not otherwise covered by the  
81 definition of flood. Flexible flood insurance must include one  
82 or more of the following provisions:

83 a. An agreement between the insurer and the insured that  
84 the flood coverage is in a specified amount, such as coverage  
85 that is limited to the total amount of each outstanding mortgage  
86 applicable to the covered property.

87 b. A requirement for a deductible in an amount authorized  
88 under s. 627.701, including a deductible in an amount authorized  
89 for hurricanes.

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

93 d. A restriction limiting flood coverage to the principal  
94 building defined in the policy.

95 e. A provision including or excluding coverage for  
96 additional living expenses.

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

99 5. Supplemental flood insurance, which may provide  
100 coverage designed to supplement a flood policy obtained from the



101 National Flood Insurance Program or from an insurer issuing  
102 standard or preferred flood insurance pursuant to this section.  
103 Supplemental flood insurance may provide, but need not be  
104 limited to, coverage for jewelry, art, deductibles, and  
105 additional living expenses.

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

- 110 1. Overflow of inland or tidal waters;
- 111 2. Unusual and rapid accumulation or runoff of surface  
112 waters from any source;
- 113 3. Mudflow; or
- 114 4. Collapse or subsidence of land along the shore of a  
115 lake or similar body of water as a result of erosion or  
116 undermining caused by waves or currents of water exceeding  
117 anticipated cyclical levels that result in a flood as defined in  
118 this paragraph.

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

122 (3) (a) An insurer may establish and use flood coverage  
123 rates in accordance with the rate standards provided in s.  
124 627.062.

125 (b) For flood coverage rates filed with the office before



126 | October 1, 2019, the insurer may also establish and use such  
127 | rates in accordance with the rates, rating schedules, or rating  
128 | manuals filed by the insurer with the office which allow the  
129 | insurer a reasonable rate of return on flood coverage written in  
130 | this state. Flood coverage rates established pursuant to this  
131 | paragraph are not subject to s. 627.062(2)(a) and (f). An  
132 | insurer shall notify the office of any change to such rates  
133 | within 30 days after the effective date of the change. The  
134 | notice must include the name of the insurer and the average  
135 | statewide percentage change in rates. Actuarial data with regard  
136 | to such rates for flood coverage must be maintained by the  
137 | insurer for 2 years after the effective date of such rate change  
138 | and is subject to examination by the office. The office may  
139 | require the insurer to incur the costs associated with an  
140 | examination. Upon examination, the office, in accordance with  
141 | generally accepted and reasonable actuarial techniques, shall  
142 | consider the rate factors in s. 627.062(2)(b), (c), and (d), and  
143 | the standards in s. 627.062(2)(e), to determine if the rate is  
144 | excessive, inadequate, or unfairly discriminatory. If the office  
145 | determines that a rate is excessive or unfairly discriminatory,  
146 | the office shall require the insurer to provide appropriate  
147 | credit to affected insureds or an appropriate refund to affected  
148 | insureds who no longer receive coverage from the insurer.

149 |       (4) A surplus lines agent may export a contract or  
150 | endorsement providing flood coverage to an eligible surplus



151 lines insurer without making a diligent effort to seek such  
152 coverage from three or more authorized insurers under s.  
153 626.916(1) if the surplus lines insurer maintains a financial  
154 strength rating of "superior" or "excellent" by A.M. Best Rating  
155 Services s. ~~626.916(1)(a)~~. This subsection expires July 1, 2019,  
156 or the date on which the Commissioner of Insurance Regulation  
157 determines in writing that there is an adequate admitted market  
158 to provide coverage for the peril of flood consistent with this  
159 section, whichever date occurs first. If there are fewer than  
160 three authorized insurers on the date this subsection expires,  
161 the number of declinations necessary to meet the diligent-effort  
162 requirement shall be no fewer than the number of authorized  
163 insurers providing flood coverage ~~2017~~.

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

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

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

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

173 (7) The Florida Hurricane Catastrophe Fund may not provide  
174 reimbursement for losses proximately caused by the peril of  
175 flood, including losses that occur during a covered event as



176 defined in s. 215.555(2)(b).

177 (8)(a) When procuring a private flood insurance policy  
178 from an authorized insurer or a surplus lines insurer for a  
179 property currently insured under the National Flood Insurance  
180 Program, an agent must, on the date the current policy expires,  
181 provide a written notice to be signed by the applicant which  
182 informs the applicant of the following conditions, which will  
183 apply under the National Flood Insurance Program:

184 1. The full risk rate to the property if flood insurance  
185 is later obtained under the National Flood Insurance Program; or  
186 2. A subsidized rate to the property if flood insurance is  
187 later obtained under the National Flood Insurance Program.

188 (b) The agent must obtain the signed written notice from  
189 the applicant within the earlier of:

190 1. Twenty-one days after expiration of the policy under  
191 the National Flood Insurance Program; or  
192 2. Seven days before the expiration of any timeframe  
193 during which the applicant may return to the National Flood  
194 Insurance Program under a subsidized rate.

195 (c) Paragraphs (a) and (b) do not apply if the National  
196 Flood Insurance Program allows the subsidized rate to apply at  
197 any time a previous policyholder returns ~~An agent must, upon~~  
198 ~~receiving an application for flood coverage from an authorized~~  
199 ~~or surplus lines insurer for a property receiving flood~~  
200 ~~insurance under the National Flood Insurance Program, obtain an~~





201 ~~acknowledgment signed by the applicant before placing the~~  
202 ~~coverage with the authorized or surplus lines insurer. The~~  
203 ~~acknowledgment must notify the applicant that, if the applicant~~  
204 ~~discontinues coverage under the National Flood Insurance Program~~  
205 ~~which is provided at a subsidized rate, the full risk rate for~~  
206 ~~flood insurance may apply to the property if the applicant later~~  
207 ~~seeks to reinstate coverage under the program.~~

208 (9) With respect to the regulation of flood coverage  
209 written in this state by authorized insurers, this section  
210 supersedes any other provision in the Florida Insurance Code in  
211 the event of a conflict.

212 (10) If federal law or rule requires a certification by a  
213 state insurance regulatory official as a condition of qualifying  
214 for private flood insurance or disaster assistance, the  
215 Commissioner of Insurance Regulation may provide the  
216 certification, and such certification is not subject to review  
217 under chapter 120.

218 (11) (a) An authorized insurer offering flood insurance may  
219 request the office to certify that a policy, contract, or  
220 endorsement provides coverage for the peril of flood which  
221 equals or exceeds the flood coverage offered by the National  
222 Flood Insurance Program. To be eligible for certification, such  
223 policy, contract, or endorsement must contain a provision  
224 stating that it meets the private flood insurance requirements  
225 specified in 42 U.S.C. s. 4012a(b) and may not contain any



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226 provision that is not in compliance with 42 U.S.C. s. 4012a(b).

227 (b) The authorized insurer or its agent may reference or  
228 include a certification under paragraph (a) in advertising or  
229 communications with an agent, a lending institution, an insured,  
230 or a potential insured only for a policy, contract, or  
231 endorsement that is certified under this subsection. The  
232 authorized insurer may include a statement that notifies an  
233 insured of the certification on the declarations page or other  
234 policy documentation related to flood coverage certified under  
235 this subsection.

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

239 Section 3. This act shall take effect July 1, 2017.