

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

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

3 Representative Cruz offered the following:

4

5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Subsections (2) through (5) of section
 8 627.7011, Florida Statutes, are renumbered as subsections (3)
 9 through (6), respectively, present subsection (4) is amended,
 10 and a new subsection (2) is added to that section, to read:

11 627.7011 Homeowners' policies; offer of replacement cost
 12 coverage and law and ordinance coverage.-

13 (2) Prior to issuing a homeowner's insurance policy, the
 14 insurer must obtain the applicant's written acknowledgement of
 15 the following statement: "I UNDERSTAND THAT IF I PURCHASE A
 16 HOMEOWNER'S PROPERTY INSURANCE POLICY PROVIDING WINDSTORM

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17 COVERAGE, WHICH I MAY KNOW AS HURRICANE INSURANCE, THAT THE
18 POLICY DOES NOT INCLUDE FLOOD INSURANCE COVERAGE FOR DAMAGE FROM
19 RISING WATER AND MY PROPERTY WILL NOT BE COVERED FOR FLOOD
20 DAMAGE UNLESS I SEPARATELY PURCHASE FLOOD INSURANCE COVERAGE."

21 (5)(4) A homeowner's insurance policy must include in bold
22 type no smaller than 18 points the following statement:
23 "LAW AND ORDINANCE COVERAGE IS AN IMPORTANT COVERAGE THAT YOU
24 MAY WISH TO PURCHASE. YOU MAY ALSO NEED TO CONSIDER THE PURCHASE
25 OF FLOOD INSURANCE FROM THE NATIONAL FLOOD INSURANCE PROGRAM OR
26 AN ADMITTED FLORIDA FLOOD INSURER. AS YOU ACKNOWLEDGED AT THE
27 TIME OF APPLICATION, THIS POLICY DOES NOT INCLUDE FLOOD
28 INSURANCE. FLOOD INSURANCE COVERS DAMAGE FROM RISING WATER. IF
29 THIS POLICY PROVIDES WINDSTORM COVERAGE, WHICH YOU MAY KNOW AS
30 HURRICANE INSURANCE, IT DOES NOT COVER DAMAGE FROM RISING WATER.
31 WITHOUT FLOOD INSURANCE THIS COVERAGE, YOU MAY HAVE UNCOVERED
32 LOSSES RESULTING FROM RISING WATER. PLEASE DISCUSS THESE
33 COVERAGES WITH YOUR INSURANCE AGENT."

34 The intent of this subsection is to encourage policyholders to
35 purchase sufficient coverage to protect them in case events
36 excluded from the standard homeowners policy, such as law and
37 ordinance enforcement and flood, combine with covered events to
38 produce damage or loss to the insured property. The intent is
39 also to encourage policyholders to discuss these issues with
40 their insurance agent.

41 Section 2. Section 627.7142, Florida Statutes, is amended

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42 to read:

43 627.7142 Homeowner Claims Bill of Rights.—An insurer
44 issuing a personal lines residential property insurance policy
45 in this state must provide a Homeowner Claims Bill of Rights to
46 a policyholder within 14 days after receiving an initial
47 communication with respect to a claim, unless the claim follows
48 an event that is the subject of a declaration of a state of
49 emergency by the Governor. The purpose of the bill of rights is
50 to summarize, in simple, nontechnical terms, existing Florida
51 law regarding the rights of a personal lines residential
52 property insurance policyholder who files a claim of loss. The
53 Homeowner Claims Bill of Rights is specific to the claims
54 process and does not represent all of a policyholder's rights
55 under Florida law regarding the insurance policy. The Homeowner
56 Claims Bill of Rights does not create a civil cause of action by
57 any individual policyholder or class of policyholders against an
58 insurer or insurers. The failure of an insurer to properly
59 deliver the Homeowner Claims Bill of Rights is subject to
60 administrative enforcement by the office but is not admissible
61 as evidence in a civil action against an insurer. The Homeowner
62 Claims Bill of Rights does not enlarge, modify, or contravene
63 statutory requirements, including, but not limited to, ss.
64 626.854, 626.9541, 627.70131, 627.7015, and 627.7074, and does
65 not prohibit an insurer from exercising its right to repair
66 damaged property in compliance with the terms of an applicable

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67 policy or ss. 627.7011(6) ~~(5)~~(e) and 627.702(7). The Homeowner
68 Claims Bill of Rights must state:

69 HOMEOWNER CLAIMS

70 BILL OF RIGHTS

71 This Bill of Rights is specific to the claims process and does
72 not represent all of your rights under Florida law regarding
73 your policy. There are also exceptions to the stated timelines
74 when conditions are beyond your insurance company's control.
75 This document does not create a civil cause of action by an
76 individual policyholder, or a class of policyholders, against an
77 insurer or insurers and does not prohibit an insurer from
78 exercising its right to repair damaged property in compliance
79 with the terms of an applicable policy.

80 YOU HAVE THE RIGHT TO:

- 81 1. Receive from your insurance company an acknowledgment
82 of your reported claim within 14 days after the time you
83 communicated the claim.
- 84 2. Upon written request, receive from your insurance
85 company within 30 days after you have submitted a complete
86 proof-of-loss statement to your insurance company,
87 confirmation that your claim is covered in full, partially
88 covered, or denied, or receive a written statement that
89 your claim is being investigated.
- 90 3. Within 90 days, subject to any dual interest noted in

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91 the policy, receive full settlement payment for your claim
92 or payment of the undisputed portion of your claim, or your
93 insurance company's denial of your claim.

94 4. Free mediation of your disputed claim by the Florida
95 Department of Financial Services, Division of Consumer
96 Services, under most circumstances and subject to certain
97 restrictions.

98 5. Neutral evaluation of your disputed claim, if your
99 claim is for damage caused by a sinkhole and is covered by
100 your policy.

101 6. Contact the Florida Department of Financial Services,
102 Division of Consumer Services' toll-free helpline for
103 assistance with any insurance claim or questions pertaining
104 to the handling of your claim. You can reach the Helpline
105 by phone at...(toll-free phone number)..., or you can seek
106 assistance online at the Florida Department of Financial
107 Services, Division of Consumer Services' website
108 at...(website address)....

109 YOU ARE ADVISED TO:

110 1. Contact your insurance company before entering into any
111 contract for repairs to confirm any managed repair policy
112 provisions or optional preferred vendors.

113 2. Make and document emergency repairs that are necessary
114 to prevent further damage. Keep the damaged property, if

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115 feasible, keep all receipts, and take photographs of damage
116 before and after any repairs.

117 3. Carefully read any contract that requires you to pay
118 out-of-pocket expenses or a fee that is based on a
119 percentage of the insurance proceeds that you will receive
120 for repairing or replacing your property.

121 4. Confirm that the contractor you choose is licensed to
122 do business in Florida. You can verify a contractor's
123 license and check to see if there are any complaints
124 against him or her by calling the Florida Department of
125 Business and Professional Regulation. You should also ask
126 the contractor for references from previous work.

127 5. Require all contractors to provide proof of insurance
128 before beginning repairs.

129 6. Take precautions if the damage requires you to leave
130 your home, including securing your property and turning off your
131 gas, water, and electricity, and contacting your insurance
132 company and provide a phone number where you can be reached.

133 Section 3. Paragraph (a) of subsection (1) of section
134 627.715, Florida Statutes, is amended to read:

135 627.715 Flood insurance.—An authorized insurer may issue
136 an insurance policy, contract, or endorsement providing personal
137 lines residential coverage for the peril of flood or excess
138 coverage for the peril of flood on any structure or the contents
139 of personal property contained therein, subject to this section.

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140 This section does not apply to commercial lines residential or
141 commercial lines nonresidential coverage for the peril of flood.
142 An insurer may issue flood insurance policies, contracts,
143 endorsements, or excess coverage on a standard, preferred,
144 customized, flexible, or supplemental basis.

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

147 1. Standard flood insurance, which must cover only losses
148 from the peril of flood, as defined in paragraph (b), equivalent
149 to that provided under a standard flood insurance policy under
150 the National Flood Insurance Program. Standard flood insurance
151 issued under this section must provide the same coverage,
152 including deductibles and adjustment of losses, as that provided
153 under a standard flood insurance policy under the National Flood
154 Insurance Program.

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

157 a. Include, within the definition of "flood," losses from
158 water intrusion originating from outside the structure that are
159 not otherwise covered under the definition of "flood" provided
160 in paragraph (b).

161 b. Include coverage for additional living expenses.

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

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165 3. Customized flood insurance, which must include coverage
166 that is broader than the coverage provided under standard flood
167 insurance.

168 4. Flexible flood insurance, which must cover losses from
169 the peril of flood, as defined in paragraph (b), and may also
170 include coverage for losses from water intrusion originating
171 from outside the structure which is not otherwise covered by the
172 definition of flood. Flexible flood insurance must include one
173 or more of the following provisions:

174 a. An agreement between the insurer and the insured that
175 the flood coverage is in a specified amount, such as coverage
176 that is limited to the total amount of each outstanding mortgage
177 applicable to the covered property.

178 b. A requirement for a deductible in an amount authorized
179 under s. 627.701, including a deductible in an amount authorized
180 for hurricanes.

181 c. A requirement that flood loss to a dwelling be adjusted
182 in accordance with s. 627.7011(4)~~(3)~~ or adjusted only on the
183 basis of the actual cash value of the property.

184 d. A restriction limiting flood coverage to the principal
185 building defined in the policy.

186 e. A provision including or excluding coverage for
187 additional living expenses.

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

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190 5. Supplemental flood insurance, which may provide
191 coverage designed to supplement a flood policy obtained from the
192 National Flood Insurance Program or from an insurer issuing
193 standard or preferred flood insurance pursuant to this section.
194 Supplemental flood insurance may provide, but need not be
195 limited to, coverage for jewelry, art, deductibles, and
196 additional living expenses.

197 Section 4. The amendments made by this act to s. 627.7011,
198 Florida Statutes, apply to policies issued or renewed on or
199 after January 1, 2019.

200 Section 5. This act shall take effect January 1, 2019.

201

202

203

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

204

Remove everything before the enacting clause and insert:

205

A bill to be entitled

206

An act relating to hurricane flood insurance; amending

207

s. 627.7011, F.S.; creating a required acknowledgement

208

upon application regarding the absence of flood

209

coverage; revising a mandatory homeowner's insurance

210

policy disclosure regarding the absence of flood

211

coverage; providing disclosure requirements; amending

212

ss. 627.7142 and 627.715, F.S.; correcting cross-

213

references; providing applicability; providing an

214

effective date.

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