

By Senator Garcia

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1 A bill to be entitled
 2 An act relating to residential property insurance
 3 contracts; amending s. 627.7016, F.S.; specifying
 4 requirements for an insurer offering residential
 5 coverage that places a restriction on the
 6 policyholder's choice of contractor necessary to
 7 repair damage covered by the policy; providing
 8 penalties for violations; providing an effective date.

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

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 12 Section 1. Section 627.7016, Florida Statutes, is amended
 13 to read:

14 627.7016 Insurer contracts with building contractors;
 15 restrictions on contractor selection; requirements; penalties.-

16 (1) RESIDENTIAL COVERAGE WITHOUT RESTRICTIONS ON CONTRACTOR
 17 SELECTION.-An insurer who offers residential coverage, as
 18 described ~~defined~~ in s. 627.4025, may contract with a building
 19 contractor skilled in techniques that mitigate hurricane damage.
 20 Insurers may offer policyholders the option to select the
 21 services of such building contractors to repair damage covered
 22 by the insurance policy. The insurer must guarantee the building
 23 contractor's work and may offer the policyholder any other
 24 terms, conditions, or benefits. The insurance company is not
 25 liable for the actions of the building contractor.

26 (2) RESIDENTIAL COVERAGE RESTRICTING CONTRACTOR SELECTION.-

27 (a) An insurer offering residential coverage, as described
 28 in s. 627.4025, which places a restriction on the policyholder's
 29 choice of contractor necessary to repair damage covered by the

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30 policy must:

31 1. Use a contractor who has an active status certificate or
32 registration under part I of chapter 489;

33 2. Prohibit the contractor from placing a lien on the
34 covered property for the work performed under the policy;

35 3. Ensure that all necessary permits are obtained for work
36 performed by the contractor under the policy; and

37 4. Guarantee the quality of work performed by the
38 contractor under the policy for 3 years after all work has been
39 completed or after a certificate of occupancy is issued.

40 (b) The office may impose a fine of \$10,000 per occurrence
41 against an insurer that violates this subsection. In addition,
42 an insurer that violates subparagraph (a)1. or subparagraph
43 (a)3. is subject to any fine, penalty, or rebuilding costs
44 required by the local government.

45 Section 2. This act shall take effect July 1, 2018.