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LEGISLATIVE ACTION

Senate

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House

Senator Flores moved the following:

Senate Amendment (with title amendment)

Delete lines 473 - 488

and insert:

Section 18. Paragraph (a) of subsection (3) of section 627.7011, Florida Statutes, is amended to read:

627.7011 Homeowners' policies; offer of replacement cost coverage and law and ordinance coverage.—

(3) In the event of a loss for which a dwelling or personal property is insured on the basis of replacement costs:

(a) For a dwelling, the insurer must initially pay at least



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12 the actual cash value of the insured loss, less any applicable
13 deductible. The insurer shall pay any remaining amounts
14 necessary to perform such repairs as work is performed and
15 expenses are incurred. If a total loss of a dwelling occurs, the
16 insurer shall pay the replacement cost coverage without
17 reservation or holdback of any depreciation in value, pursuant
18 to s. 627.702. An insurer that requires a policyholder to use a
19 specific contractor selected by the insurer must ensure, and
20 must document evidence within the claim file, that the insurer's
21 selected contractor has complied with part I of chapter 489,
22 part IX of chapter 626, and any other applicable Florida statute
23 when establishing the appropriate construction methodology,
24 scope of repairs, and construction processes. If an insurer
25 fails to ensure the contractor's compliance in accordance with
26 this paragraph, the office shall impose upon the insurer an
27 administrative penalty of \$5,000 for a first offense and an
28 administrative penalty of up to \$10,000 for each subsequent
29 offense. If an insurer's selected contractor violates part I of
30 chapter 489 or part IX of chapter 626, the insured is relieved
31 of his or her obligation to complete the repairs with the
32 contractor and the insurer must pay the insured the remaining
33 amounts necessary to complete the covered repairs.

34
35 ===== T I T L E A M E N D M E N T =====

36 And the title is amended as follows:

37 Delete lines 61 - 65

38 and insert:

39 amending s. 627.7011, F.S.; requiring an insurer
40 issuing homeowners' insurance with certain coverage



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41 which requires a policyholder to use the insurer's
42 selected contractor to meet certain requirements
43 relating to the contractor; requiring the office to
44 impose specified penalties for violations; providing
45 that a policyholder is relieved of a certain
46 obligation and the insurer must pay certain amounts if
47 the insurer's selected contractor violates certain
48 provisions; amending s. 627.70131, F.S.; providing