

By Senator Stewart

13-01267B-22

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1 A bill to be entitled
2 An act relating to the disposition of insurance
3 proceeds; amending s. 494.0026, F.S.; adding
4 requirements for mortgagees and assignees holding
5 certain insurance proceeds pending completion of all
6 or part of damage repairs; providing an effective
7 date.
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9 Be It Enacted by the Legislature of the State of Florida:
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11 Section 1. Subsection (2) of section 494.0026, Florida
12 Statutes, is amended to read:

13 494.0026 Disposition of insurance proceeds.—The following
14 provisions apply to mortgage loans held by a mortgagee or
15 assignee that is subject to part II or part III of this chapter.

16 (2) Insurance proceeds received by a mortgagee or an
17 assignee which ~~that~~ relate to compensation for damage to
18 property or contents insurance coverage in which the mortgagee
19 or assignee has a security interest must be promptly deposited
20 into a segregated account of a federally insured financial
21 institution. A mortgagee or an assignee holding insurance
22 proceeds pending completion of all or part of damage repairs
23 shall notify the insured of each requirement the insured must
24 fulfill for the mortgagee or assignee to release the proceeds.
25 The notice required under this subsection must be sent by
26 written or electronic delivery no later than the 10th business
27 day after the date the mortgagee or assignee endorses the check,
28 draft, or other negotiable instrument for the proceeds.
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30 This section may not be construed to prevent an insurance
31 company from paying the insured directly for additional living
32 expenses or paying the insured directly for contents insurance
33 coverage if the mortgagee or assignee does not have a security
34 interest in the contents.

35 Section 2. This act shall take effect July 1, 2022.