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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/11/2023	.	
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The Committee on Rules (Perry) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Subsection (12) is added to section 624.4621,  
Florida Statutes, to read:

624.4621 Group self-insurance funds.—

(12) For any local governmental entity that is a member of  
a self-insurer established under this section, only an elected  
official of the local governmental entity may be the local  
governmental entity's representative on the self-insurer's



12 governing body.

13 Section 2. Paragraph (j) of subsection (2) of section  
14 627.062, Florida Statutes, is amended to read:

15 627.062 Rate standards.—

16 (2) As to all such classes of insurance:

17 (j) With respect to residential property insurance rate  
18 filings, the rate filing:

19 1. Must account for mitigation measures undertaken by  
20 policyholders to reduce hurricane losses.

21 2. May use a modeling indication that is the weighted or  
22 straight average of two or more hurricane loss projection models  
23 found by the Florida Commission on Hurricane Loss Projection  
24 Methodology to be accurate or reliable pursuant to s. 627.0628.

25  
26 The provisions of this subsection do not apply to workers'  
27 compensation, employer's liability insurance, and motor vehicle  
28 insurance.

29 Section 3. Paragraph (b) of subsection (2) of section  
30 627.0628, Florida Statutes, is amended to read:

31 627.0628 Florida Commission on Hurricane Loss Projection  
32 Methodology; public records exemption; public meetings  
33 exemption.—

34 (2) COMMISSION CREATED.—

35 (b) The commission shall consist of the following 12  
36 members:

37 1. The insurance consumer advocate.

38 2. The senior employee of the State Board of Administration  
39 responsible for operations of the Florida Hurricane Catastrophe  
40 Fund.



41           3. The Executive Director of the Citizens Property  
42 Insurance Corporation or the executive director's designee. The  
43 executive director's designee must be a full-time employee of  
44 the corporation and have actuarial science experience.

45           4. The Director of the Division of Emergency Management or  
46 the director's designee. The director's designee must be a full-  
47 time employee of the division.

48           5. The actuary member of the Florida Hurricane Catastrophe  
49 Fund Advisory Council.

50           6. An employee of the office who is an actuary responsible  
51 for property insurance rate filings and who is appointed by the  
52 director of the office.

53           7. Five members appointed by the Chief Financial Officer,  
54 as follows:

55           a. An actuary who is employed full time by a property and  
56 casualty insurer that was responsible for at least 1 percent of  
57 the aggregate statewide direct written premium for homeowner  
58 insurance in the calendar year preceding the member's  
59 appointment to the commission.

60           b. An expert in insurance finance who is a full-time member  
61 of the faculty of the State University System and who has a  
62 background in actuarial science.

63           c. An expert in statistics who is a full-time member of the  
64 faculty of the State University System and who has a background  
65 in insurance.

66           d. An expert in computer system design who is a full-time  
67 member of the faculty of the State University System.

68           e. An expert in meteorology who is a full-time member of  
69 the faculty of the State University System and who specializes



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70 in hurricanes.

71 8. A licensed professional structural engineer who is a  
72 full-time faculty member in the State University System and who  
73 has expertise in wind mitigation techniques. This appointment  
74 shall be made by the Governor.

75 Section 4. Subsection (9) is added to section 627.0629,  
76 Florida Statutes, to read:

77 627.0629 Residential property insurance; rate filings.—

78 (9) An insurer may file with the office a personal lines  
79 residential property insurance rating plan that provides  
80 justified premium discounts, credits, or other rate  
81 differentials based on windstorm mitigation construction  
82 standards developed by an independent, nonprofit scientific  
83 research organization, if such standards meet the requirements  
84 of this section. Such plan must describe the manner in which the  
85 insurer will document the existence of the mitigation features  
86 and premium discounts, credits, or other rate differentials  
87 created under such plan.

88 Section 5. Section 627.0665, Florida Statutes, is amended  
89 to read:

90 627.0665 Automatic bank withdrawal agreements; notification  
91 required.—Any insurer licensed to issue insurance in the state  
92 who has an automatic bank withdrawal agreement with an insured  
93 party for the payment of insurance premiums for any type of  
94 insurance shall give the named insured at least 10 ~~15~~ days  
95 advance written notice of any increase in policy premiums which  
96 results in the next automatic bank withdrawal being increased by  
97 more than \$10. Such notice must be provided before ~~prior to~~ any  
98 automatic bank withdrawal containing the ~~of an~~ increased



99 premium.

100 Section 6. Subsection (1) of section 627.421, Florida  
101 Statutes, is amended to read:

102 627.421 Delivery of policy.—

103 (1) Subject to the insurer's requirement as to payment of  
104 premium, every policy shall be mailed, delivered, or  
105 electronically transmitted to the insured or to the person  
106 entitled thereto not later than 60 days after the effectuation  
107 of coverage. Notwithstanding any other provision of law, an  
108 insurer may allow a policyholder of personal lines insurance to  
109 affirmatively elect delivery of the policy documents, including,  
110 but not limited to, policies, endorsements, notices, or  
111 documents, by electronic means in lieu of delivery by mail.  
112 Electronic transmission of a policy, related notices, and other  
113 documents for individual and group health insurance policies or  
114 certificates of coverage pursuant to parts VI and VII of this  
115 chapter, respectively; health maintenance contracts or  
116 certificates of coverage pursuant to part I of chapter 641;  
117 prepaid limited health service contracts pursuant to part I of  
118 chapter 636; and ~~for~~ commercial risks, including, but not  
119 limited to, workers' compensation and employers' liability,  
120 commercial automobile liability, commercial automobile physical  
121 damage, commercial lines residential property, commercial  
122 nonresidential property, farmowners insurance, and the types of  
123 commercial lines risks set forth in s. 627.062(3)(d),  
124 constitutes delivery to the insured or to the person entitled to  
125 delivery, unless the insured or the person entitled to delivery  
126 communicates to the insurer in writing or electronically that he  
127 or she does not agree to delivery by electronic means.



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128 ~~Electronic transmission shall include a notice to the insured or~~  
129 ~~to the person entitled to delivery of a policy of his or her~~  
130 ~~right to receive the policy via United States mail rather than~~  
131 ~~via electronic transmission. A paper copy of the policy shall be~~  
132 ~~provided to the insured or to the person entitled to delivery at~~  
133 ~~his or her request.~~

134 Section 7. Paragraph (d) of subsection (3) of section  
135 627.701, Florida Statutes, is amended, and paragraph (a) of that  
136 subsection is republished, to read:

137 627.701 Liability of insureds; coinsurance; deductibles.—

138 (3) (a) Except as otherwise provided in this subsection,  
139 prior to issuing a personal lines residential property insurance  
140 policy, the insurer must offer alternative deductible amounts  
141 applicable to hurricane losses equal to \$500, 2 percent, 5  
142 percent, and 10 percent of the policy dwelling limits, unless  
143 the specific percentage deductible is less than \$500. The  
144 written notice of the offer shall specify the hurricane  
145 deductible to be applied in the event that the applicant or  
146 policyholder fails to affirmatively choose a hurricane  
147 deductible. The insurer must provide such policyholder with  
148 notice of the availability of the deductible amounts specified  
149 in this subsection in a form approved by the office in  
150 conjunction with each renewal of the policy. The failure to  
151 provide such notice constitutes a violation of this code but  
152 does not affect the coverage provided under the policy.

153 (d) For the following policies, the following alternative  
154 deductible amounts are authorized:

155 1. With respect to a policy covering a risk with dwelling  
156 limits of \$250,000 or more, the insurer need not offer the \$500



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157 hurricane deductible as required by paragraph (a), but must,  
158 except as otherwise provided in this subsection, offer the other  
159 hurricane deductibles as required by paragraph (a).

160 2. With respect to a policy covering a risk with dwelling  
161 limits of \$1 million or more, but less than \$3 million, the  
162 insurer may, in lieu of offering the 2 percent deductible as  
163 required by paragraph (a), offer a deductible amount applicable  
164 to hurricane losses equal to 3 percent of the policy dwelling  
165 limits.

166 3. With respect to a policy covering a risk with dwelling  
167 limits of \$3 million or more, the insurer need not offer the 2  
168 percent deductible as required by paragraph (a), but must,  
169 except as otherwise provided by this subsection, offer the other  
170 hurricane deductibles as required by paragraph (a).

171 Section 8. Paragraph (a) of subsection (2) and subsection  
172 (3) of section 627.712, Florida Statutes, are amended to read:  
173 627.712 Residential windstorm coverage required;  
174 availability of exclusions for windstorm or contents.—

175 (2) A property insurer must make available, at the option  
176 of the policyholder, an exclusion of windstorm coverage.

177 (a) The coverage may be excluded only if:

178 1. When the policyholder is a natural person, the  
179 policyholder personally writes or types and provides to the  
180 insurer the following statement ~~in his or her own handwriting~~  
181 and signs his or her name, which must also be signed by every  
182 other named insured on the policy, and dated: "I do not want the  
183 insurance on my (home/mobile home/condominium unit) to pay for  
184 damage from windstorms. I will pay those costs. My insurance  
185 will not."



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186           2. When the policyholder is other than a natural person,  
187 the policyholder provides to the insurer on the policyholder's  
188 letterhead the following statement that must be signed by the  
189 policyholder's authorized representative and dated: "... (Name of  
190 entity)... does not want the insurance on its ... (type of  
191 structure)... to pay for damage from windstorms. ... (Name of  
192 entity)... will be responsible for these costs. ... (Name of  
193 entity's)... insurance will not."

194           (3) An insurer issuing a residential property insurance  
195 policy, except for a condominium unit owner policy or a tenant  
196 policy, must make available, at the option of the policyholder,  
197 an exclusion of coverage for the contents. The coverage may be  
198 excluded only if the policyholder personally writes or types and  
199 provides to the insurer the following statement ~~in his or her~~  
200 ~~own handwriting~~ and signs his or her signature, which must also  
201 be signed by every other named insured on the policy, and dated:  
202 "I do not want the insurance on my (home/mobile home) to pay for  
203 the costs to repair or replace any contents that are damaged. I  
204 will pay those costs. My insurance will not."

205           Section 9. Section 627.7276, Florida Statutes, is amended  
206 to read:

207           627.7276 Notice of limited coverage.—

208           (1) An automobile policy that does not contain coverage for  
209 bodily injury and property damage must include a notice ~~be~~  
210 ~~clearly stamped or printed to the effect~~ that such coverage is  
211 not included in the policy in the following manner:

212

213           "THIS POLICY DOES NOT PROVIDE BODILY INJURY AND  
214           PROPERTY DAMAGE LIABILITY INSURANCE OR ANY OTHER





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215           COVERAGE FOR WHICH A SPECIFIC PREMIUM CHARGE IS NOT  
216           MADE, AND DOES NOT COMPLY WITH ANY FINANCIAL  
217           RESPONSIBILITY LAW.”

218  
219           (2) This notice legend must appear on the policy  
220 declaration page ~~and on the filing back of the policy~~ and be  
221 printed in bold type ~~a contrasting color from that used on the~~  
222 ~~policy and in type larger than the largest type used in the text~~  
223 ~~thereof, as an overprint or by a rubber stamp impression.~~

224           Section 10. Paragraph (b) of subsection (8) of section  
225 634.041, Florida Statutes, is amended to read:

226           634.041 Qualifications for license.—To qualify for and hold  
227 a license to issue service agreements in this state, a service  
228 agreement company must be in compliance with this part, with  
229 applicable rules of the commission, with related sections of the  
230 Florida Insurance Code, and with its charter powers and must  
231 comply with the following:

232           (8)

233           (b) A service agreement company does not have to establish  
234 and maintain an unearned premium reserve if it secures and  
235 maintains contractual liability insurance in accordance with the  
236 following:

237           1. Coverage of 100 percent of the claim exposure is  
238 obtained from an insurer approved by the office, which holds a  
239 certificate of authority under s. 624.401 to do business within  
240 this state, or secured through a risk retention group, which is  
241 authorized to do business within this state under s. 627.943 or  
242 s. 627.944. Such insurer or risk retention group must maintain a  
243 surplus as regards policyholders of at least \$15 million.



244           2. If the service agreement company does not meet its  
245 contractual obligations, the contractual liability insurance  
246 policy binds its issuer to pay or cause to be paid to the  
247 service agreement holder all legitimate claims and cancellation  
248 refunds for all service agreements issued by the service  
249 agreement company while the policy was in effect. This  
250 requirement also applies to those service agreements for which  
251 no premium has been remitted to the insurer.

252           3. If the issuer of the contractual liability policy is  
253 fulfilling the service agreements covered by the contractual  
254 liability policy and the service agreement holder cancels the  
255 service agreement, the issuer must make a full refund of  
256 unearned premium to the consumer, subject to the cancellation  
257 fee provisions of s. 634.121(3). The sales representative and  
258 agent must refund to the contractual liability policy issuer  
259 their unearned pro rata commission.

260           4. The policy may not be canceled, terminated, or  
261 nonrenewed by the insurer or the service agreement company  
262 unless a 90-day written notice thereof has been given to the  
263 office by the insurer before the date of the cancellation,  
264 termination, or nonrenewal.

265           5. The service agreement company must provide the office  
266 with the claims statistics.

267           6. A policy issued in compliance with this paragraph may  
268 either pay 100 percent of claims as they are incurred or pay 100  
269 percent of claims due in the event of the failure of the service  
270 agreement company to pay such claims when due.

271  
272 All funds or premiums remitted to an insurer by a motor vehicle



273 service agreement company under this part shall remain in the  
274 care, custody, and control of the insurer and shall be counted  
275 as an asset of the insurer; provided, however, this requirement  
276 does not apply when the insurer and the motor vehicle service  
277 agreement company are affiliated companies and members of an  
278 insurance holding company system. If the motor vehicle service  
279 agreement company chooses to comply with this paragraph but also  
280 maintains a reserve to pay claims, such reserve shall only be  
281 considered an asset of the covered motor vehicle service  
282 agreement company and may not be simultaneously counted as an  
283 asset of any other entity.

284 Section 11. This act shall take effect July 1, 2023.

285  
286 ===== T I T L E A M E N D M E N T =====

287 And the title is amended as follows:

288 Delete everything before the enacting clause  
289 and insert:

290 A bill to be entitled  
291 An act relating to insurance; amending s. 624.4621,  
292 F.S.; specifying a qualification for a local  
293 governmental entity's representative on a self-  
294 insurer's governing body; amending s. 627.062, F.S.;  
295 authorizing residential property insurance rate  
296 filings to use a specified modeling indication;  
297 amending s. 627.0628, F.S.; revising membership  
298 requirements for specified members of the Florida  
299 Commission on Hurricane Loss Projection Methodology;  
300 amending s. 627.0629, F.S.; authorizing insurers to  
301 file with the Office of Insurance Regulation personal



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302 lines residential property insurance rating plans  
303 providing rate differentials based on certain  
304 windstorm mitigation construction standards; providing  
305 requirements for such plans; amending s. 627.0665,  
306 F.S.; revising the timeframe for advance notices from  
307 insurers to insureds of automatic bank withdrawal  
308 increases; specifying the increase threshold for such  
309 notices; amending s. 627.421, F.S.; revising the types  
310 of documents and kinds of insurance for which  
311 electronic transmission constitutes delivery to the  
312 insured or person entitled to delivery; deleting a  
313 requirement to include a certain notice to an insured  
314 electing to receive policy documents electronically;  
315 deleting a requirement to provide a paper copy of the  
316 policy upon request by such person; amending s.  
317 627.701, F.S.; revising and specifying alternative  
318 hurricane deductible amounts for personal lines  
319 residential property insurance policies covering risks  
320 with specified dwelling limits; amending s. 627.712,  
321 F.S.; providing that a policyholder's written  
322 exclusion from residential windstorm coverage or  
323 contents coverage may be typed rather than  
324 handwritten; amending s. 627.7276, F.S.; revising the  
325 requirements for the notice of limited coverage under  
326 certain automobile policies; amending s. 634.041,  
327 F.S.; specifying the manner in which a contractual  
328 liability insurance policy of a service agreement  
329 company may pay claims; providing an effective date.