

By the Committee on Banking and Insurance; and Senator Perry

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1 A bill to be entitled
2 An act relating to insurance; amending s. 627.062,
3 F.S.; authorizing residential property insurance rate
4 filings to use a specified modeling indication;
5 amending s. 627.0628, F.S.; revising membership
6 requirements for specified members of the Florida
7 Commission on Hurricane Loss Projection Methodology;
8 amending s. 627.0629, F.S.; authorizing insurers to
9 file with the Office of Insurance Regulation personal
10 lines residential property insurance rating plans
11 providing rate differentials based on certain
12 windstorm mitigation construction standards; providing
13 requirements for such plans; amending s. 627.0665,
14 F.S.; revising the timeframe for notices from insurers
15 to insureds of automatic bank withdrawal increases;
16 specifying the increase threshold for such notices;
17 amending s. 627.421, F.S.; revising the types of
18 documents and kinds of insurance for which electronic
19 transmission constitutes delivery to the insured or
20 person entitled to delivery; deleting a requirement to
21 include a certain notice to an insured electing to
22 receive policy documents electronically; deleting a
23 requirement to provide a paper copy of the policy upon
24 request by such person; amending s. 627.701, F.S.;
25 specifying limitations on personal lines residential
26 property insurance deductibles on policies covering
27 risks with specified dwelling limits; authorizing
28 insurers to make an additional filing within a certain
29 timeframe to implement changes; amending s. 627.712,

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30 F.S.; providing that a policyholder's written
31 exclusion from residential windstorm coverage or
32 contents coverage may be typed rather than
33 handwritten; amending s. 627.7276, F.S.; revising the
34 requirements for the notice of limited coverage under
35 certain automobile policies; providing an effective
36 date.

37
38 Be It Enacted by the Legislature of the State of Florida:

39
40 Section 1. Paragraph (j) of subsection (2) of section
41 627.062, Florida Statutes, is amended to read:

42 627.062 Rate standards.—

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

44 (j) With respect to residential property insurance rate
45 filings, the rate filing:

46 1. Must account for mitigation measures undertaken by
47 policyholders to reduce hurricane losses.

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

52
53 The provisions of this subsection do not apply to workers'
54 compensation, employer's liability insurance, and motor vehicle
55 insurance.

56 Section 2. Paragraph (b) of subsection (2) of section
57 627.0628, Florida Statutes, is amended to read:

58 627.0628 Florida Commission on Hurricane Loss Projection

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59 Methodology; public records exemption; public meetings
60 exemption.—

61 (2) COMMISSION CREATED.—

62 (b) The commission shall consist of the following 12
63 members:

64 1. The insurance consumer advocate.

65 2. The senior employee of the State Board of Administration
66 responsible for operations of the Florida Hurricane Catastrophe
67 Fund.

68 3. The Executive Director of the Citizens Property
69 Insurance Corporation or the executive director's designee. The
70 executive director's designee must be a full-time employee of
71 the corporation.

72 4. The Director of the Division of Emergency Management or
73 the director's designee. The director's designee must be a full-
74 time employee of the division.

75 5. The actuary member of the Florida Hurricane Catastrophe
76 Fund Advisory Council.

77 6. An employee of the office who is an actuary responsible
78 for property insurance rate filings and who is appointed by the
79 director of the office.

80 7. Five members appointed by the Chief Financial Officer,
81 as follows:

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

87 b. An expert in insurance finance who is a full-time member

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88 of the faculty of the State University System and who has a
89 background in actuarial science.

90 c. An expert in statistics who is a full-time member of the
91 faculty of the State University System and who has a background
92 in insurance.

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

95 e. An expert in meteorology who is a full-time member of
96 the faculty of the State University System and who specializes
97 in hurricanes.

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

102 Section 3. Subsection (9) is added to section 627.0629,
103 Florida Statutes, to read:

104 627.0629 Residential property insurance; rate filings.—

105 (9) An insurer may file with the office a personal lines
106 residential property insurance rating plan that provides
107 justified premium discounts, credits, or other rate
108 differentials based on windstorm mitigation construction
109 standards developed by an independent, nonprofit scientific
110 research organization, if such standards meet the requirements
111 of this section. Such plan must describe the manner in which the
112 insurer will document the existence of the mitigation features
113 and premium discounts, credits, or other rate differentials
114 created under such plan.

115 Section 4. Section 627.0665, Florida Statutes, is amended
116 to read:

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117 627.0665 Automatic bank withdrawal agreements; notification
118 required.—Any insurer licensed to issue insurance in the state
119 who has an automatic bank withdrawal agreement with an insured
120 party for the payment of insurance premiums for any type of
121 insurance shall give the named insured at least 10 ~~15~~ days
122 advance written notice of any increase in policy premiums which
123 results in the next automatic bank withdrawal being increased by
124 more than \$10. Such notice must be provided before ~~prior to~~ any
125 automatic bank withdrawal containing the ~~of an~~ increased
126 premium.

127 Section 5. Subsection (1) of section 627.421, Florida
128 Statutes, is amended to read:

129 627.421 Delivery of policy.—

130 (1) Subject to the insurer's requirement as to payment of
131 premium, every policy shall be mailed, delivered, or
132 electronically transmitted to the insured or to the person
133 entitled thereto not later than 60 days after the effectuation
134 of coverage. Notwithstanding any other provision of law, an
135 insurer may allow a policyholder of personal lines insurance to
136 affirmatively elect delivery of the policy documents, including,
137 but not limited to, policies, endorsements, notices, or
138 documents, by electronic means in lieu of delivery by mail.
139 Electronic transmission of a policy, related notices, and other
140 documents for individual and group health insurance policies or
141 certificates of coverage pursuant to parts VI and VII of this
142 chapter, respectively; health maintenance contracts or
143 certificates of coverage pursuant to part I of chapter 641;
144 prepaid limited health service contracts pursuant to part I of
145 chapter 636; and ~~for~~ commercial risks, including, but not

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146 limited to, workers' compensation and employers' liability,
147 commercial automobile liability, commercial automobile physical
148 damage, commercial lines residential property, commercial
149 nonresidential property, farmowners insurance, and the types of
150 commercial lines risks set forth in s. 627.062(3)(d),
151 constitutes delivery to the insured or to the person entitled to
152 delivery, unless the insured or the person entitled to delivery
153 communicates to the insurer in writing or electronically that he
154 or she does not agree to delivery by electronic means.
155 ~~Electronic transmission shall include a notice to the insured or~~
156 ~~to the person entitled to delivery of a policy of his or her~~
157 ~~right to receive the policy via United States mail rather than~~
158 ~~via electronic transmission. A paper copy of the policy shall be~~
159 ~~provided to the insured or to the person entitled to delivery at~~
160 ~~his or her request.~~

161 Section 6. Paragraphs (e) and (f) are added to subsection
162 (3) of section 627.701, Florida Statutes, and paragraph (a) of
163 that subsection is republished, to read:

164 627.701 Liability of insureds; coinsurance; deductibles.—

165 (3)(a) Except as otherwise provided in this subsection,
166 prior to issuing a personal lines residential property insurance
167 policy, the insurer must offer alternative deductible amounts
168 applicable to hurricane losses equal to \$500, 2 percent, 5
169 percent, and 10 percent of the policy dwelling limits, unless
170 the specific percentage deductible is less than \$500. The
171 written notice of the offer shall specify the hurricane
172 deductible to be applied in the event that the applicant or
173 policyholder fails to affirmatively choose a hurricane
174 deductible. The insurer must provide such policyholder with

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175 notice of the availability of the deductible amounts specified
176 in this subsection in a form approved by the office in
177 conjunction with each renewal of the policy. The failure to
178 provide such notice constitutes a violation of this code but
179 does not affect the coverage provided under the policy.

180 (e) Notwithstanding paragraph (a), an insurer may offer a
181 deductible no greater than:

182 1. Ten percent for a policy covering a risk with dwelling
183 limits of at least \$1 million, but less than \$3 million.

184 2. Fifteen percent for a policy covering a risk with
185 dwelling limits greater than \$3 million.

186 (f) Notwithstanding s. 627.062(2)(k)3., between July 1,
187 2023, and July 1, 2024, an insurer may make an additional filing
188 to implement changes under paragraph (e).

189 Section 7. Paragraph (a) of subsection (2) and subsection
190 (3) of section 627.712, Florida Statutes, are amended to read:
191 627.712 Residential windstorm coverage required;
192 availability of exclusions for windstorm or contents.—

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

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

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

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204 2. When the policyholder is other than a natural person,
205 the policyholder provides to the insurer on the policyholder's
206 letterhead the following statement that must be signed by the
207 policyholder's authorized representative and dated: "... (Name of
208 entity)... does not want the insurance on its ...(type of
209 structure)... to pay for damage from windstorms. ... (Name of
210 entity)... will be responsible for these costs. ... (Name of
211 entity's)... insurance will not."

212 (3) An insurer issuing a residential property insurance
213 policy, except for a condominium unit owner policy or a tenant
214 policy, must make available, at the option of the policyholder,
215 an exclusion of coverage for the contents. The coverage may be
216 excluded only if the policyholder personally writes or types and
217 provides to the insurer the following statement ~~in his or her~~
218 ~~own handwriting~~ and signs his or her signature, which must also
219 be signed by every other named insured on the policy, and dated:
220 "I do not want the insurance on my (home/mobile home) to pay for
221 the costs to repair or replace any contents that are damaged. I
222 will pay those costs. My insurance will not."

223 Section 8. Section 627.7276, Florida Statutes, is amended
224 to read:

225 627.7276 Notice of limited coverage.—

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

230

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

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233 COVERAGE FOR WHICH A SPECIFIC PREMIUM CHARGE IS NOT
234 MADE, AND DOES NOT COMPLY WITH ANY FINANCIAL
235 RESPONSIBILITY LAW.”

236
237 (2) This notice legend must accompany ~~appear on~~ the policy
238 declarations ~~declaration~~ page and ~~on the filing back of the~~
239 ~~policy~~ and must be printed in a ~~contrasting color from that used~~
240 ~~on the policy~~ and in type size at least as large as ~~larger than~~
241 ~~the largest type~~ size used on the declarations page ~~in the text~~
242 ~~thereof, as an overprint or by a rubber stamp impression.~~

243 Section 9. This act shall take effect July 1, 2023.