

**By** the Committees on Military and Veterans Affairs, Space, and Domestic Security; and 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      revising and specifying alternative hurricane  
26      deductible amounts for personal lines residential  
27      property insurance policies covering risks with  
28      specified dwelling limits; amending s. 627.712, F.S.;  
29      providing that a policyholder's written exclusion from

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

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

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

40 627.062 Rate standards.—

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

42 (j) With respect to residential property insurance rate  
43 filings, the rate filing:

44 1. Must account for mitigation measures undertaken by  
45 policyholders to reduce hurricane losses.

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

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

54 Section 2. Paragraph (b) of subsection (2) of section  
55 627.0628, Florida Statutes, is amended to read:

56 627.0628 Florida Commission on Hurricane Loss Projection  
57 Methodology; public records exemption; public meetings  
58 exemption.—

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59 (2) COMMISSION CREATED.—

60 (b) The commission shall consist of the following 12  
61 members:

62 1. The insurance consumer advocate.

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

66 3. The Executive Director of the Citizens Property  
67 Insurance Corporation or the executive director's designee. The  
68 executive director's designee must be a full-time employee of  
69 the corporation and have actuarial science experience.

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

73 5. The actuary member of the Florida Hurricane Catastrophe  
74 Fund Advisory Council.

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

78 7. Five members appointed by the Chief Financial Officer,  
79 as follows:

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

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

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

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

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

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

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

102 627.0629 Residential property insurance; rate filings.—

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

113 Section 4. Section 627.0665, Florida Statutes, is amended  
114 to read:

115 627.0665 Automatic bank withdrawal agreements; notification  
116 required.—Any insurer licensed to issue insurance in the state

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

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

127 627.421 Delivery of policy.—

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

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

159 Section 6. Paragraph (d) of subsection (3) of section  
160 627.701, Florida Statutes, is amended, and paragraph (a) of that  
161 subsection is republished, to read:

162 627.701 Liability of insureds; coinsurance; deductibles.—

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

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175 conjunction with each renewal of the policy. The failure to  
176 provide such notice constitutes a violation of this code but  
177 does not affect the coverage provided under the policy.

178 (d) For the following policies, the following alternative  
179 deductible amounts are authorized:

180 1. With respect to a policy covering a risk with dwelling  
181 limits of \$250,000 or more, but less than \$1 million, the  
182 insurer need not offer the \$500 hurricane deductible as required  
183 by paragraph (a), but must, except as otherwise provided in this  
184 subsection, offer the other hurricane deductibles as required by  
185 paragraph (a).

186 2. With respect to a policy covering a risk with dwelling  
187 limits of \$1 million or more, but less than \$3 million, the  
188 insurer may, in lieu of offering the \$500 and 2 percent  
189 deductibles as required by paragraph (a), offer a deductible  
190 amount applicable to hurricane losses equal to 3 percent of the  
191 policy dwelling limits.

192 3. With respect to a policy covering a risk with dwelling  
193 limits of \$3 million or more, the insurer need not offer the  
194 \$500 or 2 percent deductibles as required by paragraph (a), but  
195 must, except as otherwise provided by this subsection, offer the  
196 other hurricane deductibles as required by paragraph (a).

197 Section 7. Paragraph (a) of subsection (2) and subsection  
198 (3) of section 627.712, Florida Statutes, are amended to read:

199 627.712 Residential windstorm coverage required;  
200 availability of exclusions for windstorm or contents.—

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

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

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

212           2. When the policyholder is other than a natural person,  
213 the policyholder provides to the insurer on the policyholder's  
214 letterhead the following statement that must be signed by the  
215 policyholder's authorized representative and dated: "... (Name of  
216 entity)... does not want the insurance on its ... (type of  
217 structure)... to pay for damage from windstorms. ... (Name of  
218 entity)... will be responsible for these costs. ... (Name of  
219 entity's)... insurance will not."

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

231           Section 8. Section 627.7276, Florida Statutes, is amended  
232 to read:



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233 627.7276 Notice of limited coverage.-

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

238

239 "THIS POLICY DOES NOT PROVIDE BODILY INJURY AND  
240 PROPERTY DAMAGE LIABILITY INSURANCE OR ANY OTHER  
241 COVERAGE FOR WHICH A SPECIFIC PREMIUM CHARGE IS NOT  
242 MADE, AND DOES NOT COMPLY WITH ANY FINANCIAL  
243 RESPONSIBILITY LAW."

244

245 (2) This notice ~~legend~~ must accompany ~~appear on~~ the policy  
246 declarations ~~declaration~~ page and ~~on the filing back of the~~  
247 ~~policy~~ and must be printed in a contrasting color from that used  
248 ~~on the policy and in type~~ size at least as large as ~~larger than~~  
249 the ~~largest~~ type size used on the declarations page ~~in the text~~  
250 thereof, ~~as an overprint or by a rubber stamp impression.~~

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