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1 A bill to be entitled
2 An act relating to insurance; amending s. 327.54,
3 F.S.; revising requirements relating to insurance for
4 liveries that lease or rent or offer to lease or rent
5 livery vessels; amending s. 624.4621, F.S.; specifying
6 a qualification for a local governmental entity's
7 representative on a self-insurer's governing body;
8 amending s. 627.062, F.S.; authorizing residential
9 property insurance rate filings to use a specified
10 modeling indication; amending s. 627.0628, F.S.;
11 revising membership requirements for specified members
12 of the Florida Commission on Hurricane Loss Projection
13 Methodology; amending s. 627.0629, F.S.; authorizing
14 insurers to file with the Office of Insurance
15 Regulation personal lines residential property
16 insurance rating plans providing rate differentials
17 based on certain windstorm mitigation construction
18 standards; providing requirements for such plans;
19 amending s. 627.0665, F.S.; revising the timeframe for
20 advance notices from insurers to insureds of automatic
21 bank withdrawal increases; specifying the increase
22 threshold for such notices; amending s. 627.421, F.S.;
23 revising the types of documents and kinds of insurance
24 for which electronic transmission constitutes delivery
25 to the insured or person entitled to delivery;
26 deleting a requirement to include a certain notice to
27 an insured electing to receive policy documents
28 electronically; deleting a requirement to provide a
29 paper copy of the policy upon request by such person;

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30 amending s. 627.701, F.S.; revising and specifying
31 alternative hurricane deductible amounts for personal
32 lines residential property insurance policies covering
33 risks with specified dwelling limits; amending s.
34 627.712, F.S.; providing that a policyholder's written
35 exclusion from residential windstorm coverage or
36 contents coverage may be typed rather than
37 handwritten; amending s. 627.7276, F.S.; revising the
38 requirements for the notice of limited coverage under
39 certain automobile policies; amending s. 634.041,
40 F.S.; specifying the manner in which a contractual
41 liability insurance policy of a service agreement
42 company may pay claims; providing an effective date.

43
44 Be It Enacted by the Legislature of the State of Florida:

45
46 Section 1. Subsection (7) of section 327.54, Florida
47 Statutes, is amended to read:

48 327.54 Liveries; safety regulations; penalty.—

49 (7) A livery may not lease or rent or offer to lease or
50 rent any livery vessel unless the livery: first

51 (a) Obtains and carries in full force and effect a policy
52 from a licensed insurance carrier in this state which insures
53 the livery ~~and the renter~~ against any accident, loss, injury,
54 property damage, or other casualty caused by or resulting from
55 the operation of the livery vessel. The insurance policy must
56 provide coverage of at least \$500,000 per person and \$1 million
57 per event. The livery shall have proof of such insurance
58 available for inspection at the location where livery vessels

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59 are being leased or rented, or offered for lease or rent, and
60 shall provide to each renter the insurance carrier's name and
61 address and the insurance policy number; and

62 (b) Either:

63 1. Obtains and carries in full force and effect a policy
64 from a licensed insurance carrier in this state which insures
65 the renter in the same manner and amounts of the policy obtained
66 by the livery under paragraph (a) and provides to each renter
67 the insurance carrier's name and address and the insurance
68 policy number; or

69 2. Presents the renter with the opportunity to purchase
70 coverage which insures the renter against any accident, loss,
71 injury, property damage, or other casualty caused by or
72 resulting from the operation of the livery vessel of at least
73 \$500,000 per person and \$1 million per event. If a renter
74 chooses not to purchase the coverage, the livery must obtain a
75 signed acknowledgement from the renter which includes an
76 attestation as to whether the renter has a Florida boating
77 safety identification card issued by the commission, a temporary
78 certificate, or another form of boating certification authorized
79 pursuant to s. 327.395, and that includes the following
80 statement:

81
82 I UNDERSTAND THAT I AM REFUSING TO PURCHASE A VESSEL
83 RENTAL INSURANCE POLICY FOR COVERAGE OF AT LEAST
84 \$500,000 PER PERSON AND \$1 MILLION PER EVENT FOR ANY
85 DAMAGE OR INJURIES CAUSED DIRECTLY OR INDIRECTLY BY MY
86 OPERATION OF THE VESSEL.

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88 THE VESSEL RENTAL INSURANCE POLICY COVERAGE IS BEING
89 OFFERED TO ME AT THE FOLLOWING PRICE: [INSERT BINDABLE
90 PRICE HERE OF INSURANCE BEING DECLINED].

91
92 I UNDERSTAND THAT I MAY NOT HAVE OTHER INSURANCE TO
93 COVER ANY DAMAGE OR INJURIES CAUSED DIRECTLY OR
94 INDIRECTLY BY MY OPERATION OF THE VESSEL AND THAT I
95 MAY BE PERSONALLY LIABLE FOR ANY SUCH DAMAGE OR
96 INJURIES DURING THE RENTAL PERIOD.

97

98 This subsection does not apply to human-powered vessels.

99 Section 2. Subsection (12) is added to section 624.4621,
100 Florida Statutes, to read:

101 624.4621 Group self-insurance funds.—

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

107 Section 3. Paragraph (j) of subsection (2) of section
108 627.062, Florida Statutes, is amended to read:

109 627.062 Rate standards.—

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

111 (j) With respect to residential property insurance rate
112 filings, the rate filing:

113 1. Must account for mitigation measures undertaken by
114 policyholders to reduce hurricane losses.

115 2. May use a modeling indication that is the weighted or
116 straight average of two or more hurricane loss projection models

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117 found by the Florida Commission on Hurricane Loss Projection
118 Methodology to be accurate or reliable pursuant to s. 627.0628.
119

120 The provisions of this subsection do not apply to workers'
121 compensation, employer's liability insurance, and motor vehicle
122 insurance.

123 Section 4. Paragraph (b) of subsection (2) of section
124 627.0628, Florida Statutes, is amended to read:

125 627.0628 Florida Commission on Hurricane Loss Projection
126 Methodology; public records exemption; public meetings
127 exemption.—

128 (2) COMMISSION CREATED.—

129 (b) The commission shall consist of the following 12
130 members:

131 1. The insurance consumer advocate.

132 2. The senior employee of the State Board of Administration
133 responsible for operations of the Florida Hurricane Catastrophe
134 Fund.

135 3. The Executive Director of the Citizens Property
136 Insurance Corporation or the executive director's designee. The
137 executive director's designee must be a full-time employee of
138 the corporation and have actuarial science experience.

139 4. The Director of the Division of Emergency Management or
140 the director's designee. The director's designee must be a full-
141 time employee of the division.

142 5. The actuary member of the Florida Hurricane Catastrophe
143 Fund Advisory Council.

144 6. An employee of the office who is an actuary responsible
145 for property insurance rate filings and who is appointed by the

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146 director of the office.

147 7. Five members appointed by the Chief Financial Officer,
148 as follows:

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

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

157 c. An expert in statistics who is a full-time member of the
158 faculty of the State University System and who has a background
159 in insurance.

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

162 e. An expert in meteorology who is a full-time member of
163 the faculty of the State University System and who specializes
164 in hurricanes.

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

169 Section 5. Subsection (9) is added to section 627.0629,
170 Florida Statutes, to read:

171 627.0629 Residential property insurance; rate filings.—

172 (9) An insurer may file with the office a personal lines
173 residential property insurance rating plan that provides
174 justified premium discounts, credits, or other rate

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175 differentials based on windstorm mitigation construction
176 standards developed by an independent, nonprofit scientific
177 research organization, if such standards meet the requirements
178 of this section. Such plan must describe the manner in which the
179 insurer will document the existence of the mitigation features
180 and premium discounts, credits, or other rate differentials
181 created under such plan.

182 Section 6. Section 627.0665, Florida Statutes, is amended
183 to read:

184 627.0665 Automatic bank withdrawal agreements; notification
185 required.—Any insurer licensed to issue insurance in the state
186 who has an automatic bank withdrawal agreement with an insured
187 party for the payment of insurance premiums for any type of
188 insurance shall give the named insured at least 10 ~~15~~ days
189 advance written notice of any increase in policy premiums which
190 results in the next automatic bank withdrawal being increased by
191 more than \$10. Such notice must be provided before ~~prior to~~ any
192 automatic bank withdrawal containing the ~~of an~~ increased
193 premium.

194 Section 7. Subsection (1) of section 627.421, Florida
195 Statutes, is amended to read:

196 627.421 Delivery of policy.—

197 (1) Subject to the insurer's requirement as to payment of
198 premium, every policy shall be mailed, delivered, or
199 electronically transmitted to the insured or to the person
200 entitled thereto not later than 60 days after the effectuation
201 of coverage. Notwithstanding any other provision of law, an
202 insurer may allow a policyholder of personal lines insurance to
203 affirmatively elect delivery of the policy documents, including,

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204 but not limited to, policies, endorsements, notices, or
205 documents, by electronic means in lieu of delivery by mail.
206 Electronic transmission of a policy, related notices, and other
207 documents for individual and group health insurance policies or
208 certificates of coverage pursuant to parts VI and VII of this
209 chapter, respectively; health maintenance contracts or
210 certificates of coverage pursuant to part I of chapter 641;
211 prepaid limited health service contracts pursuant to part I of
212 chapter 636; and ~~for~~ commercial risks, including, but not
213 limited to, workers' compensation and employers' liability,
214 commercial automobile liability, commercial automobile physical
215 damage, commercial lines residential property, commercial
216 nonresidential property, farmowners insurance, and the types of
217 commercial lines risks set forth in s. 627.062(3)(d),
218 constitutes delivery to the insured or to the person entitled to
219 delivery, unless the insured or the person entitled to delivery
220 communicates to the insurer in writing or electronically that he
221 or she does not agree to delivery by electronic means.
222 ~~Electronic transmission shall include a notice to the insured or~~
223 ~~to the person entitled to delivery of a policy of his or her~~
224 ~~right to receive the policy via United States mail rather than~~
225 ~~via electronic transmission. A paper copy of the policy shall be~~
226 ~~provided to the insured or to the person entitled to delivery at~~
227 ~~his or her request.~~

228 Section 8. Paragraph (d) of subsection (3) of section
229 627.701, Florida Statutes, is amended, and paragraph (a) of that
230 subsection is republished, to read:

231 627.701 Liability of insureds; coinsurance; deductibles.—

232 (3) (a) Except as otherwise provided in this subsection,

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233 prior to issuing a personal lines residential property insurance
234 policy, the insurer must offer alternative deductible amounts
235 applicable to hurricane losses equal to \$500, 2 percent, 5
236 percent, and 10 percent of the policy dwelling limits, unless
237 the specific percentage deductible is less than \$500. The
238 written notice of the offer shall specify the hurricane
239 deductible to be applied in the event that the applicant or
240 policyholder fails to affirmatively choose a hurricane
241 deductible. The insurer must provide such policyholder with
242 notice of the availability of the deductible amounts specified
243 in this subsection in a form approved by the office in
244 conjunction with each renewal of the policy. The failure to
245 provide such notice constitutes a violation of this code but
246 does not affect the coverage provided under the policy.

247 (d) For the following policies, the following alternative
248 deductible amounts are authorized:

249 1. With respect to a policy covering a risk with dwelling
250 limits of \$250,000 or more, the insurer need not offer the \$500
251 hurricane deductible as required by paragraph (a), but must,
252 except as otherwise provided in this subsection, offer the other
253 hurricane deductibles as required by paragraph (a).

254 2. With respect to a policy covering a risk with dwelling
255 limits of \$1 million or more, but less than \$3 million, the
256 insurer may, in lieu of offering the 2 percent deductible as
257 required by paragraph (a), offer a deductible amount applicable
258 to hurricane losses equal to 3 percent of the policy dwelling
259 limits.

260 3. With respect to a policy covering a risk with dwelling
261 limits of \$3 million or more, the insurer need not offer the 2

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262 percent deductible as required by paragraph (a), but must,
263 except as otherwise provided by this subsection, offer the other
264 hurricane deductibles as required by paragraph (a).

265 Section 9. Paragraph (a) of subsection (2) and subsection
266 (3) of section 627.712, Florida Statutes, are amended to read:

267 627.712 Residential windstorm coverage required;
268 availability of exclusions for windstorm or contents.—

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

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

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

280 2. When the policyholder is other than a natural person,
281 the policyholder provides to the insurer on the policyholder's
282 letterhead the following statement that must be signed by the
283 policyholder's authorized representative and dated: "... (Name of
284 entity)... does not want the insurance on its ...(type of
285 structure)... to pay for damage from windstorms. ...(Name of
286 entity)... will be responsible for these costs. ...(Name of
287 entity's)... insurance will not."

288 (3) An insurer issuing a residential property insurance
289 policy, except for a condominium unit owner policy or a tenant
290 policy, must make available, at the option of the policyholder,

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291 an exclusion of coverage for the contents. The coverage may be
292 excluded only if the policyholder personally writes or types and
293 provides to the insurer the following statement ~~in his or her~~
294 ~~own handwriting~~ and signs his or her signature, which must also
295 be signed by every other named insured on the policy, and dated:
296 "I do not want the insurance on my (home/mobile home) to pay for
297 the costs to repair or replace any contents that are damaged. I
298 will pay those costs. My insurance will not."

299 Section 10. Section 627.7276, Florida Statutes, is amended
300 to read:

301 627.7276 Notice of limited coverage.—

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

306
307 "THIS POLICY DOES NOT PROVIDE BODILY INJURY AND
308 PROPERTY DAMAGE LIABILITY INSURANCE OR ANY OTHER
309 COVERAGE FOR WHICH A SPECIFIC PREMIUM CHARGE IS NOT
310 MADE, AND DOES NOT COMPLY WITH ANY FINANCIAL
311 RESPONSIBILITY LAW."

312
313 (2) This notice ~~legend~~ must appear on the policy
314 declaration page ~~and on the filing back of the policy~~ and be
315 printed in bold type ~~a contrasting color from that used on the~~
316 ~~policy and in type larger than the largest type used in the text~~
317 ~~thereof, as an overprint or by a rubber stamp impression.~~

318 Section 11. Paragraph (b) of subsection (8) of section
319 634.041, Florida Statutes, is amended to read:

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320 634.041 Qualifications for license.—To qualify for and hold
321 a license to issue service agreements in this state, a service
322 agreement company must be in compliance with this part, with
323 applicable rules of the commission, with related sections of the
324 Florida Insurance Code, and with its charter powers and must
325 comply with the following:

326 (8)

327 (b) A service agreement company does not have to establish
328 and maintain an unearned premium reserve if it secures and
329 maintains contractual liability insurance in accordance with the
330 following:

331 1. Coverage of 100 percent of the claim exposure is
332 obtained from an insurer approved by the office, which holds a
333 certificate of authority under s. 624.401 to do business within
334 this state, or secured through a risk retention group, which is
335 authorized to do business within this state under s. 627.943 or
336 s. 627.944. Such insurer or risk retention group must maintain a
337 surplus as regards policyholders of at least \$15 million.

338 2. If the service agreement company does not meet its
339 contractual obligations, the contractual liability insurance
340 policy binds its issuer to pay or cause to be paid to the
341 service agreement holder all legitimate claims and cancellation
342 refunds for all service agreements issued by the service
343 agreement company while the policy was in effect. This
344 requirement also applies to those service agreements for which
345 no premium has been remitted to the insurer.

346 3. If the issuer of the contractual liability policy is
347 fulfilling the service agreements covered by the contractual
348 liability policy and the service agreement holder cancels the

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349 service agreement, the issuer must make a full refund of
350 unearned premium to the consumer, subject to the cancellation
351 fee provisions of s. 634.121(3). The sales representative and
352 agent must refund to the contractual liability policy issuer
353 their unearned pro rata commission.

354 4. The policy may not be canceled, terminated, or
355 nonrenewed by the insurer or the service agreement company
356 unless a 90-day written notice thereof has been given to the
357 office by the insurer before the date of the cancellation,
358 termination, or nonrenewal.

359 5. The service agreement company must provide the office
360 with the claims statistics.

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

365

366 All funds or premiums remitted to an insurer by a motor vehicle
367 service agreement company under this part shall remain in the
368 care, custody, and control of the insurer and shall be counted
369 as an asset of the insurer; provided, however, this requirement
370 does not apply when the insurer and the motor vehicle service
371 agreement company are affiliated companies and members of an
372 insurance holding company system. If the motor vehicle service
373 agreement company chooses to comply with this paragraph but also
374 maintains a reserve to pay claims, such reserve shall only be
375 considered an asset of the covered motor vehicle service
376 agreement company and may not be simultaneously counted as an
377 asset of any other entity.

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Section 12. This act shall take effect July 1, 2023.