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1  
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.