

1 A bill to be entitled
 2 An act relating to insurance; amending s. 626.8411,
 3 F.S.; correcting a cross-reference; amending s.
 4 627.062, F.S.; revising requirements for residential
 5 property insurance rate filings; amending s. 627.0628,
 6 F.S.; authorizing the appointment of certain designees
 7 to the Florida Commission on Hurricane Loss Projection
 8 Methodology; providing requirements for such
 9 designees; amending s. 627.0629, F.S.; authorizing
 10 insurers to file with the Office of Insurance
 11 Regulation personal lines residential property
 12 insurance rating plans relating to windstorm
 13 mitigation construction standards; providing
 14 requirements for such filings; amending s. 627.0665,
 15 F.S.; revising the timeframe for notices from insurers
 16 to insureds of automatic bank withdrawal increases;
 17 specifying the increase threshold for such notices;
 18 amending s. 627.421, F.S.; authorizing electronic
 19 delivery of insurance policy documents for certain
 20 health insurance policies, certificates of coverage,
 21 and contracts; eliminating requirements for paper
 22 delivery of certain insurance policies; amending s.
 23 627.712, F.S.; authorizing insurance policyholders to
 24 type the intent to decline certain coverage instead of
 25 handwriting it; amending s. 627.7276, F.S.; revising

26 | the requirements for the notice of certain automobile
 27 | policies; providing an effective date.

28 |

29 | Be It Enacted by the Legislature of the State of Florida:

30 |

31 | Section 1. Paragraph (d) of subsection (2) of section
 32 | 626.8411, Florida Statutes, is amended to read:

33 | 626.8411 Application of Florida Insurance Code provisions
 34 | to title insurance agents or agencies.—

35 | (2) The following provisions of part I do not apply to
 36 | title insurance agents or title insurance agencies:

37 | (d) Section 626.172, except for paragraph (2)(e) ~~(2)(f)~~ of
 38 | that section, relating to agent in full-time charge.

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

41 | 627.062 Rate standards.—

42 | (2) As to all such classes of insurance:

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

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

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

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

55 Section 3. Paragraph (b) of subsection (2) of section
 56 627.0628, Florida Statutes, is amended to read:

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

60 (2) COMMISSION CREATED.—

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

63 1. The insurance consumer advocate.

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

67 3. The Executive Director of the Citizens Property
 68 Insurance Corporation or the director's designee. Such designee
 69 must be a full-time employee of the corporation with actuarial
 70 science experience or senior operations management experience.

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

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

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

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

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

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

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

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

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

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

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

103 627.0629 Residential property insurance; rate filings.—

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

114 Section 5. Section 627.0665, Florida Statutes, is amended
 115 to read:

116 627.0665 Automatic bank withdrawal agreements;
 117 notification required.—Any insurer licensed to issue insurance
 118 in the state who has an automatic bank withdrawal agreement with
 119 an insured party for the payment of insurance premiums for any
 120 type of insurance shall give the named insured at least 10 ~~15~~
 121 days advance written notice of any increase in policy premiums
 122 which results in the next automatic bank withdrawal being
 123 increased by more than \$10. Such notice must be provided before
 124 ~~prior to~~ any automatic bank withdrawal containing the ~~of an~~
 125 increased premium.

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

128 627.421 Delivery of policy.—

129 (1) Subject to the insurer's requirement as to payment of
 130 premium, every policy shall be mailed, delivered, or
 131 electronically transmitted to the insured or to the person
 132 entitled thereto not later than 60 days after the effectuation
 133 of coverage. Notwithstanding any other provision of law, an
 134 insurer may allow a policyholder of personal lines insurance to
 135 affirmatively elect delivery of the policy documents, including,
 136 but not limited to, policies, endorsements, notices, or
 137 documents, by electronic means in lieu of delivery by mail.
 138 Electronic transmission of a policy, related notices, and other
 139 documents for individual and group health insurance policies or
 140 certificates of coverage pursuant to parts VI and VII,
 141 respectively; health maintenance contracts or certificates of
 142 coverage pursuant to part I of chapter 641; prepaid limited
 143 health service contracts pursuant to part I of chapter 636; and
 144 ~~for~~ commercial risks, including, but not limited to, workers'
 145 compensation and employers' liability, commercial automobile
 146 liability, commercial automobile physical damage, commercial
 147 lines residential property, commercial nonresidential property,
 148 farmowners insurance, and the types of commercial lines risks
 149 set forth in s. 627.062(3)(d), constitutes delivery to the
 150 insured or to the person entitled to delivery, unless the

151 insured or the person entitled to delivery communicates to the
 152 insurer in writing or electronically that he or she does not
 153 agree to delivery by electronic means. ~~Electronic transmission~~
 154 ~~shall include a notice to the insured or to the person entitled~~
 155 ~~to delivery of a policy of his or her right to receive the~~
 156 ~~policy via United States mail rather than via electronic~~
 157 ~~transmission. A paper copy of the policy shall be provided to~~
 158 ~~the insured or to the person entitled to delivery at his or her~~
 159 ~~request.~~

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

162 627.712 Residential windstorm coverage required;
 163 availability of exclusions for windstorm or contents.—

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

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

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

175 2. When the policyholder is other than a natural person,

176 | the policyholder provides to the insurer on the policyholder's
 177 | letterhead the following statement that must be signed by the
 178 | policyholder's authorized representative and dated: "... (Name of
 179 | entity)... does not want the insurance on its ...(type of
 180 | structure)... to pay for damage from windstorms. ...(Name of
 181 | entity)... will be responsible for these costs. ...(Name of
 182 | entity's)... insurance will not."

183 | (3) An insurer issuing a residential property insurance
 184 | policy, except for a condominium unit owner policy or a tenant
 185 | policy, must make available, at the option of the policyholder,
 186 | an exclusion of coverage for the contents. The coverage may be
 187 | excluded only if the policyholder personally writes or types and
 188 | provides to the insurer the following statement ~~in his or her~~
 189 | ~~own handwriting~~ and signs his or her signature, which must also
 190 | be signed by every other named insured on the policy, and dated:
 191 | "I do not want the insurance on my (home/mobile home) to pay for
 192 | the costs to repair or replace any contents that are damaged. I
 193 | will pay those costs. My insurance will not."

194 | Section 8. Section 627.7276, Florida Statutes, is amended
 195 | to read:

196 | 627.7276 Notice of limited coverage.—

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

CS/HB 505

2023

201 "THIS POLICY DOES NOT PROVIDE BODILY INJURY AND PROPERTY DAMAGE
202 LIABILITY INSURANCE OR ANY OTHER COVERAGE FOR WHICH A SPECIFIC
203 PREMIUM CHARGE IS NOT MADE, AND DOES NOT COMPLY WITH ANY
204 FINANCIAL RESPONSIBILITY LAW."

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

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