

1 A bill to be entitled
 2 An act relating to property insurance for wind and
 3 flood; amending s. 627.062, F.S.; requiring
 4 residential property insurance rate filings to account
 5 for windstorm mitigation measures undertaken by
 6 policyholders; amending s. 627.0629, F.S.; requiring
 7 wind uplift prevention to be included in windstorm
 8 damage mitigation techniques for residential property
 9 insurance rate filings; amending s. 627.351, F.S.;
 10 revising flood insurance coverage requirements for
 11 Citizens Property Insurance Corporation; creating s.
 12 627.7155, F.S.; requiring property insurers to verify
 13 coverage for the peril of flood in certain
 14 circumstances; prohibiting issuance of coverage for
 15 the peril of wind in certain circumstances; requiring
 16 an acknowledgement; specifying a type of acceptable
 17 proof of coverage; providing effective dates.

18
 19 Be It Enacted by the Legislature of the State of Florida:

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 21 Section 1. Paragraph (j) of subsection (2) of section
 22 627.062, Florida Statutes, is amended to read:

23 627.062 Rate standards.—

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

25 (j) With respect to residential property insurance rate

26 | filings, the rate filing must account for mitigation measures
27 | undertaken by policyholders to reduce hurricane losses and
28 | windstorm losses.

29 |
30 | The provisions of this subsection do not apply to workers'
31 | compensation, employer's liability insurance, and motor vehicle
32 | insurance.

33 | Section 2. Subsection (1) of section 627.0629, Florida
34 | Statutes, is amended to read:

35 | 627.0629 Residential property insurance; rate filings.—

36 | (1) It is the intent of the Legislature that insurers
37 | provide savings to consumers who install or implement windstorm
38 | damage mitigation techniques, alterations, or solutions to their
39 | properties to prevent windstorm losses. A rate filing for
40 | residential property insurance must include actuarially
41 | reasonable discounts, credits, or other rate differentials, or
42 | appropriate reductions in deductibles, for properties on which
43 | fixtures or construction techniques demonstrated to reduce the
44 | amount of loss in a windstorm have been installed or
45 | implemented. The fixtures or construction techniques must
46 | include, but are not limited to, fixtures or construction
47 | techniques that enhance wind uplift prevention, roof strength,
48 | roof covering performance, roof-to-wall strength, wall-to-floor-
49 | to-foundation strength, opening protection, and window, door,
50 | and skylight strength. Credits, discounts, or other rate

51 differentials, or appropriate reductions in deductibles, for
52 fixtures and construction techniques that meet the minimum
53 requirements of the Florida Building Code must be included in
54 the rate filing. The office shall determine the discounts,
55 credits, other rate differentials, and appropriate reductions in
56 deductibles that reflect the full actuarial value of such
57 revaluation, which may be used by insurers in rate filings.

58 Section 3. Effective upon becoming a law, paragraph (aa)
59 of subsection (6) of section 627.351, Florida Statutes, is
60 amended to read:

61 627.351 Insurance risk apportionment plans.—

62 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

63 (aa) Except as otherwise provided in this paragraph, the
64 corporation shall require the securing and maintaining of flood
65 insurance as a condition of coverage of a personal lines
66 residential risk. The insured or applicant must execute a form
67 approved by the office affirming that flood insurance is not
68 provided by the corporation and that if flood insurance is not
69 secured by the applicant or insured from an insurer other than
70 the corporation and in addition to coverage by the corporation,
71 the risk will not be eligible for coverage by the corporation.
72 The corporation may deny coverage of a personal lines
73 residential risk to an applicant or insured who refuses to
74 secure and maintain flood insurance. The requirement to purchase
75 flood insurance shall be implemented as follows:

76 1. Except as provided in subparagraphs 2. and 3., all
 77 personal lines residential policyholders must have flood
 78 coverage in place for policies effective on or after:

79 a. January 1, 2024, for a structure or unit that has a
 80 dwelling replacement cost of ~~property valued at~~ \$600,000 or
 81 more.

82 b. January 1, 2025, for a structure or unit that has a
 83 dwelling replacement cost of ~~property valued at~~ \$500,000 or
 84 more.

85 c. January 1, 2026, for a structure or unit that has a
 86 dwelling replacement cost of ~~property valued at~~ \$400,000 or
 87 more.

88 d. January 1, 2027, for all other personal lines
 89 residential property insured by the corporation.

90 2. All personal lines residential policyholders whose
 91 property insured by the corporation is located within the
 92 special flood hazard area defined by the Federal Emergency
 93 Management Agency must have flood coverage in place:

94 a. At the time of initial policy issuance for all new
 95 personal lines residential policies issued by the corporation on
 96 or after April 1, 2023.

97 b. By the time of the policy renewal for all personal
 98 lines residential policies renewing on or after July 1, 2023.

99 3. Policyholders whose policies issued by the corporation
 100 do not provide coverage for the peril of wind are not required

101 to purchase flood insurance as a condition for maintaining their
 102 policies with the corporation.

103
 104 The flood insurance required under this paragraph must meet, at
 105 a minimum, the coverage available from the National Flood
 106 Insurance Program or the requirements of subparagraphs s.
 107 627.715(1) (a)1., 2., and 3.

108 Section 4. Effective October 1, 2023, section 627.7155,
 109 Florida Statutes, is created to read:

110 627.7155 Wind and flood coverage in residential and
 111 commercial property insurance policies.—For residential and
 112 commercial property insurance policies issued or renewed on or
 113 after October 1, 2023:

114 (1) If a residential or commercial property insurer
 115 requires that an insured or applicant have coverage for the
 116 peril of flood when the insurer issues a policy covering the
 117 peril of wind, the insurer must verify that the insured or
 118 applicant has coverage for the peril of flood at the time the
 119 policy is issued or renewed. If the insurer fails to verify that
 120 the insured or applicant has coverage for the peril of flood,
 121 the insurer may not issue or renew a policy containing coverage
 122 for the peril of wind. Before issuance of coverage for the peril
 123 of wind under this subsection and upon verification of coverage
 124 for the peril of flood, the insurer must obtain a written
 125 acknowledgment from the insured or applicant that the insured or

126 applicant understands that the policy covering the peril of wind
127 requires that coverage for the peril of flood must be maintained
128 by the insured or applicant.

129 (2) In addition to coverage for the peril of flood
130 directly secured by the insured or applicant, a master flood
131 policy that is issued to someone other than the insured or
132 applicant and that includes the insured or applicant as an
133 intended or third-party beneficiary under the master flood
134 policy is acceptable proof of coverage for the peril of flood
135 for the purposes of this section.

136 Section 5. Except as otherwise expressly provided in this
137 act and except for this section, which shall take effect upon
138 this act becoming a law, this act shall take effect July 1,
139 2023.