

By Senator Garcia

36-01600-24

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1 A bill to be entitled
2 An act relating to personal lines residential property
3 insurance; creating s. 627.70122, F.S.; requiring an
4 insurer, before issuing a personal lines residential
5 property insurance policy, to offer a policy that
6 provides a coverage limit on the dwelling equal to the
7 unpaid principal balance of all mortgage loans on the
8 risk; requiring an insurer issuing such a policy to
9 obtain a certain signed statement; specifying the
10 language for such statement; prohibiting a personal
11 lines residential property insurer from requiring a
12 coverage limit that includes the value of the land
13 upon which the dwelling sits; providing an effective
14 date.

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16 Be It Enacted by the Legislature of the State of Florida:

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18 Section 1. Section 627.70122, Florida Statutes, is created
19 to read:

20 627.70122 Coverage limits on personal lines residential
21 property insurance.-

22 (1) Before issuing a personal lines residential property
23 insurance policy, the insurer shall offer a policy that provides
24 a coverage limit on the dwelling equal to the unpaid principal
25 balance of all mortgage loans on the risk. Before issuing any
26 policy that limits coverage on the dwelling equal to the unpaid
27 principal balance of all mortgage loans on the risk, the insurer
28 shall obtain a statement signed by all insureds which contains
29 the following notice in boldfaced type no smaller than 18 point:

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30 "YOU ARE ELECTING TO PURCHASE COVERAGE AT A LIMIT THAT IS EQUAL
31 TO ONLY THE UNPAID PRINCIPAL BALANCE OF THE MORTGAGE LOANS ON
32 YOUR HOME. ACCORDINGLY, IN THE EVENT OF THE TOTAL LOSS OF YOUR
33 HOME OR A LOSS FOR WHICH THE COST TO REPAIR YOUR HOME EXCEEDS
34 THE UNPAID BALANCE ON YOUR MORTGAGE LOAN, YOU WILL INCUR
35 SIGNIFICANT FINANCIAL LOSSES, INCLUDING THE POTENTIAL LOSS OF
36 SOME YOUR HOME'S EQUITY."

37 (2) A personal lines residential property insurer may not,
38 as a condition of issuing coverage, require a coverage limit on
39 the dwelling which includes the value of the land upon which the
40 dwelling sits.

41 Section 2. This act shall take effect July 1, 2024.