

CS/HB 1149

2024

1 A bill to be entitled
2 An act relating to policy cancellations and
3 nonrenewals by property insurers; amending s.
4 626.9201, F.S.; prohibiting eligible surplus lines
5 insurers from canceling and nonrenewing policies
6 covering dwellings and residential properties damaged
7 by hurricanes and wind losses within certain
8 timeframes; providing exceptions to prohibitions
9 against insurers' policy cancellations and nonrenewals
10 within certain timeframes; providing definitions;
11 authorizing the Financial Services Commission to adopt
12 rules and the Commissioner of Insurance Regulation to
13 issue orders; amending s. 627.4133, F.S.; prohibiting
14 insurers from canceling and nonrenewing policies
15 covering dwellings and residential properties damaged
16 by covered perils within certain timeframes; revising
17 exceptions to prohibitions against insurers' policy
18 cancellations and nonrenewals within certain
19 timeframes; revising conditions under which a
20 structure is deemed to be repaired; revising the
21 definition of the term "insurer" to include eligible
22 surplus lines insurers; defining the term "damage";
23 providing an effective date.

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

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Section 1. Subsection (2) of section 626.9201, Florida Statutes, is amended to read:

626.9201 Notice of cancellation or nonrenewal.—

(2) An insurer issuing a policy providing coverage for property, casualty, surety, or marine insurance must give the named insured written notice of cancellation or termination other than nonrenewal at least 45 days before the effective date of the cancellation or termination, including in the written notice the reasons for the cancellation or termination, except that:

(a) If cancellation is for nonpayment of premium, at least 10 days' written notice of cancellation accompanied by the reason for cancellation must be given. As used in this paragraph, the term "nonpayment of premium" means the failure of the named insured to discharge when due any of his or her obligations in connection with the payment of premiums on a policy or an installment of such a premium, whether the premium or installment is payable directly to the insurer or its agent or indirectly under any plan for financing premiums or extension of credit or the failure of the named insured to maintain membership in an organization if such membership is a condition precedent to insurance coverage. The term also includes the failure of a financial institution to honor the check of an applicant for insurance which was delivered to a licensed agent

51 | for payment of a premium, even if the agent previously delivered
 52 | or transferred the premium to the insurer. If a correctly
 53 | dishonored check represents payment of the initial premium, the
 54 | contract and all contractual obligations are void ab initio
 55 | unless the nonpayment is cured within the earlier of 5 days
 56 | after actual notice by certified mail is received by the
 57 | applicant or 15 days after notice is sent to the applicant by
 58 | certified mail or registered mail, and, if the contract is void,
 59 | any premium received by the insurer from a third party shall be
 60 | refunded to that party in full; ~~and~~

61 | (b) If cancellation or termination occurs during the first
 62 | 90 days during which the insurance is in force and if the
 63 | insurance is canceled or terminated for reasons other than
 64 | nonpayment, at least 20 days' written notice of cancellation or
 65 | termination accompanied by the reason for cancellation or
 66 | termination must be given, except if there has been a material
 67 | misstatement or misrepresentation or failure to comply with the
 68 | underwriting requirements established by the insurer; ~~and-~~

69 | (c)1. Notwithstanding subparagraph 2., an insurer may not
 70 | cancel or nonrenew a personal residential or commercial
 71 | residential property insurance policy covering a dwelling or
 72 | residential property located in this state which has been
 73 | damaged by a covered peril until the earlier of the completion
 74 | of repairs or the expiration of one subsequent renewal of the
 75 | policy that was in force at the time of the loss. If flood is

76 | not a covered peril under the personal residential or commercial
 77 | residential property insurance policy or under a separate flood
 78 | insurance policy and the property has been damaged as a result
 79 | of flood related to a hurricane, an insurer may not cancel or
 80 | nonrenew the personal residential or commercial residential
 81 | property insurance policy until the earlier of the completion of
 82 | repairs or the expiration of one subsequent renewal of the
 83 | policy that was in force at the time of the loss.

84 | 2. An insurer or agent may cancel or nonrenew such a
 85 | policy prior to the repair of the dwelling or residential
 86 | property:

87 | a. Upon 10 days' notice:

88 | (I) For nonpayment of premium; or

89 | (II) If the named insured no longer has an insurable
 90 | interest in the property; or

91 | b. Upon 45 days' notice:

92 | (I) For a material misstatement or fraud related to the
 93 | claim;

94 | (II) If the insurer or its agent has made a reasonable
 95 | written inquiry to the insured as to the status of the repair
 96 | and the insured has failed within 30 calendar days to provide
 97 | information that is responsive to the inquiry to the address or
 98 | e-mail account designated by the insurer or its agent; or

99 | (III) If the insurer has paid policy limits under a
 100 | personal residential property insurance policy for a loss to the

101 insured dwelling that was damaged, or policy limits under a
 102 commercial residential property insurance policy for a loss to
 103 each insured structure that was damaged.

104 3. If the insurer elects to nonrenew a policy after the
 105 expiration of the time in subparagraph 1., the insurer must
 106 provide notice in accordance with subsection (1).

107 4. This paragraph does not prevent the insurer from
 108 canceling or nonrenewing the policy after the repair is
 109 completed for the same reasons the insurer would otherwise have
 110 canceled or nonrenewed the policy but for subparagraph 1.

111 5. For purposes of this paragraph:

112 a. A structure is deemed to be repaired when substantially
 113 completed and restored to the extent that it is insurable by:

114 (I) Another authorized insurer writing policies in this
 115 state if the structure is currently insured by an authorized
 116 insurer; or

117 (II) Another authorized or eligible surplus lines insurer
 118 writing policies in this state if the structure is currently
 119 insured by an eligible surplus lines insurer.

120 b. The term "insurer" means an authorized insurer or an
 121 eligible surplus lines insurer.

122 c. The term "damage" includes flood damage related to a
 123 hurricane if flood is a covered peril under the personal
 124 residential or commercial residential property insurance policy
 125 or under a separate flood insurance policy.

126 6. The commission may adopt rules, and the Commissioner of
 127 Insurance Regulation may issue orders, necessary to implement
 128 this paragraph.

129 Section 2. Paragraph (e) of subsection (2) of section
 130 627.4133, Florida Statutes, is amended to read:

131 627.4133 Notice of cancellation, nonrenewal, or renewal
 132 premium.—

133 (2) With respect to any personal lines or commercial
 134 residential property insurance policy, including, but not
 135 limited to, any homeowner, mobile home owner, farmowner,
 136 condominium association, condominium unit owner, apartment
 137 building, or other policy covering a residential structure or
 138 its contents:

139 (e)1. Notwithstanding subparagraph 2., an insurer may not
 140 cancel or nonrenew a personal residential or commercial
 141 residential property insurance policy covering a dwelling or
 142 residential property located in this state which has been
 143 damaged by a covered peril until the earlier of the completion
 144 of repairs or the expiration of one subsequent renewal of the
 145 policy that was in force at the time of the loss. If flood is
 146 not a covered peril under the personal residential or commercial
 147 residential property insurance policy or under a separate flood
 148 insurance policy and the property has been damaged as a result
 149 of flood related to a hurricane, an insurer may not cancel or
 150 nonrenew the personal residential or commercial residential

151 property insurance policy until the earlier of the completion of
 152 repairs or the expiration of one subsequent renewal of the
 153 policy that was in force at the time of the loss. ~~An authorized~~
 154 ~~insurer may not cancel or nonrenew a personal residential or~~
 155 ~~commercial residential property insurance policy covering a~~
 156 ~~dwelling or residential property located in this state:~~

157 ~~a. For a period of 90 days after the dwelling or~~
 158 ~~residential property has been repaired, if such property has~~
 159 ~~been damaged as a result of a hurricane or wind loss that is the~~
 160 ~~subject of the declaration of emergency pursuant to s. 252.36~~
 161 ~~and the filing of an order by the Commissioner of Insurance~~
 162 ~~Regulation.~~

163 ~~b. Until the earlier of when the dwelling or residential~~
 164 ~~property has been repaired or 1 year after the insurer issues~~
 165 ~~the final claim payment, if such property was damaged by any~~
 166 ~~covered peril and sub-subparagraph a. does not apply.~~

167 2. ~~However,~~ An insurer or agent may cancel or nonrenew
 168 such a policy prior to the repair of the dwelling or residential
 169 property:

170 a. Upon 10 days' notice:

171 (I) For nonpayment of premium; or

172 (II) If the named insured no longer has an insurable
 173 interest in the property; or

174 b. Upon 45 days' notice:

175 (I) For a material misstatement or fraud related to the

176 claim;

177 (II) If the insurer or its agent has made a reasonable
 178 written inquiry to the insured as to the status of the repair
 179 and the insured has failed within 30 calendar days to provide
 180 information that is responsive to the inquiry to the address or
 181 e-mail account designated by the insurer or its agent ~~If the~~
 182 ~~insurer determines that the insured has unreasonably caused a~~
 183 ~~delay in the repair of the dwelling; or~~

184 (III) If the insurer has paid policy limits under a
 185 personal residential property insurance policy for a loss to the
 186 insured dwelling that was damaged, or policy limits under a
 187 commercial residential property insurance policy for a loss to
 188 each insured structure that was damaged.

189 3. If the insurer elects to nonrenew a policy after the
 190 expiration of the time in subparagraph 1., the insurer must
 191 provide notice in accordance with subsection (2) ~~covering a~~
 192 ~~property that has been damaged, the insurer shall provide at~~
 193 ~~least 90 days' notice to the insured that the insurer intends to~~
 194 ~~nonrenew the policy 90 days after the dwelling or residential~~
 195 ~~property has been repaired.~~

196 4. ~~Nothing in~~ This paragraph does not shall prevent the
 197 insurer from canceling or nonrenewing the policy after the
 198 repair is completed ~~90 days after the repairs are complete~~ for
 199 the same reasons the insurer would otherwise have canceled or
 200 nonrenewed the policy but for ~~the limitations of~~ subparagraph 1.

201 ~~The Financial Services Commission may adopt rules, and the~~
 202 ~~Commissioner of Insurance Regulation may issue orders, necessary~~
 203 ~~to implement this paragraph.~~

204 ~~5.4.~~ This paragraph shall also apply to personal
 205 residential and commercial residential policies covering
 206 property that was damaged as the result of Hurricane Ian or
 207 Hurricane Nicole.

208 ~~6. 5.~~ For purposes of this paragraph:

209 a. A structure is deemed to be repaired when substantially
 210 completed and restored to the extent that it is insurable by:

211 (I) Another authorized insurer writing policies in this
 212 state if the structure is currently insured by an authorized
 213 insurer; or

214 (II) Another authorized or eligible surplus lines insurer
 215 writing policies in this state if the structure is currently
 216 insured by an eligible surplus lines insurer.

217 b. The term "insurer" means an authorized insurer or an
 218 eligible surplus lines insurer.

219 c. Except for subparagraph 5., the term "damage" includes
 220 flood damage related to a hurricane if flood is a covered peril
 221 under the personal residential or commercial residential
 222 property insurance policy or under a separate flood insurance
 223 policy.

224 7. The commission may adopt rules, and the Commissioner of
 225 Insurance Regulation may issue orders, necessary to implement

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226 | this paragraph.

227 | Section 3. This act shall take effect July 1, 2024.