

26 and revising exceptions to prohibitions against
 27 authorized insurers' policy cancellations and
 28 nonrenewals, within certain timeframes under certain
 29 circumstances; revising construction; revising
 30 conditions under which a structure is deemed to be
 31 repaired; revising the definition of the term
 32 "insurer" to include eligible surplus lines insurers;
 33 defining the term "damage"; authorizing the
 34 commissioner to issue orders under certain
 35 circumstances; providing applicability; providing an
 36 effective date.

37

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

39

40 Section 1. Subsection (2) of section 626.9201, Florida
 41 Statutes, is amended, and subsection (1) of that section is
 42 republished, to read:

43 626.9201 Notice of cancellation or nonrenewal.—

44 (1) An insurer issuing a policy providing coverage for
 45 property, casualty, surety, or marine insurance must give the
 46 first named insured at least 45 days' advance written notice of
 47 nonrenewal. If the policy is not to be renewed, the written
 48 notice shall state the reasons as to why the policy is not to be
 49 renewed. This subsection does not apply:

50 (a) If the insurer has manifested its willingness to

51 | renew, and the offer is not rescinded prior to expiration of the
 52 | policy; or

53 | (b) If a notice of cancellation for nonpayment of premium
 54 | is provided under subsection (2).

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

62 | (a) If cancellation is for nonpayment of premium, at least
 63 | 10 days' written notice of cancellation accompanied by the
 64 | reason for cancellation must be given. As used in this
 65 | paragraph, the term "nonpayment of premium" means the failure of
 66 | the named insured to discharge when due any of his or her
 67 | obligations in connection with the payment of premiums on a
 68 | policy or an installment of such a premium, whether the premium
 69 | or installment is payable directly to the insurer or its agent
 70 | or indirectly under any plan for financing premiums or extension
 71 | of credit or the failure of the named insured to maintain
 72 | membership in an organization if such membership is a condition
 73 | precedent to insurance coverage. The term also includes the
 74 | failure of a financial institution to honor the check of an
 75 | applicant for insurance which was delivered to a licensed agent

76 | for payment of a premium, even if the agent previously delivered
 77 | or transferred the premium to the insurer. If a correctly
 78 | dishonored check represents payment of the initial premium, the
 79 | contract and all contractual obligations are void ab initio
 80 | unless the nonpayment is cured within the earlier of 5 days
 81 | after actual notice by certified mail is received by the
 82 | applicant or 15 days after notice is sent to the applicant by
 83 | certified mail or registered mail, and, if the contract is void,
 84 | any premium received by the insurer from a third party shall be
 85 | refunded to that party in full; ~~and~~

86 | (b) If cancellation or termination occurs during the first
 87 | 90 days during which the insurance is in force and if the
 88 | insurance is canceled or terminated for reasons other than
 89 | nonpayment, at least 20 days' written notice of cancellation or
 90 | termination accompanied by the reason for cancellation or
 91 | termination must be given, except if there has been a material
 92 | misstatement or misrepresentation or failure to comply with the
 93 | underwriting requirements established by the insurer; and

94 | (c)1. An insurer may not cancel or nonrenew a personal
 95 | residential or commercial residential property insurance policy
 96 | covering a dwelling or residential property located in this
 97 | state which has been damaged by a covered peril until the
 98 | earlier of the completion of repair or the expiration of one
 99 | subsequent renewal of the policy that was in force at the time
 100 | of the loss.

101 2. Notwithstanding subparagraph 1., an insurer or agent
102 may cancel or nonrenew such a policy prior to the repair of the
103 dwelling or residential property:

104 a. Upon 10 days' notice:

105 (I) For nonpayment of premium; or

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

108 b. Upon 45 days' notice:

109 (I) For a material misstatement or fraud related to the
110 claim;

111 (II) If the insurer or its agent has made a reasonable
112 written inquiry to the insured as to the status of the repair
113 and the insured has failed within 30 calendar days to provide
114 information that is responsive to the inquiry to the address or
115 e-mail account designated by the insurer or its agent; or

116 (III) If the insurer has paid policy limits under a
117 personal residential property insurance policy for a loss to the
118 insured dwelling that was damaged, or policy limits under a
119 commercial residential property insurance policy for a loss to
120 each insured structure that was damaged.

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

124 4. This paragraph does not prevent the insurer from
125 canceling or nonrenewing the policy after the repair is

126 completed for the same reasons the insurer would otherwise have
 127 canceled or nonrenewed the policy but for subparagraph 1.

128 5. For purposes of this paragraph:

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

131 (I) Another authorized insurer writing policies in this
 132 state if the structure is currently insured by an authorized
 133 insurer; or

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

137 b. The term "insurer" means an authorized insurer or an
 138 eligible surplus lines insurer.

139 c. The term "damage" includes, but is not limited to,
 140 flood damage related to a hurricane if flood is a covered peril
 141 under the personal residential or commercial residential
 142 property insurance policy.

143 6. In the event of widespread, significant flooding, as
 144 determined by the Commissioner of Insurance Regulation, which is
 145 caused by a hurricane or other natural event, the commissioner
 146 may issue an order preventing insurers from canceling or
 147 nonrenewing personal residential or commercial residential
 148 property insurance policies covering dwellings or residential
 149 properties located within zip codes directly affected by such
 150 flooding, as determined by the commissioner. If a claim is made

151 while such an order is in effect, an insurer may not cancel or
 152 nonrenew a personal residential or commercial residential
 153 property insurance policy covering a dwelling or residential
 154 property until the earlier of the completion of repair or the
 155 expiration of one subsequent renewal of the policy that was in
 156 force at the time of the loss, even if the personal residential
 157 or commercial residential property insurance policy does not
 158 cover the peril of flood. An order issued pursuant to this
 159 subparagraph may remain in effect for an initial period of 90
 160 days and may be renewed for subsequent 90-day periods, not to
 161 exceed a total of 270 days. This subparagraph applies only to
 162 coverage periods and does not alter coverage otherwise provided
 163 by any insurance policy.

164 7. The commission may adopt rules, and the Commissioner of
 165 Insurance Regulation may issue orders, necessary to implement
 166 this paragraph.

167 Section 2. Paragraph (e) of subsection (2) of section
 168 627.4133, Florida Statutes, is amended, and subsection (1) of
 169 that section is republished, to read:

170 627.4133 Notice of cancellation, nonrenewal, or renewal
 171 premium.—

172 (1) Except as provided in subsection (2):

173 (a) An insurer issuing a policy providing coverage for
 174 workers' compensation and employer's liability insurance,
 175 property, casualty, except mortgage guaranty, surety, or marine

176 insurance, other than motor vehicle insurance subject to s.
177 627.728, shall give the first-named insured at least 45 days'
178 advance written notice of nonrenewal or of the renewal premium.
179 If the policy is not to be renewed, the written notice shall
180 state the reason or reasons as to why the policy is not to be
181 renewed. This requirement applies only if the insured has
182 furnished all of the necessary information so as to enable the
183 insurer to develop the renewal premium prior to the expiration
184 date of the policy to be renewed.

185 (b) An insurer issuing a policy providing coverage for
186 property, casualty, except mortgage guaranty, surety, or marine
187 insurance, other than motor vehicle insurance subject to s.
188 627.728 or s. 627.7281, shall give the first-named insured
189 written notice of cancellation or termination other than
190 nonrenewal at least 45 days prior to the effective date of the
191 cancellation or termination, including in the written notice the
192 reason or reasons for the cancellation or termination, except
193 that:

194 1. When cancellation is for nonpayment of premium, at
195 least 10 days' written notice of cancellation accompanied by the
196 reason therefor shall be given. As used in this subparagraph and
197 s. 440.42(3), the term "nonpayment of premium" means failure of
198 the named insured to discharge when due any of her or his
199 obligations in connection with the payment of premiums on a
200 policy or any installment of such premium, whether the premium

201 is payable directly to the insurer or its agent or indirectly
202 under any premium finance plan or extension of credit, or
203 failure to maintain membership in an organization if such
204 membership is a condition precedent to insurance coverage.
205 "Nonpayment of premium" also means the failure of a financial
206 institution to honor an insurance applicant's check after
207 delivery to a licensed agent for payment of a premium, even if
208 the agent has previously delivered or transferred the premium to
209 the insurer. If a dishonored check represents the initial
210 premium payment, the contract and all contractual obligations
211 shall be void ab initio unless the nonpayment is cured within
212 the earlier of 5 days after actual notice by certified mail is
213 received by the applicant or 15 days after notice is sent to the
214 applicant by certified mail or registered mail, and if the
215 contract is void, any premium received by the insurer from a
216 third party shall be refunded to that party in full; and

217 2. When such cancellation or termination occurs during the
218 first 60 days during which the insurance is in force and the
219 insurance is canceled or terminated for reasons other than
220 nonpayment of premium, at least 20 days' written notice of
221 cancellation or termination accompanied by the reason therefor
222 shall be given except where there has been a material
223 misstatement or misrepresentation or failure to comply with the
224 underwriting requirements established by the insurer.

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226 After the policy has been in effect for 60 days, no such policy
227 shall be canceled by the insurer except when there has been a
228 material misstatement, a nonpayment of premium, a failure to
229 comply with underwriting requirements established by the insurer
230 within 60 days of the date of effectuation of coverage, or a
231 substantial change in the risk covered by the policy or when the
232 cancellation is for all insureds under such policies for a given
233 class of insureds. This subsection does not apply to
234 individually rated risks having a policy term of less than 90
235 days.

236 (c) If an insurer fails to provide the 45-day or 20-day
237 written notice required under this section, the coverage
238 provided to the named insured shall remain in effect until 45
239 days after the notice is given or until the effective date of
240 replacement coverage obtained by the named insured, whichever
241 occurs first. The premium for the coverage shall remain the same
242 during any such extension period except that, in the event of
243 failure to provide notice of nonrenewal, if the rate filing then
244 in effect would have resulted in a premium reduction, the
245 premium during such extension of coverage shall be calculated
246 based upon the later rate filing.

247 (d) Notwithstanding paragraph (b), Citizens Property
248 Insurance Corporation in underwriting risks that, prior to the
249 date of the application, were most recently insured by an
250 insurer that has been placed in receivership under chapter 631,

251 may immediately cancel a policy insuring such risk that has been
 252 in effect for 90 days or less for material misrepresentation or
 253 failure to comply with underwriting requirements established
 254 before the effectuation of coverage.

255 (2) With respect to any personal lines or commercial
 256 residential property insurance policy, including, but not
 257 limited to, any homeowner, mobile home owner, farmowner,
 258 condominium association, condominium unit owner, apartment
 259 building, or other policy covering a residential structure or
 260 its contents:

261 (e)1. An ~~authorized~~ insurer may not cancel or nonrenew a
 262 personal residential or commercial residential property
 263 insurance policy covering a dwelling or residential property
 264 located in this state which has been damaged by a covered peril
 265 until the earlier of the completion of repair or the expiration
 266 of one subsequent renewal of the policy that was in force at the
 267 time of the loss;

268 ~~a. For a period of 90 days after the dwelling or~~
 269 ~~residential property has been repaired, if such property has~~
 270 ~~been damaged as a result of a hurricane or wind loss that is the~~
 271 ~~subject of the declaration of emergency pursuant to s. 252.36~~
 272 ~~and the filing of an order by the Commissioner of Insurance~~
 273 ~~Regulation.~~

274 ~~b. Until the earlier of when the dwelling or residential~~
 275 ~~property has been repaired or 1 year after the insurer issues~~

276 ~~the final claim payment, if such property was damaged by any~~
 277 ~~covered peril and sub-subparagraph a. does not apply.~~

278 2. Notwithstanding subparagraph 1. ~~However,~~ an insurer or
 279 agent may cancel or nonrenew such a policy prior to the repair
 280 of the dwelling or residential property:

281 a. Upon 10 days' notice:

282 (I) For nonpayment of premium; or

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

285 b. Upon 45 days' notice:

286 (I) For a material misstatement or fraud related to the
 287 claim;

288 (II) If the insurer or its agent has made a reasonable
 289 written inquiry to the insured as to the status of the repair
 290 and the insured has failed within 30 calendar days to provide
 291 information that is responsive to the inquiry to the address or
 292 e-mail account designated by the insurer or its agent ~~If the~~
 293 ~~insurer determines that the insured has unreasonably caused a~~
 294 ~~delay in the repair of the dwelling; or~~

295 (III) If the insurer has paid policy limits under a
 296 personal residential property insurance policy for a loss to the
 297 insured dwelling that was damaged, or policy limits under a
 298 commercial residential property insurance policy for a loss to
 299 each insured structure that was damaged.

300 3. If the insurer elects to nonrenew a policy after the

301 expiration of the time in subparagraph 1., the insurer must
 302 provide notice in accordance with subsection (1) covering a
 303 property that has been damaged, the insurer shall provide at
 304 least 90 days' notice to the insured that the insurer intends to
 305 nonrenew the policy 90 days after the dwelling or residential
 306 property has been repaired.

307 4. Nothing in This paragraph does not ~~shall~~ prevent the
 308 insurer from canceling or nonrenewing the policy after the
 309 repair is completed ~~90 days after the repairs are complete~~ for
 310 the same reasons the insurer would otherwise have canceled or
 311 nonrenewed the policy but for ~~the limitations of~~ subparagraph 1.
 312 ~~The Financial Services Commission may adopt rules, and the~~
 313 ~~Commissioner of Insurance Regulation may issue orders, necessary~~
 314 ~~to implement this paragraph.~~

315 5.4. This paragraph ~~shall~~ also applies ~~apply~~ to personal
 316 residential and commercial residential policies covering
 317 property that was damaged as the result of Hurricane Ian or
 318 Hurricane Nicole.

319 6.5. For purposes of this paragraph:

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

322 (I) Another authorized insurer writing policies in this
 323 state if the structure is currently insured by an authorized
 324 insurer; or

325 (II) Another authorized or eligible surplus lines insurer

326 writing policies in this state if the structure is currently
327 insured by an eligible surplus lines insurer.

328 b. The term "insurer" means an authorized insurer or an
329 eligible surplus lines insurer.

330 c. Except for subparagraph 5., the term "damage" includes,
331 but is not limited to, flood damage related to a hurricane if
332 flood is a covered peril under the personal residential or
333 commercial residential property insurance policy.

334 7. In the event of widespread, significant flooding, as
335 determined by the Commissioner of Insurance Regulation, which is
336 caused by a hurricane or other natural event, the commissioner
337 may issue an order preventing insurers from canceling or
338 nonrenewing personal residential or commercial residential
339 property insurance policies covering dwellings or residential
340 properties located within zip codes directly affected by such
341 flooding, as determined by the commissioner. If a claim is made
342 while such an order is in effect, an insurer may not cancel or
343 nonrenew a personal residential or commercial residential
344 property insurance policy covering a dwelling or residential
345 property until the earlier of the completion of repair or the
346 expiration of one subsequent renewal of the policy that was in
347 force at the time of the loss, even if the personal residential
348 or commercial residential property insurance policy does not
349 cover the peril of flood. An order issued pursuant to this
350 subparagraph may remain in effect for an initial period of 90

CS/CS/HB 1149

2024

351 days and may be renewed for subsequent 90-day periods, not to
352 exceed a total of 270 days. This subparagraph applies only to
353 coverage periods and does not alter coverage otherwise provided
354 by any insurance policy.

355 8. The commission may adopt rules, and the Commissioner of
356 Insurance Regulation may issue orders, necessary to implement
357 this paragraph.

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