

By Senator Davis

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1 A bill to be entitled
2 An act relating to insurance; creating s. 11.91, F.S.;
3 creating the Property Insurance Commission; providing
4 membership of the commission; providing powers and
5 duties of the commission; amending s. 20.121, F.S.;
6 providing for the election of the Commissioner of
7 Insurance Regulation; providing for the commissioner's
8 term of office; conforming provisions to changes made
9 by the act; creating s. 112.3134, F.S.; prohibiting
10 the commissioner from engaging in certain activities
11 or employment for a specified period after leaving
12 office; providing sanctions for violations;
13 authorizing specified entities to collect penalties;
14 amending s. 494.0026, F.S.; requiring that interest
15 earned on insurance proceeds received by mortgagees
16 and assignees be paid to insureds; making a technical
17 change; amending s. 624.401, F.S.; prohibiting
18 property insurers from claiming insolvency under
19 specified circumstances; authorizing persons who
20 engage in property insurance activities in other
21 states to engage in insurance activities in this state
22 under certain circumstances; amending s. 627.0629,
23 F.S.; requiring residential property insurers to
24 release specified information to insureds upon
25 request; amending s. 627.701, F.S.; prohibiting
26 property insurers from using specified factors as a
27 defense for denial of a claim; amending s. 627.715,
28 F.S.; requiring insurance agents to advise insurance
29 applicants of flood risk; creating s. 627.71555, F.S.;

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30 providing duties of the Office of Insurance
31 Regulation; requiring the Department of Financial
32 Services to adopt rules regarding allegations of
33 insurance fraud made by insurers or their employees or
34 contractors; providing requirements for such rules;
35 providing fines; requiring the Office of Program
36 Policy Analysis and Government Accountability to
37 conduct a study of the effectiveness of the property
38 insurance mediation program; providing requirements
39 for the study; requiring a report to the Legislature;
40 amending ch. 2022-268, Laws of Florida; increasing an
41 appropriation to the My Safe Florida Home Program;
42 providing an effective date.

43
44 Be It Enacted by the Legislature of the State of Florida:

45
46 Section 1. Section 11.91, Florida Statutes, is created to
47 read:

48 11.91 Property Insurance Commission.-

49 (1) (a) There is created the Property Insurance Commission,
50 which shall be composed of the following six members:

51 1. Two members appointed by the President of the Senate.

52 2. One member appointed by the Minority Leader of the
53 Senate.

54 3. Two members appointed by the Speaker of the House of
55 Representatives.

56 4. One member appointed by the Minority Leader of the House
57 of Representatives.

58 (b) Each member shall serve at the pleasure of the officer

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59 who appointed the member. A vacancy on the commission must be
60 filled in the same manner as the original appointment. From
61 November of each odd-numbered year through October of each even-
62 numbered year, the chair of the commission must be appointed by
63 the President of the Senate, and the vice chair of the
64 commission must be appointed by the Speaker of the House of
65 Representatives. From November of each even-numbered year
66 through October of each odd-numbered year, the chair of the
67 commission must be appointed by the Speaker of the House of
68 Representatives, and the vice chair of the commission must be
69 appointed by the President of the Senate. The terms of members
70 must be for 2 years and run from the organization of one
71 Legislature to the organization of the next Legislature.

72 (2) The commission is governed by joint rules of the Senate
73 and the House of Representatives, which must remain in effect
74 until repealed or amended by concurrent resolution.

75 (3) The commission may conduct its meetings through
76 teleconferences or other similar means.

77 (4) The commission must be staffed by legislative staff
78 members, as assigned by the President of the Senate and the
79 Speaker of the House of Representatives.

80 (5) The commission has the power and duty to do all of the
81 following:

82 (a) Review and evaluate the insurance marketplace and
83 studies of the various insurance markets.

84 (b) Review and comment on market data produced by the
85 Office of Insurance Regulation.

86 (c) Review and comment on the setting of reserve
87 requirements for insurers.

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88 (d) Exercise all other powers and perform any other duties
89 prescribed by the Legislature.

90 Section 2. Paragraphs (a) and (d) of subsection (3) of
91 section 20.121, Florida Statutes, are amended to read:

92 20.121 Department of Financial Services.—There is created a
93 Department of Financial Services.

94 (3) FINANCIAL SERVICES COMMISSION.—Effective January 7,
95 2003, there is created within the Department of Financial
96 Services the Financial Services Commission, composed of the
97 Governor, the Attorney General, the Chief Financial Officer, and
98 the Commissioner of Agriculture, which shall for purposes of
99 this section be referred to as the commission. Commission
100 members shall serve as agency head of the Financial Services
101 Commission. The commission shall be a separate budget entity and
102 shall be exempt from the provisions of s. 20.052. Commission
103 action shall be by majority vote consisting of at least three
104 affirmative votes. The commission shall not be subject to
105 control, supervision, or direction by the Department of
106 Financial Services in any manner, including purchasing,
107 transactions involving real or personal property, personnel, or
108 budgetary matters.

109 (a) *Structure*.—The major structural unit of the commission
110 is the office. Each office shall be headed by a director. The
111 following offices are established:

112 1. The Office of Insurance Regulation, which shall be
113 responsible for all activities concerning insurers and other
114 risk bearing entities, including licensing, rates, policy forms,
115 market conduct, claims, issuance of certificates of authority,
116 solvency, viatical settlements, premium financing, and

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117 administrative supervision, as provided under the insurance code
118 or chapter 636. The head of the Office of Insurance Regulation
119 is the Director of the Office of Insurance Regulation, who may
120 also be known as the Commissioner of Insurance Regulation.
121 Beginning with the general election in 2026, the Commissioner of
122 Insurance Regulation shall be elected. The commissioner elected
123 in 2026 shall serve a term of 2 years; thereafter, the
124 commissioner shall serve a term of 4 years.

125 2. The Office of Financial Regulation, which shall be
126 responsible for all activities of the Financial Services
127 Commission relating to the regulation of banks, credit unions,
128 other financial institutions, finance companies, and the
129 securities industry. The head of the office is the Director of
130 the Office of Financial Regulation, who may also be known as the
131 Commissioner of Financial Regulation. The Office of Financial
132 Regulation shall include a Bureau of Financial Investigations,
133 which shall function as a criminal justice agency for purposes
134 of ss. 943.045-943.08 and shall have a separate budget. The
135 bureau may conduct investigations within or outside this state
136 as the bureau deems necessary to aid in the enforcement of this
137 section. If, during an investigation, the office has reason to
138 believe that any criminal law of this state has or may have been
139 violated, the office shall refer any records tending to show
140 such violation to state or federal law enforcement or
141 prosecutorial agencies and shall provide investigative
142 assistance to those agencies as required.

143 (d) Appointment and qualification ~~qualifications of the~~
144 Director of the Office of Financial Regulation ~~directors.~~—The
145 commission shall appoint or remove the ~~each~~ Director of the

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146 Office of Financial Regulation by a majority vote consisting of
147 at least three affirmative votes, with both the Governor and the
148 Chief Financial Officer on the prevailing side. ~~The minimum~~
149 ~~qualifications of the directors are as follows:~~

150 ~~1. Prior to appointment as director, the Director of the~~
151 ~~Office of Insurance Regulation must have had, within the~~
152 ~~previous 10 years, at least 5 years of responsible private~~
153 ~~sector experience working full time in areas within the scope of~~
154 ~~the subject matter jurisdiction of the Office of Insurance~~
155 ~~Regulation or at least 5 years of experience as a senior~~
156 ~~examiner or other senior employee of a state or federal agency~~
157 ~~having regulatory responsibility over insurers or insurance~~
158 ~~agencies.~~

159 ~~2. Before his or her~~ Prior to appointment as director, the
160 Director of the Office of Financial Regulation must have had,
161 within the previous 10 years, at least 5 years of responsible
162 private sector experience working full time in areas within the
163 subject matter jurisdiction of the Office of Financial
164 Regulation or at least 5 years of experience as a senior
165 examiner or other senior employee of a state or federal agency
166 having regulatory responsibility over financial institutions,
167 finance companies, or securities companies.

168 Section 3. Section 112.3134, Florida Statutes, is created
169 to read:

170 112.3134 Commissioner of Insurance Regulation; Office of
171 Insurance Regulation.-

172 (1) A person who has served as Commissioner of Insurance
173 Regulation may not, for a period of 7 years after vacating that
174 office, do either of the following:

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175 (a) Personally represent another person or entity for
176 compensation before the Office of Insurance Regulation.

177 (b) Serve as an employee or contractor of an entity
178 regulated by the Office of Insurance Regulation

179 (2) A person who violates subsection (1) may be punished by
180 any of the following:

181 (a) Public censure and reprimand.

182 (b) A civil penalty not to exceed \$10,000.

183 (c) Forfeiture of any pecuniary benefits received for
184 conduct that violates this section. The amount of the pecuniary
185 benefits must be paid to the General Revenue Fund.

186 (3) The Attorney General and Chief Financial Officer are
187 independently authorized to collect any penalty imposed under
188 this section.

189 Section 4. Subsection (2) of section 494.0026, Florida
190 Statutes, is amended to read:

191 494.0026 Disposition of insurance proceeds.—The following
192 provisions apply to mortgage loans held by a mortgagee or
193 assignee that is subject to part II or part III of this chapter.

194 (2) (a) Insurance proceeds received by a mortgagee or
195 assignee which ~~that~~ relate to compensation for damage to
196 property or contents insurance coverage in which the mortgagee
197 or assignee has a security interest must be promptly deposited
198 into a segregated account of a federally insured financial
199 institution.

200 (b) Any interest earned on insurance proceeds received by a
201 mortgagee or assignee which relate to compensation for damage to
202 property or contents insurance coverage in which the mortgagee
203 or assignee has a security interest must be paid to the insured.

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205 This section may not be construed to prevent an insurance
206 company from paying the insured directly for additional living
207 expenses or paying the insured directly for contents insurance
208 coverage if the mortgagee or assignee does not have a security
209 interest in the contents.

210 Section 5. Subsection (5) is added to section 624.401,
211 Florida Statutes, to read:

212 624.401 Certificate of authority required.—

213 (5) (a) A property insurer may not claim insolvency in this
214 state if it still as an insurer, transacts insurance, or
215 otherwise engages in insurance activities in any state other
216 than this state, regardless of whether such insurance activities
217 are property insurance activities.

218 (b) Effective January 1, 2025, any person who acts as a
219 property insurer, transacts property insurance, or otherwise
220 engages in property insurance activities in any state other than
221 this state may act as an insurer, transact insurance, or
222 otherwise engage in insurance activities in this state only if
223 that person does not exclude property insurance from the
224 person's insurance transactions or activities.

225 Section 6. Subsection (10) is added to section 627.0629,
226 Florida Statutes, to read:

227 627.0629 Residential property insurance; rate filings.—

228 (10) An insurer shall release to an insured all information
229 relating to an inspection or underwriting report upon the
230 insured's request.

231 Section 7. Subsection (11) is added to section 627.701,
232 Florida Statutes, to read:

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233 627.701 Liability of insureds; coinsurance; deductibles;
234 prohibited denials of claims.—

235 (11) A property insurer that issues or renews an insurance
236 policy or contract covering real property in this state on or
237 after January 1, 2025, may not use a property's preexisting
238 condition, a date of loss that predates the date of a claim, or
239 faulty installation or workmanship as a defense for denial of a
240 claim.

241 Section 8. Subsection (8) of section 627.715, Florida
242 Statutes, is amended to read:

243 627.715 Flood insurance.—An authorized insurer may issue an
244 insurance policy, contract, or endorsement providing personal
245 lines residential coverage for the peril of flood or excess
246 coverage for the peril of flood on any structure or the contents
247 of personal property contained therein, subject to this section.
248 This section does not apply to commercial lines residential or
249 commercial lines nonresidential coverage for the peril of flood.
250 An insurer may issue flood insurance policies, contracts,
251 endorsements, or excess coverage on a standard, preferred,
252 customized, flexible, or supplemental basis.

253 (8) (a) An agent must provide a written notice to be signed
254 by every ~~the~~ applicant advising the applicant of flood risk.

255 (b) If before the agent places flood insurance coverage
256 with an admitted or surplus lines insurer for a property
257 receiving flood insurance under the National Flood Insurance
258 Program, the agent must also provide to the applicant, before
259 placing new flood coverage for the property, a written.~~the~~
260 notice notifying ~~must notify~~ the applicant that, if the
261 applicant discontinues coverage under the National Flood

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262 Insurance Program which is provided at a subsidized rate, the
263 full risk rate for flood insurance may apply to the property if
264 the applicant later seeks to reinstate coverage under the
265 program.

266 Section 9. Section 627.71555, Florida Statutes, is created
267 to read:

268 627.71555 Office rulemaking.—By January 1, 2025, the office
269 must adopt rules:

270 (1) Requiring that, each time legislation creating or
271 amending law to reform property insurance takes effect, property
272 insurers must offer mandatory premium rate reduction for their
273 insureds.

274 (2) Ensuring that insurance fraud committed by any person
275 can be easily reported, investigated, and, if necessary,
276 prosecuted.

277 (3) Redetermining flood zones statewide for use when
278 assigning flood risks.

279 Section 10. The Department of Financial Services shall, no
280 later than October 1, 2025, adopt rules regarding any allegation
281 made by an insurer or an employee or contractor thereof of
282 insurance fraud in violation of s. 626.9892(2), Florida
283 Statutes. Such rules must include requirements that:

284 (1) Insurers notify the Division of Investigative and
285 Forensic Services within the Department of Financial Services of
286 any such allegation.

287 (2) The department promptly investigate such allegations.

288 (3) If the department determines that there was no fraud,
289 the insurer alleging such fraud may be appropriately sanctioned
290 by a fine of up to \$100,000.

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291 (4) All documents relating to such sanctions are public
292 records.

293 Section 11. (1) The Office of Program Policy Analysis and
294 Government Accountability (OPPAGA) shall conduct a study to
295 evaluate the effectiveness of the property insurance mediation
296 program provided under s. 627.7015, Florida Statutes. The
297 study's scope must include, but need not be limited to:

298 (a) Improving public awareness of the program and the
299 advantages of participation.

300 (b) The need for additional resources for the program.

301 (2) The study must include recommendations for any changes
302 needed to improve the efficiency of the program to maximize its
303 usefulness as an alternative to litigation.

304 (3) In conducting the study, OPPAGA shall consult with the
305 Department of Financial Services, insurers, and organizations
306 representing insurance consumers.

307 (4) OPPAGA shall submit a report on its findings to the
308 President of the Senate and the Speaker of the House of
309 Representatives by December 1, 2025.

310 Section 12. Section 4 of chapter 2022-268, Laws of Florida,
311 is amended to read:

312 Section 4. (1) For the 2024-2025 ~~2022-2023~~ fiscal year, the
313 sum of \$300 ~~\$150~~ million in nonrecurring funds is appropriated
314 from the General Revenue Fund to the Department of Financial
315 Services for the My Safe Florida Home Program. The funds shall
316 be placed in reserve. The department shall submit budget
317 amendments requesting release of the funds held in reserve
318 pursuant to chapter 216, Florida Statutes. The budget amendments
319 shall include a detailed spending plan.

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- 320 (2) The funds shall be allocated as follows:
- 321 (a) Fifty ~~Twenty-five~~ million dollars for hurricane
322 mitigation inspections.
- 323 (b) Two hundred thirty ~~One hundred fifteen~~ million dollars
324 for mitigation grants.
- 325 (c) Eight ~~Four~~ million dollars for education and consumer
326 awareness.
- 327 (d) Two ~~One~~ million dollars for public outreach for
328 contractors and real estate brokers and sales associates.
- 329 (e) Ten ~~Five~~ million dollars for administrative costs.
- 330 (3) Any unexpended balance of funds from this appropriation
331 remaining on June 30, 2025 ~~2023~~, shall revert and is
332 appropriated to the Department of Financial Services for the
333 2025-2026 ~~2023-2024~~ fiscal year for the same purpose.
- 334 (4) The department may adopt emergency rules pursuant to s.
335 120.54, Florida Statutes, at any time, as are necessary to
336 implement this section and s. 215.5586, Florida Statutes, as
337 amended by this act. The Legislature finds that such emergency
338 rulemaking authority is necessary to address a critical need in
339 the state's problematic property insurance market. The
340 Legislature further finds that the uniquely short timeframe
341 needed to effectively implement this section for the 2024-2025
342 ~~2022-2023~~ fiscal year requires that the department adopt rules
343 as quickly as practicable. Therefore, in adopting such emergency
344 rules, the department need not make the findings required by s.
345 120.54(4)(a), Florida Statutes. Emergency rules adopted under
346 this section are exempt from s. 120.54(4)(c), Florida Statutes,
347 and shall remain in effect until replaced by rules adopted under
348 the nonemergency rulemaking procedures of chapter 120, Florida

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349 Statutes, which must occur no later than July 1, 2025 ~~2023~~.

350 (5) This section shall expire on October 1, 2026 ~~2024~~.

351 Section 13. This act shall take effect July 1, 2024.