

1                   A bill to be entitled  
2           An act relating to home warranty transfers; amending  
3           s. 634.312, F.S.; limiting application of provisions  
4           relating to home warranty contract assignments;  
5           amending s. 634.331, F.S.; making technical changes;  
6           conforming provisions to changes made by the act;  
7           creating part IV of ch. 634, F.S., entitled  
8           "Miscellaneous Provisions"; creating s. 634.601, F.S.,  
9           providing definitions; creating s. 634.602, F.S.;  
10          providing requirements for express written warranties  
11          and home warranties transferred to subsequent home  
12          purchaser; providing construction; creating s.  
13          634.603, F.S.; defining an unfair method of  
14          competition and unfair or deceptive act or practice;  
15          renaming ch. 634, F.S.; providing an effective date.

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

18  
19           Section 1. Subsection (1) of section 634.312, Florida  
20 Statutes, is amended to read:

21           634.312 Forms; required provisions and procedures.—

22           (1) Except as provided in s. 634.602: ~~All~~

23           (a) Home warranty contracts are assignable in a consumer  
24 transaction and must contain a statement informing the purchaser  
25 of the home warranty of her or his right to assign it, at least

26 | within 15 days from the date the home is sold or transferred, to  
27 | a subsequent retail purchaser of the home covered by the home  
28 | warranty and all conditions on such right of transfer.

29 |       **(b)** The home warranty company may charge an assignment fee  
30 | not to exceed \$40.

31 |       **(c)** Home warranty assignments include, but are not limited  
32 | to, the assignment from a home builder who purchased the home  
33 | warranty to a subsequent home purchaser.

34 |       Section 2. Section 634.331, Florida Statutes, is amended  
35 | to read:

36 |       634.331 Coverage of property for sale.—A home warranty may  
37 | provide coverage of residential property during the listing  
38 | period of such property for a period not to exceed 12 months,  
39 | provided that the home warranty company charges the warranty  
40 | purchaser a separately identifiable charge for the listing  
41 | period coverage in an amount equal to at least 15 percent of the  
42 | annual premium charged for the home warranty and the charge for  
43 | such coverage is due at the ~~earlier of the~~ end of the listing  
44 | period ~~or the date the sale of the residential property is~~  
45 | ~~closed.~~ The requirements in s. 634.602 apply to a home warranty  
46 | that is transferred to the home purchaser.

47 |       Section 3. Part IV of chapter 634, Florida Statutes,  
48 | consisting of sections 634.601, 634.602, and 634.603, Florida  
49 | Statutes, is created to read:

50 |

## PART IV

Miscellaneous Provisions

51  
52  
53  
54 634.601 Definitions.—As used in this part, the term:

55 (1) "Builder" means the primary contractor of a home who  
56 possesses the requisite skill, knowledge, and experience, and  
57 has the responsibility, to supervise, direct, manage, and  
58 control the contracting activities of the business organization  
59 with which she or he is connected and who has the responsibility  
60 to supervise, direct, manage, and control the construction work  
61 on a job for which she or he has obtained the building permit.  
62 Construction work includes, but is not limited to, construction  
63 of structural components.

64 (2) "Home warranty" or "warranty" has the same meaning as  
65 in s. 634.301.

66 (3) "Home warranty association" has the same meaning as in  
67 s. 634.301.

68 (4) "Indemnify" means to undertake repair or replacement  
69 of a home's structural component, or pay compensation for such  
70 repair or replacement by cash, check, or other similar means,  
71 including, but not limited to, electronic means.

72 (5) "Structural component" means one or more essential  
73 elements of a home, including, but not limited to, the roof,  
74 plumbing system, electrical system, foundation, basement,  
75 exterior or interior walls, ceilings, floors, or spray foam. As

76 used in this subsection, the term "exterior walls" includes, but  
77 is not limited to, any siding, stucco, or paint on the exterior  
78 walls.

79 634.602 Structural component indemnification or coverage.—

80 (1) If a builder is obligated on and provides a home  
81 purchaser an express written warranty that indemnifies a home  
82 purchaser against the cost of repairing the structural  
83 components of a home, the express written warranty and all  
84 indemnification rights thereunder automatically transfer to any  
85 subsequent purchaser of the home for the duration of the express  
86 written warranty.

87 (2) If a builder purchases a home warranty from a licensed  
88 home warranty association covering the structural components of  
89 a home, the home warranty and all indemnification rights  
90 thereunder automatically transfer to any subsequent purchaser  
91 for the duration of the home warranty.

92 (3) This section does not modify or extend the  
93 commencement date or the duration, or expand the scope of  
94 coverage, of the express written warranty or home warranty, as  
95 applicable, beyond the express written warranty's or home  
96 warranty's terms.

97 (4) This section does not:

98 (a) Require a builder that is obligated on and provides a  
99 home purchaser an express written warranty to obtain a license  
100 under the Florida Insurance Code, and such practice does not

101 constitute the transaction of insurance subject to the  
 102 requirements of the code, unless otherwise required by law.

103 (b) Permit the provision of indemnification against  
 104 consequential damages arising from the failure of any structural  
 105 component, which practice constitutes the transaction of  
 106 insurance subject to the requirements of the Florida Insurance  
 107 Code.

108 634.603 Unfair method of competition and unfair or  
 109 deceptive act or practice defined.—It is an unfair method of  
 110 competition and unfair or deceptive act or practice to fail to  
 111 continue to perform obligations under the terms of an express  
 112 written warranty or a home warranty transferred to a subsequent  
 113 home purchaser as required in s. 634.602.

114 Section 4. Chapter 634, Florida Statutes, entitled  
 115 "Warranty Associations," is renamed "Warranties and Warranty  
 116 Associations."

117 Section 5. This act shall take effect July 1, 2024.