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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/29/2024	.	
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The Committee on Banking and Insurance (Burgess) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

634.312 Forms; required provisions and procedures.—

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

(a) Home warranty contracts are assignable in a consumer
transaction and must contain a statement informing the purchaser



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11 of the home warranty of her or his right to assign it, at least
12 within 15 days from the date the home is sold or transferred, to
13 a subsequent retail purchaser of the home covered by the home
14 warranty and all conditions on such right of transfer.

15 (b) The home warranty company may charge an assignment fee
16 not to exceed \$40.

17 (c) Home warranty assignments include, but are not limited
18 to, the assignment from a home builder who purchased the home
19 warranty to a subsequent home purchaser.

20 Section 2. Section 634.331, Florida Statutes, is amended to
21 read:

22 634.331 Coverage of property for sale.—A home warranty may
23 provide coverage of residential property during the listing
24 period of such property for a period not to exceed 12 months,
25 provided that the home warranty company charges the warranty
26 purchaser a separately identifiable charge for the listing
27 period coverage in an amount equal to at least 15 percent of the
28 annual premium charged for the home warranty and the charge for
29 such coverage is due at the ~~earlier of the~~ end of the listing
30 period ~~or the date the sale of the residential property is~~
31 ~~closed.~~ The requirements in s. 634.602 apply to a home warranty
32 that is transferred to the home purchaser.

33 Section 3. Part IV of chapter 634, Florida Statutes,
34 consisting of sections 634.601 and 634.602, Florida Statutes, is
35 created to read:

36
37 PART IV

38 MISCELLANEOUS PROVISIONS

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40 634.601 Definitions.—As used in this part, the term:
41 (1) “Builder” means the primary contractor of a home who
42 possesses the requisite skill, knowledge, and experience, and
43 has the responsibility, to supervise, direct, manage, and
44 control the contracting activities of the business organization
45 with which he or she is connected and who has the responsibility
46 to supervise, direct, manage, and control the construction work
47 on a job for which he or she has obtained a building permit.
48 Construction work includes, but is not limited to, construction
49 of structural components.
50 (2) “Home warranty” or “warranty” has the same meaning as
51 in s. 634.301.
52 (3) “Home warranty association” has the same meaning as in
53 s. 634.301.
54 (4) “Indemnify” means to undertake repair or replacement of
55 a home’s structural component, or pay compensation for such
56 repair or replacement by cash, check, or other similar means,
57 including, but not limited to, electronic means.
58 (5) “Structural component” means one or more essential
59 elements of a home, including the roof, foundation, basement,
60 exterior or interior walls, ceilings, floors, or spray foam. As
61 used in this subsection, the term “exterior walls” includes, but
62 is not limited to, any siding, stucco, or paint on the exterior
63 walls.
64 634.602 Structural component indemnification or coverage.—
65 (1) Except as provided in this section, if a builder is
66 obligated under and provides a home purchaser an express written
67 warranty on or after January 1, 2025, that indemnifies a home
68 purchaser against the cost of repairing the structural



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69 components of a home and such warranty has not become null and
70 void or lawfully terminated under the terms of the warranty, the
71 express written warranty and all indemnification rights, terms,
72 and conditions thereunder shall automatically transfer to any
73 subsequent purchaser of the home for the duration of the express
74 written warranty.

75 (2) Except as provided in this section, if a builder
76 purchases a home warranty from a licensed home warranty
77 association on or after January 1, 2025, covering the structural
78 components of a home and such warranty has not become null and
79 void or lawfully terminated under the terms of the warranty, the
80 home warranty and all indemnification rights, terms, and
81 conditions thereunder shall automatically transfer to any
82 subsequent purchaser for the duration of the home warranty.

83 (3) With respect to home maintenance contracts:

84 (a) A home warranty that is conditioned on the continuation
85 of a maintenance contract shall automatically transfer to a
86 subsequent purchaser pursuant to subsections (1) and (2) unless
87 the subsequent purchaser declines the assignment of the
88 underlying maintenance contract. If a subsequent purchaser
89 accepts the assignment of the maintenance contract, the
90 subsequent purchaser is obligated to comply with the terms and
91 conditions of the maintenance contract, including, but not
92 limited to, the payment of consideration. A builder or home
93 warranty association must provide notice of any amounts due
94 under the maintenance contract to a subsequent purchaser at the
95 home address covered by such contract unless the subsequent
96 purchaser notifies the builder or home warranty association of a
97 preferred method of notification.



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98 (b) Unless a maintenance contract is a condition of a home
99 warranty, the home warranty does not automatically transfer to a
100 subsequent purchaser. Such maintenance contract shall transfer
101 to a subsequent purchaser only to the extent that the builder or
102 home warranty association and subsequent purchaser agree to the
103 assignment of the contract.

104 (4) A subsequent purchaser who receives the benefit of a
105 warranty being automatically transferred to him or her for the
106 duration of the home warranty pursuant to this section must
107 notify the builder or home warranty association that he or she
108 has purchased the home and therefore is the warrantee under the
109 home warranty. Such notice may be given at any time while the
110 warranty remains in effect. A builder or home warranty
111 association may not require in the terms of a warranty a shorter
112 notice period than provided for in this subsection.

113 (5) A builder may not charge a fee for a transfer of a
114 warranty which occurs automatically pursuant to this section.

115 (6) This section does not:

116 (a) Modify or extend the commencement date or the duration,
117 or expand the scope of coverage, of the express written warranty
118 or home warranty, as applicable, beyond the express written
119 warranty's or home warranty's terms.

120 (b) Require a builder or home warranty association to be
121 obligated under a warranty that has become null and void
122 pursuant to the terms of the warranty.

123 (c) Require a builder that is obligated under and provides
124 a home purchaser an express written warranty to obtain a license
125 under the Florida Insurance Code, and such practice does not
126 constitute the transaction of insurance subject to the



127 requirements of the code, unless otherwise required by law.

128 (d) Permit the provision of indemnification against
129 consequential damages arising from the failure of any structural
130 component, which practice constitutes the transaction of
131 insurance subject to the requirements of the Florida Insurance
132 Code.

133 (e) Require any subsequent purchaser to be bound by the
134 terms of a home maintenance contract unless he or she agrees to
135 the maintenance contract being assigned to him or her.

136 Section 4. Chapter 634, Florida Statutes, entitled
137 "Warranty Associations," is renamed "Warranties and Warranty
138 Associations."

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

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141 ===== T I T L E A M E N D M E N T =====

142 And the title is amended as follows:

143 Delete everything before the enacting clause
144 and insert:

145 A bill to be entitled
146 An act relating to home warranty transfers; amending
147 s. 634.312, F.S.; providing a limitation on the
148 application of provisions relating to home warranty
149 contract assignments; amending s. 634.331, F.S.;
150 making technical changes; conforming provisions to
151 changes made by the act; creating part IV of ch. 634,
152 F.S., entitled "Miscellaneous Provisions"; creating s.
153 634.601, F.S., defining terms; creating s. 634.602,
154 F.S.; providing requirements for express written
155 warranties and home warranties transferred to



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156 subsequent home purchasers; providing for the
157 assignment of maintenance contracts in certain
158 circumstances; specifying conditions for the automatic
159 transfer of home warranties that are conditions
160 included in maintenance contracts; providing
161 requirements of a subsequent purchaser who accepts the
162 assignment of a maintenance contract, and of a builder
163 or home warranty association in such instance;
164 requiring a builder or home warranty association to
165 provide certain notice to a subsequent purchaser;
166 providing that such notification be at a certain
167 address unless the builder or home warranty
168 association are notified by the purchaser of a
169 preferred method; restricting a builder or home
170 warranty association from limiting the timeframe for
171 notice by a subsequent purchaser; prohibiting a
172 builder or home warranty association from charging a
173 fee for transferring the warranty; providing
174 construction; renaming ch. 634, F.S.; providing an
175 effective date.