

By Senator Burgess

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1 A bill to be entitled
2 An act relating to assignment of home warranty
3 contracts; amending s. 634.312, F.S.; providing
4 requirements for home warranties assigned to
5 subsequent home purchasers; amending ss. 634.327 and
6 634.331, F.S.; conforming provisions to changes made
7 by the act; amending s. 634.336, F.S.; revising the
8 definition of the term "unfair methods of competition
9 and unfair or deceptive acts or practices" to include
10 failure to continue to perform obligations under home
11 warranty contracts assigned to subsequent home
12 purchasers; providing an effective date.

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

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

18 634.312 Forms; required provisions and procedures.—

19 (1) All home warranty contracts are assignable in a
20 consumer transaction and must contain a statement informing the
21 purchaser of the home warranty of her or his right to assign it,
22 at least within 15 days after ~~from the date~~ the home is sold or
23 transferred, to a subsequent retail purchaser of the home
24 covered by the home warranty and all conditions on such right of
25 transfer. The home warranty company may charge an assignment fee
26 not to exceed \$40. Home warranty assignments include, but are
27 not limited to, the assignment from a home builder who purchased
28 the home warranty to a subsequent home purchaser.

29 (a) A home warranty that is assigned to a subsequent home

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30 purchaser continues in effect as if the subsequent home
31 purchaser was the original purchaser of the home warranty.

32 (b) The home warranty company or the insurer that issues
33 the home warranty contract shall continue to be obligated under
34 the terms of the home warranty contract for a contract assigned
35 to a subsequent home purchaser under this subsection.

36 (c) The assignment of the home warranty contract to a
37 subsequent home purchaser under this subsection does not extend
38 the remaining term of the contract.

39 (d) The original purchaser of the home warranty shall
40 deliver a paper or electronic copy of the home warranty to the
41 subsequent home purchaser within 15 days after the home is sold
42 or transferred.

43 Section 2. Section 634.327, Florida Statutes, is amended to
44 read:

45 634.327 Applicability to warranty on new home.—Except as
46 provided in s. 634.312(1), this part does ~~shall~~ not apply to any
47 program offering a warranty on a new home which is underwritten
48 by an insurer licensed to do business in this ~~the~~ state when the
49 insurance policy underwriting such program has been filed with
50 and approved by the office as required by law.

51 Section 3. Section 634.331, Florida Statutes, is amended to
52 read:

53 634.331 Coverage of property for sale.—A home warranty may
54 provide coverage of residential property during the listing
55 period of such property for a period not to exceed 12 months,
56 provided that the home warranty company charges the warranty
57 purchaser a separately identifiable charge for the listing
58 period coverage in an amount equal to at least 15 percent of the

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59 annual premium charged for the home warranty and the charge for
60 such coverage is due at the earlier of the end of the listing
61 period or the date the sale of the residential property is
62 closed. If, after the sale, the home purchaser decides to keep
63 the home warranty, the requirements in s. 634.312(1) apply to
64 the home warranty contract assigned to the home purchaser.

65 Section 4. Present subsections (6) through (9) of section
66 634.336, Florida Statutes, are redesignated as subsections (7)
67 through (10), respectively, and a new subsection (6) is added to
68 that section, to read:

69 634.336 Unfair methods of competition and unfair or
70 deceptive acts or practices defined.—The following methods,
71 acts, or practices are defined as unfair methods of competition
72 and unfair or deceptive acts or practices:

73 (6) FAILURE TO CONTINUE TO PERFORM OBLIGATIONS UNDER
74 ASSIGNED CONTRACTS.—Failing to continue to perform obligations
75 under the terms of a home warranty contract assigned to a
76 subsequent home purchaser as required in s. 634.312(1).

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