

By Senator Garcia

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1                   A bill to be entitled  
2       An act relating to applicability of valued policy law  
3       to surplus lines insurers; amending s. 626.926, F.S.;  
4       requiring surplus lines insurers to comply with the  
5       valued policy law under certain circumstances;  
6       amending s. 627.702, F.S.; defining the term "insurer"  
7       to include surplus lines insurers for the purpose of  
8       the valued policy law; amending ss. 627.7011 and  
9       627.7142, F.S.; conforming cross-references; providing  
10      an effective date.

11  
12 Be It Enacted by the Legislature of the State of Florida:

13  
14       Section 1. Present subsection (2) of section 626.926,  
15 Florida Statutes, is redesignated as subsection (3), and a new  
16 subsection (2) is added to that section, to read:

17       626.926 Liability of insurer as to losses and unearned  
18 premiums; valued policy law.—

19       (2) Each unauthorized insurer assuming a surplus lines  
20 direct risk under this Surplus Lines Law and issuing property or  
21 casualty insurance coverage shall comply with the valued policy  
22 law, as applicable, under s. 627.702.

23       Section 2. Section 627.702, Florida Statutes, is amended to  
24 read:

25       627.702 Valued policy law.—

26       (1) Beginning July 1, 2025, as used in this section, the  
27 term "insurer" includes an unauthorized insurer assuming a  
28 surplus lines direct risk under the Surplus Lines Law, ss.  
29 626.913-626.937, and issuing property or casualty insurance

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30 coverage.

31 (2) (a) ~~(1) (a)~~ In the event of the total loss of any  
32 building, structure, mobile home as defined in s. 320.01(2), or  
33 manufactured building as defined in s. 553.36(13), located in  
34 this state and insured by any insurer as to a covered peril, in  
35 the absence of any change increasing the risk without the  
36 insurer's consent and in the absence of fraudulent or criminal  
37 fault on the part of the insured or one acting in her or his  
38 behalf, the insurer's liability under the policy for such total  
39 loss, if caused by a covered peril, shall be in the amount of  
40 money for which such property was so insured as specified in the  
41 policy and for which a premium has been charged and paid.

42 (b) The intent of this subsection is not to deprive an  
43 insurer of any proper defense under the policy, to create new or  
44 additional coverage under the policy, or to require an insurer  
45 to pay for a loss caused by a peril other than the covered  
46 peril. In furtherance of such legislative intent, when a loss  
47 was caused in part by a covered peril and in part by a  
48 noncovered peril, paragraph (a) does not apply. In such  
49 circumstances, the insurer's liability under this section shall  
50 be limited to the amount of the loss caused by the covered  
51 peril. However, if the covered perils alone would have caused  
52 the total loss, paragraph (a) shall apply. The insurer is never  
53 liable for more than the amount necessary to repair, rebuild, or  
54 replace the structure following the total loss, after  
55 considering all other benefits actually paid for the total loss.

56 (c) It is the intent of the Legislature that the amendment  
57 to this section ~~shall~~ not be applied retroactively and ~~shall~~  
58 apply only to claims filed after the effective date of such

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59 amendment.

60 (3)~~(2)~~ In the case of a partial loss by fire or lightning  
61 of any such property, the insurer's liability, if any, under the  
62 policy shall be for the actual amount of such loss but may ~~shall~~  
63 not exceed the amount of insurance specified in the policy as to  
64 such property and such peril.

65 (4)~~(3)~~ ~~The provisions of Subsections (2) and (3)~~ (1) and  
66 ~~(2)~~ do not apply when:

67 (a) Insurance policies are issued or renewed by more than  
68 one company insuring the same building, structure, mobile home,  
69 or manufactured building, and the existence of such additional  
70 insurance is not disclosed by the insured to all insurers  
71 issuing such policies;

72 (b) Two or more buildings, structures, mobile homes, or  
73 manufactured buildings are insured under a blanket form for a  
74 single amount of insurance; or

75 (c) The completed value of a building, structure, mobile  
76 home, or manufactured building is insured under a builder's risk  
77 policy.

78 (5)~~(4)~~ The amount of any loss referred to in ~~subsection (1)~~  
79 ~~or~~ subsection (2) or subsection (3) ~~is shall be~~ subject to any  
80 coinsurance clause contained in the policy pursuant to s.  
81 627.701.

82 (6)~~(5)~~ This section does not apply as to personal property  
83 or any interest therein, except with respect to mobile homes as  
84 defined in s. 320.01(2) or manufactured buildings as defined in  
85 s. 553.36(13). Nor does this section apply to coverage of an  
86 appurtenant structure or other structure or any coverage or  
87 claim in which the dollar amount of coverage available as to the

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88 structure involved is not directly stated in the policy as a  
89 dollar amount specifically applicable to that particular  
90 structure.

91 (7)~~(6)~~ With regard to mobile homes included in subsection  
92 (2) ~~(1)~~, any total loss shall be adjusted on the basis of the  
93 amount of money for which such property was insured as specified  
94 in the policy, whether on an actual cash value basis,  
95 replacement cost basis, or stated amount, and for which a  
96 premium has been charged and paid only if the insured has  
97 elected to purchase such coverage at the inception of the  
98 policy. However, when coverage is written for a mobile home on  
99 any basis other than stated value, a complete disclosure of the  
100 relative cost between that policy and the stated value policy  
101 shall be made to the insured on a form and in a format approved  
102 by the office. Such forms shall disclose and describe the  
103 differences between the types of policies and shall be signed by  
104 the insured. Copies shall be maintained in the insurer's file,  
105 and a copy shall be made available to the insured. Each insurer  
106 licensed to write insurance covering mobile homes shall make  
107 such stated value coverage available at the option of the  
108 insured.

109 (8)~~(7)~~ This section does not prohibit ~~Nothing herein shall~~  
110 ~~be construed as prohibiting~~ an insurer from repairing or  
111 replacing damaged property at its own expense and without  
112 contribution on the part of the insured except, as provided in  
113 subsection (7) ~~(6)~~, when an insured has elected to purchase  
114 stated value coverage. Such repair or replacement of damaged  
115 property shall be in lieu of any liability created by subsection  
116 (2) ~~(1)~~; and any insurer so repairing or replacing shall have no

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117 liability pursuant to subsection (2) ~~(1)~~, provided such insurer  
118 returns to the named insured a portion of the premium, for all  
119 policy terms during which the policy limits were the same as  
120 those in effect on the date on which the loss occurred, equal to  
121 that portion of the premium paid for limits of insurance on the  
122 structure in excess of the cost of replacement.

123 (9)~~(8)~~ Any property insurer may, by an appropriate rider or  
124 endorsement or otherwise, provide insurance indemnifying the  
125 insured for the difference between the insurable value of the  
126 insured property at the time any loss or damage occurs, and the  
127 amount actually expended to repair, rebuild, or replace within  
128 this state, with new materials of like size, kind, and quality,  
129 such property as has been damaged or destroyed.

130 Section 3. Paragraph (e) of subsection (6) of section  
131 627.7011, Florida Statutes, is amended to read:

132 627.7011 Homeowners' policies; offer of replacement cost  
133 coverage and law and ordinance coverage.—

134 (6) This section does not:

135 (e) Prohibit an insurer from exercising its right to repair  
136 damaged property in compliance with its policy and s. 627.702(8)  
137 ~~s. 627.702(7)~~.

138 Section 4. Section 627.7142, Florida Statutes, is amended  
139 to read:

140 627.7142 Homeowner Claims Bill of Rights.—An insurer  
141 issuing a personal lines residential property insurance policy  
142 in this state must provide a Homeowner Claims Bill of Rights to  
143 a policyholder within 14 days after receiving an initial  
144 communication with respect to a claim. The purpose of the bill  
145 of rights is to summarize, in simple, nontechnical terms,

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146 existing Florida law regarding the rights of a personal lines  
147 residential property insurance policyholder who files a claim of  
148 loss. The Homeowner Claims Bill of Rights is specific to the  
149 claims process and does not represent all of a policyholder's  
150 rights under Florida law regarding the insurance policy. The  
151 Homeowner Claims Bill of Rights does not create a civil cause of  
152 action by any individual policyholder or class of policyholders  
153 against an insurer or insurers. The failure of an insurer to  
154 properly deliver the Homeowner Claims Bill of Rights is subject  
155 to administrative enforcement by the office but is not  
156 admissible as evidence in a civil action against an insurer. The  
157 Homeowner Claims Bill of Rights does not enlarge, modify, or  
158 contravene statutory requirements, including, but not limited  
159 to, ss. 626.854, 626.9541, 627.70131, 627.7015, and 627.7074,  
160 and does not prohibit an insurer from exercising its right to  
161 repair damaged property in compliance with the terms of an  
162 applicable policy or ss. 627.7011(6)(e) and 627.702(8)  
163 ~~627.702(7)~~. The Homeowner Claims Bill of Rights must state:

## HOMEOWNER CLAIMS

## BILL OF RIGHTS

166 This Bill of Rights is specific to the claims process and does  
167 not represent all of your rights under Florida law regarding  
168 your policy. There are also exceptions to the stated timelines  
169 when conditions are beyond your insurance company's control.  
170 This document does not create a civil cause of action by an  
171 individual policyholder, or a class of policyholders, against an  
172 insurer or insurers and does not prohibit an insurer from  
173 exercising its right to repair damaged property in compliance  
174 with the terms of an applicable policy.

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175 YOU HAVE THE RIGHT TO:

176 1. Receive from your insurance company an acknowledgment of  
177 your reported claim within 7 days after the time you  
178 communicated the claim.

179 2. Upon written request, receive from your insurance  
180 company within 30 days after you have submitted a complete  
181 proof-of-loss statement to your insurance company,  
182 confirmation that your claim is covered in full, partially  
183 covered, or denied, or receive a written statement that  
184 your claim is being investigated.

185 3. Receive from your insurance company a copy of any  
186 detailed estimate of the amount of the loss within 7 days  
187 after the estimate is generated by the insurance company's  
188 adjuster.

189 4. Within 60 days, subject to any dual interest noted in  
190 the policy, receive full settlement payment for your claim  
191 or payment of the undisputed portion of your claim, or your  
192 insurance company's denial of your claim.

193 5. Receive payment of interest, as provided in s.  
194 627.70131, Florida Statutes, from your insurance company,  
195 which begins accruing from the date your claim is filed if  
196 your insurance company does not pay full settlement of your  
197 initial, reopened, or supplemental claim or the undisputed  
198 portion of your claim or does not deny your claim within 60  
199 days after your claim is filed. The interest, if  
200 applicable, must be paid when your claim or the undisputed  
201 portion of your claim is paid.

202 6. Free mediation of your disputed claim by the Florida  
203 Department of Financial Services, Division of Consumer

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204 Services, under most circumstances and subject to certain  
205 restrictions.

206 7. Neutral evaluation of your disputed claim, if your claim  
207 is for damage caused by a sinkhole and is covered by your  
208 policy.

209 8. Contact the Florida Department of Financial Services,  
210 Division of Consumer Services' toll-free helpline for  
211 assistance with any insurance claim or questions pertaining  
212 to the handling of your claim. You can reach the Helpline  
213 by phone at ...(toll-free phone number)..., or you can seek  
214 assistance online at the Florida Department of Financial  
215 Services, Division of Consumer Services' website at  
216 ...(website address)....

217 YOU ARE ADVISED TO:

- 218 1. File all claims directly with your insurance company.
- 219 2. Contact your insurance company before entering into any  
220 contract for repairs to confirm any managed repair policy  
221 provisions or optional preferred vendors.
- 222 3. Make and document emergency repairs that are necessary  
223 to prevent further damage. Keep the damaged property, if  
224 feasible, keep all receipts, and take photographs or video  
225 of damage before and after any repairs to provide to your  
226 insurer.
- 227 4. Carefully read any contract that requires you to pay  
228 out-of-pocket expenses or a fee that is based on a  
229 percentage of the insurance proceeds that you will receive  
230 for repairing or replacing your property.
- 231 5. Confirm that the contractor you choose is licensed to do  
232 business in Florida. You can verify a contractor's license



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233 and check to see if there are any complaints against him or  
234 her by calling the Florida Department of Business and  
235 Professional Regulation. You should also ask the contractor  
236 for references from previous work.

237 6. Require all contractors to provide proof of insurance  
238 before beginning repairs.

239 7. Take precautions if the damage requires you to leave  
240 your home, including securing your property and turning off  
241 your gas, water, and electricity, and contacting your  
242 insurance company and provide a phone number where you can  
243 be reached.

244 Section 5. This act shall take effect July 1, 2025.