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1                   A bill to be entitled  
2     An act relating to insurance; amending s. 627.40951,  
3     F.S., relating to standard personal lines residential  
4     insurance policy; providing application to certain  
5     commercial lines residential property insurance  
6     policies; amending s. 627.4137, F.S.; specifying that  
7     upon written request of a claimant, an insurer  
8     providing liability insurance coverage must disclose  
9     certain information to the claimant within a specified  
10    time after the written request; amending s. 627.701,  
11    F.S.; authorizing a surplus lines carrier to issue  
12    real or personal property coverage containing a  
13    coinsurance clause imposing liability on the insured  
14    only under certain circumstances; requiring a policy  
15    containing a separate windstorm deductible or  
16    coinsurance provision to include certain disclosures  
17    in boldfaced type; voiding separate deductibles for  
18    hurricane or windstorm coverage if a policy fails to  
19    comply with required disclosures relating to separate  
20    deductibles; providing that the applicable deductible  
21    in such policy reverts to the all covered perils  
22    deductible under certain circumstances; specifying  
23    that certain policies that contain commercial lines  
24    residential coverage must include specified statements  
25    relating to dwelling policy limits and deductibles;  
26    voiding separate deductibles for hurricane or  
27    windstorm coverage if certain policies containing  
28    commercial lines residential coverage fail to make the

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required disclosures relating to dwelling policy limits and deductibles; providing that the applicable separate deductibles in certain policies that contain commercial lines residential coverage revert to the applicable all covered perils deductible under certain circumstances; providing an effective date.

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

Section 1. Subsection (1) of section 627.40951, Florida Statutes, is amended to read:

627.40951 Standard personal lines residential insurance policy.—

(1) The Legislature finds that many consumers who filed property loss claims as a result of the hurricanes that struck this state in 2004 were inadequately insured due to the difficulty consumers encounter in trying to understand the complex nature of property insurance policies. The purpose and intent of this section is to have property and casualty insurers offer standard personal lines residential property insurance policies and standard checklists of policy contents, in accordance with s. 627.4143, to consumers and to ensure that these policies and checklists are written in a simple format with easily readable language that will enable most consumers to understand the principal benefits and coverage provided in the policy; the principal exclusions and limitations or reductions contained in the policy, including, but not limited to, deductibles, coinsurance, and any other limitations or

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57 reductions; and any additional coverage provided through any  
58 rider or endorsement that accompanies the policy and renewal or  
59 cancellation provisions. Beginning July 1, 2012, this subsection  
60 applies to commercial lines residential property insurance  
61 policies entered into on or after that date.

62 Section 2. Subsection (1) of section 627.4137, Florida  
63 Statutes, is amended to read:

64 627.4137 Disclosure of certain information required.—

65 (1) Each insurer which does or may provide liability  
66 insurance coverage to pay all or a portion of any claim which  
67 might be made shall provide, within 30 days after ~~of~~ the written  
68 request of the claimant, a statement, under oath, of a corporate  
69 officer or the insurer's claims manager or superintendent  
70 setting forth the following information with regard to each  
71 known policy of insurance, including excess or umbrella  
72 insurance:

73 (a) The name of the insurer.

74 (b) The name of each insured.

75 (c) The limits of the liability coverage.

76 (d) A statement of any policy or coverage defense which  
77 such insurer reasonably believes is available to such insurer at  
78 the time of filing such statement.

79 (e) A copy of the policy.

80  
81 In addition, the insured, or her or his insurance agent, upon  
82 written request of the claimant or the claimant's attorney,  
83 shall disclose the name and coverage of each known insurer to  
84 the claimant and shall forward such request for information as

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85 required by this subsection to all affected insurers. The  
86 insurer shall then supply the information required in this  
87 subsection to the claimant within 30 days after ~~of~~ receipt of  
88 such request.

89 Section 3. Subsection (1), paragraph (a) of subsection  
90 (4), and subsection (8) of section 627.701, Florida Statutes,  
91 are amended to read:

92 627.701 Liability of insureds; coinsurance; deductibles.—

93 (1) A property insurer, including any surplus lines  
94 carrier issuing a policy of insurance in this state, may issue  
95 an insurance policy or contract covering either real or personal  
96 property in this state which contains provisions requiring the  
97 insured to be liable as a coinsurer with the insurer issuing the  
98 policy for any part of the loss or damage by covered peril to  
99 the property described in the policy only if:

100 (a) The following words are printed or stamped on the face  
101 of the policy, or a form containing the following words is  
102 attached to the policy: "Coinsurance contract: The rate charged  
103 in this policy is based upon the use of the coinsurance clause  
104 attached to this policy, with the consent of the insured.";

105 (b) The coinsurance clause in the policy is clearly  
106 identifiable; and

107 (c) The rate for the insurance with or without the  
108 coinsurance clause is furnished the insured upon his or her  
109 request.

110 (4)(a) Any policy that contains a separate hurricane or  
111 windstorm deductible of any kind must on its face include in  
112 boldfaced type no smaller than 18 points the following

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113 statement: "THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR  
114 HURRICANE OR WINDSTORM LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-  
115 POCKET EXPENSES TO YOU." A policy containing a coinsurance  
116 provision applicable to hurricane or windstorm losses must on  
117 its face include in boldfaced type no smaller than 18 points the  
118 following statement: "THIS POLICY CONTAINS A CO-PAY PROVISION  
119 THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."  
120 Beginning July 1, 2012, failure to comply with this paragraph  
121 voids any separate deductible for hurricane or windstorm losses  
122 contained in a policy entered into on or after that date, and  
123 the otherwise applicable separate deductible in the policy must  
124 then revert to the all covered perils deductible applicable to  
125 the policy.

126 (8) Notwithstanding the other provisions of this section  
127 or of other law, but only as to hurricane coverage as defined in  
128 s. 627.4025 for commercial lines residential coverages:r

129 (a) An insurer may offer a deductible in an amount not  
130 exceeding 10 percent of the insured value if, at the time of  
131 such offer and at each renewal, the insurer also offers to the  
132 policyholder a deductible in the amount of 3 percent of the  
133 insured value. Nothing in this subsection prohibits any  
134 deductible otherwise authorized by this section. All forms by  
135 which the offers authorized in this subsection are made or  
136 required to be made shall be on forms that are adopted or  
137 approved by the commission or office.

138 (b) For any insurance contract entered into on or after  
139 July 1, 2012, which contains such coverage, the policy must:

140 1. State on the declarations page the dwelling policy

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limits as an aggregate dollar amount and the deductible in an aggregate dollar amount in addition to any stated percentage.

2. If the dwelling policy limits are calculated on a per building basis, clearly state any deductible on a per building basis and identify on the same page the dollar amount of any deductible for each building.

3. Comply with this paragraph, and any failure to comply voids any separate deductible for hurricane or windstorm losses contained in the policy, and results in the reversion of an otherwise applicable separate deductible in the policy to the all covered perils deductible applicable to the policy.

Section 4. This act shall take effect July 1, 2012.