

By Senator Ring

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1 A bill to be entitled
2 An act relating to residential property insurance;
3 amending s. 627.40951, F.S., relating to checklists of
4 policy contents; applying provisions to commercial
5 lines residential insurance policies entered into on
6 or after a certain date; deleting obsolete provisions;
7 amending s. 627.4137, F.S.; revising provisions
8 relating to the disclosure of certain insurer and
9 policy information to claimants; amending s. 627.701,
10 F.S.; revising provisions relating to deductibles
11 included in policies entered into on or after a
12 certain date; allowing deductibles for windstorm
13 losses; providing that the failure to provide certain
14 statements on a policy will result in voiding certain
15 deductibles; providing that the deductible for
16 hurricane losses is based on dwelling policy limits
17 for insurance contracts entered into on or after a
18 certain date, specifying that certain provisions
19 relating to deductibles must be stated in the policy,
20 capping the amount of the deductible, and providing
21 that failure to provide certain notice requirements
22 voids a separate deductible for hurricane or windstorm
23 losses; providing an effective date.

24
25 Be It Enacted by the Legislature of the State of Florida:

26
27 Section 1. Section 627.40951, Florida Statutes, is amended
28 to read:

29 627.40951 Standard personal and commercial lines

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30 residential insurance policy.-

31 (1) The Legislature finds that many consumers who filed
32 property loss claims as a result of the hurricanes that struck
33 this state in 2004 were inadequately insured due to the
34 difficulty consumers encounter in trying to understand the
35 complex nature of property insurance policies. The purpose and
36 intent of this section is to require ~~have~~ property and casualty
37 insurers to offer standard personal and commercial lines
38 residential property insurance policies and standard checklists
39 of policy contents, in accordance with s. 627.4143 if
40 applicable, to consumers and to ensure that these policies and
41 checklists are written in a simple format with easily readable
42 language that will enable most consumers to understand the
43 principal benefits and coverage provided in the policy; the
44 principal exclusions and limitations or reductions contained in
45 the policy, including, ~~but not limited to,~~ deductibles,
46 coinsurance, and any other limitations or reductions; and any
47 additional coverage provided through any rider or endorsement
48 that accompanies the policy and renewal or cancellation
49 provisions.

50 ~~(2) The Chief Financial Officer shall appoint an advisory~~
51 ~~committee composed of two representatives of insurers currently~~
52 ~~selling personal lines residential property insurance coverage,~~
53 ~~two representatives of property and casualty agents, two~~
54 ~~representatives of consumers, two representatives of the~~
55 ~~Commissioner of Insurance Regulation, and the Insurance Consumer~~
56 ~~Advocate or her or his designee. The Chief Financial Officer or~~
57 ~~her or his designee shall serve as chair of the committee. The~~
58 ~~committee shall develop policy language for coverage that~~

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59 ~~represents general industry standards in the market for~~
60 ~~comprehensive coverage under personal lines residential~~
61 ~~insurance policies and shall develop a checklist to be used with~~
62 ~~each type of personal lines residential property insurance~~
63 ~~policy. The committee shall review policies and related forms~~
64 ~~written by Insurance Services Office, Inc. The committee shall~~
65 ~~file a report containing its recommendations to the President of~~
66 ~~the Senate and the Speaker of the House of Representatives by~~
67 ~~January 15, 2006. An no insurer is not shall be required to~~
68 ~~offer the standard personal or commercial lines residential~~
69 ~~property insurance policy unless required by further act of the~~
70 ~~Legislature.~~

71 (3) This section applies to commercial lines residential
72 property insurance policies entered into on or after July 1,
73 2012.

74 Section 2. Section 627.4137, Florida Statutes, is amended
75 to read:

76 627.4137 Disclosure of certain information required.-

77 (1) Upon the written request of the claimant or the
78 claimant's attorney, the insured, or her or his insurance agent,
79 shall disclose the name and coverage of each insurer that may
80 pay all or a portion of any liability claim by a claimant and
81 forward such request to all affected insurers within 30 days
82 after the request.

83 (2)(1) Each insurer that ~~which does or~~ may provide
84 liability insurance coverage to pay all or a portion of any
85 claim that ~~which~~ might be made shall provide, within 30 days
86 after receipt of the written request of the claimant, a
87 statement, under oath, of a corporate officer or the insurer's

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88 claims manager or superintendent setting forth the following
89 information with regard to each known policy of insurance,
90 including excess or umbrella insurance:

91 (a) The name of the insurer.

92 (b) The name of each insured.

93 (c) The limits of the liability coverage.

94 (d) A statement of any policy or coverage defense that
95 ~~which~~ such insurer reasonably believes is available to such
96 insurer at the time of filing such statement.

97 (e) A copy of the policy.

98
99 ~~In addition, the insured, or her or his insurance agent, upon~~
100 ~~written request of the claimant or the claimant's attorney,~~
101 ~~shall disclose the name and coverage of each known insurer to~~
102 ~~the claimant and shall forward such request for information as~~
103 ~~required by this subsection to all affected insurers. The~~
104 ~~insurer shall then supply the information required in this~~
105 ~~subsection to the claimant within 30 days of receipt of such~~
106 ~~request.~~

107 (3)-(2) The statement required by paragraph (2) (d) must
108 ~~subsection (1) shall~~ be amended immediately upon discovery of
109 facts calling for an amendment to such statement.

110 (4)-(3) Any request made to a self-insured corporation
111 pursuant to this section shall be sent by certified mail to the
112 registered agent of the disclosing entity.

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

116 627.701 Liability of insureds; coinsurance; deductibles.-

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117 (1) A property insurer, including a surplus line carrier
118 issuing a policy of insurance in this state, may issue an
119 insurance policy or contract covering ~~either~~ real or personal
120 property in this state which requires ~~contains provisions~~
121 ~~requiring~~ the insured to be liable as a coinsurer with the
122 insurer issuing the policy for any part of the loss or damage by
123 covered peril to the property described in the policy only if:

124 (a) The following words are printed or stamped on the face
125 of the policy, or a form containing the following words is
126 attached to the policy: "Coinsurance contract: The rate charged
127 in this policy is based upon the use of the coinsurance clause
128 attached to this policy, with the consent of the insured.";

129 (b) The coinsurance clause in the policy is clearly
130 identifiable; and

131 (c) The rate for the insurance with or without the
132 coinsurance clause is furnished the insured upon his or her
133 request.

134 (4) (a) A Any policy that contains any type of a separate
135 hurricane or windstorm deductible must, on its face, include in
136 at least 18-point, boldfaced type ~~no smaller than 18 points~~ the
137 following statement: "THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE
138 FOR HURRICANE OR WINDSTORM LOSSES, WHICH MAY RESULT IN HIGH OUT-
139 OF-POCKET EXPENSES TO YOU." A policy containing a coinsurance
140 provision applicable to hurricane or windstorm losses must, on
141 its face, include in at least 18-point, boldfaced type ~~no~~
142 ~~smaller than 18 points~~ the following statement: "THIS POLICY
143 CONTAINS A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-
144 POCKET EXPENSES TO YOU." Failure to comply with this paragraph
145 voids any separate deductible for hurricane or windstorm losses

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146 and the policy reverts to the all-covered-perils deductible
147 included on policies entered into on or after July 1, 2012.

148 (8) Notwithstanding ~~the~~ other provisions of this section or
149 ~~of~~ other law, but only as to hurricane coverage as defined in s.
150 627.4025(2) for commercial lines residential coverages, an
151 insurer may offer a deductible ~~in an amount~~ not exceeding 10
152 percent of the dwelling policy limits insured value if, at the
153 time of such offer and at each renewal, the insurer also offers
154 ~~to the policyholder~~ a deductible ~~in the amount~~ of 3 percent of
155 the dwelling policy limits insured value. ~~Nothing in~~

156 (a) This subsection does not prohibit ~~prohibits~~ any
157 deductible otherwise authorized by this section.

158 (b) All forms by which the offers authorized in this
159 subsection are made or required to be made ~~must shall~~ be ~~on~~
160 ~~forms that are~~ adopted or approved by the commission or office.

161 (c) For insurance contracts entered into on or after July
162 1, 2012:

163 1. The policy must state on the declarations page the
164 dwelling policy limits as an aggregate dollar amount and the
165 deductible as an aggregate dollar amount, as well as the
166 percentage.

167 2. If the deductible is stated on a per-building basis, the
168 dwelling policy limits must also be clearly stated on a per-
169 building basis and the dollar amount of the deductible for each
170 building must also be identified on the same page.

171 3. Failure to comply with the provisions of this section
172 voids any separate deductible for hurricane or windstorm losses,
173 and the applicable deductible for the policy reverts to the
174 policy's all-covered-perils deductible.

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175 (d) As used in this subsection, the term "dwelling policy
176 limits" means the maximum amount of insurance coverage on the
177 building structure itself as stated on the declarations page of
178 the policy, not including coverage for alternative living
179 expenses, contents, loss of income, or any other optional
180 coverage.

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