



RPPTL Insurance Committee

2024 Legislation

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French Brown

2024 Regular Session

January 9, 2024 – March 8, 2024

1678 General Bills filed

Senate President Passidomo



House Speaker Renner



Citizens Property Insurance: SB 1716 (Boyd) & HB 1503 (Esposito)

The bill makes statutory changes to facilitate the transition of Citizens Property Insurance Corporation from a structure where Citizens policies are held in three different accounts (a personal lines account, commercial account, and a coastal account) to a structure where all Citizens policies are held in a single account (the Citizens account).

The bill revises Citizens eligibility criteria for any dwelling or rental property that is not a primary residence. The bill defines a “primary residence” as a dwelling that is the policyholder’s primary home or is a rental property that is the primary home of the tenant, and which the policyholder or tenant occupies for more than 9 months of each year.

The bill would no longer require that an offer of coverage from a private market insurer meet the following criteria in order for such offer to render a personal lines residential risk that is not a primary residence ineligible for Citizens coverage:

- The offer must be from an authorized insurer;
- The policy offered by the authorized insurer must provide comparable coverage to that provided in a Citizens policy; and
- The premium for coverage from the authorized insurer is not more than 20 percent greater than the Citizens premium for a new Citizens policy or, for a current Citizens policyholder, the Citizens renewal premium.

The bill limits to primary residences the policyholder choice provisions of s. 627.3517, F.S., which generally provide a Citizens personal lines residential policyholder the right to remain with their agent if the agent is unable or unwilling to accept an appointment with the assuming insurer.

Citizens Property Insurance:

SB 1716 (Boyd) & HB 1503 (Esposito)

The bill also allows surplus lines insurers that have an "A" financial strength rating from A.M Best to make "take-out" offers to primary residences if the surplus lines insurer's take out plan is approved by the Office of Insurance Regulation and the surplus lines insurer's personal lines residential risk program is managed by a Florida resident surplus lines broker.

The bill applies provisions governing agent commissions when an agent is unwilling or unable to accept an appointment with an authorized insurer that has made a successful take-out offer to an agent for a risk that is a non-primary residence or a commercial residential risk if the agent fails to be licensed as a surplus lines agent that has made a successful take-out offer. In that situation the insurer assuming the policy must pay the producing agent the greater of the insurer's usual and customary agent commission or Citizens' usual and customary agent commission.

The bill also allows surplus lines insurers meeting the aforementioned criteria to make offers of commercial residential coverage (an example of which is a condominium association policy) that render the risk ineligible for Citizens if the offer is at the surplus lines insurer's approved rate and the policy includes wind coverage. Under current law, which is unchanged by the bill, offers from authorized or admitted insurers will only render such risks ineligible for Citizens if the policy offered by the insurer provides comparable coverage to a Citizens policy and the premium for such policy is not more than the Citizens premium for a new Citizens policy or, for a current Citizens policyholder, the Citizens renewal premium.

Citizens Property Insurance:

SB 1716 (Boyd) & HB 1503 (Esposito)

- Deletes language prohibiting the application of the Division of Administrative Hearing's bond requirements related to Citizens bid protest hearings.
- Authorizes Citizens to exempt from assessment liability the policyholders of a surplus lines carrier that takes policies out of Citizens under a depopulation program.
- Allows licensed surplus lines agents access to confidential and exempt claims files for the purpose of considering whether to write a risk currently insured by Citizens.
- Authorizes Citizens to share its claims data with the National Insurance Crime Bureau (NICB), so long as the NICB maintains the confidentiality of certain documents.
- Authorizes Citizens to acquire patents, trademarks, and copyrights on work products and take action to enforce its rights therein.
- Provides that the eligibility requirements detailed in s. 627.3518, F.S., the Citizens clearinghouse statute, only apply to primary residences as defined by the bill.

Property Insurance Coverage: HB 625 (Buchanan)

Citizens Property Insurance Corporation:

Citizens is prohibited from issuing wind-only policies to commercial lines residential condominiums when 50 percent or more of the units in the condominium are rented more than eight times per calendar year for less than 30 days in each rental period (short-term rentals).

The bill allows eligibility for condominiums that are currently ineligible for wind-only coverage due to short-term rental status. They become eligible for wind-only policies at an actuarially sound and noncompetitive rate that is not subject to the glide path generally applied to Citizens' rates.

Property Insurance Coverage: HB 625 (Buchanan)

Loss Assessment Coverage

Loss assessment coverage is insurance coverage for condominium unit owners that provides protection for situations where the owner of a condominium unit, as the owner of shared property, is held financially responsible for certain occurrences. Florida law requires that property insurance policies held by condominium unit owners include a minimum property loss assessment coverage of \$2,000 for all assessments made because of the same direct loss to the condominium property.

The bill provides that property insurance policies issued to residential condominium unit owners on or after July 1, 2024, must contain at least \$5,000 in property loss assessment coverage.

Property Insurance Coverage: HB 625 (Buchanan)

Roof Inspections

Insurers may not refuse to issue or refuse to renew a homeowners' policy insuring a residential structure with a roof that is less than 15 years old solely because of the age of the roof. If an inspection of the roof performed by an authorized inspector shows that the roof has at least 5 years of useful life remaining, the insurer may not refuse to issue or renew a homeowners' policy solely because of roof age.

Current law does not require that authorized inspectors use a particular form to complete the roof inspection or include standards for the inspections of commercial roofs for insurance purposes.

The bill requires that authorized inspectors conducting roof inspections to determine the remaining useful life on a residential and commercial roofs use specific forms. An authorized inspector may also provide an appendix to this form which includes pictures or other documentation to demonstrate the remaining useful life of the roof.

Coverage by Citizens Property Insurance: SB 1106 (Hooper) & HB 889 (Berfield)

The legislation revises the criteria for personal lines residential structures and single condominium units to be eligible for coverage with the Citizens Property Insurance Corporation (Citizens). Effective August 1, 2024, such structures and condominium units are eligible for Citizens coverage if:

- The dwelling replacement cost of the residential structure or the combined dwelling and contents replacement cost of the single condominium unit is less than \$1 million (rather than less than \$700,000 as provided under current law); and
- For a residential structure or single condominium unit with a replacement cost of at least \$700,000 but less than \$1 million, the risk has not been offered comparable coverage from an authorized insurer at the insurer's approved rate under a standard policy including wind coverage.

Coverage by Citizens Property Insurance: SB 1106 (Hooper) & HB 889 (Berfield)

Rates for Citizens coverage on residential structures or single condominium units with a replacement cost of at least \$700,000, but less than \$1 million, will be subject to all of the following requirements:

- Rates must be actuarially sound pursuant to the Rating Law and not competitive with approved rates in the admitted voluntary market.
- For the purpose of ensuring Citizens' rates on such policies are not competitive with approved rates charged in the admitted voluntary market, after Citizens' next annual rate filing, which occurs on or after August 1, 2024, such rates are subject to an additional surcharge of the lesser of \$2,500 or 25 percent of the corporation's rate for the policy.
- After Citizens' next annual rate filing, which occurs on or after August 1, 2024, such rates are not subject to the Citizens "rate glidepath," which prohibits imposing a rate increase on any policy greater than a specified percentage (13 percent for 2024, 14 percent for 2025, and 15 percent for 2026 and thereafter).

Coverage by Citizens Property Insurance #2: SB 1428 (DiCeglie) & HB 893(Lopez)

- Revises types of policies that go to specified accounts of Citizens Property Insurance Corporation;
- Revises requirements for areas that are eligible for personal residential & commercial residential & commercial nonresidential policy coverages by corporation;
- Authorizes corporation to amend wind-eligible areas;
- Authorizes corporation to consider factors in developing new eligibility criteria & rates for policies that provide wind-only coverage.

Citizens #2:

SB 604 (Rodriguez) & HB 565(Mooney)

- Revising eligibility for coverage by the corporation in certain counties to include personal lines residential structures that have a dwelling replacement cost of less than 10 percent for any single policy issued by Citizens, excluding increases associated with coverage changes and surcharges;
- Requiring the corporation to annually implement a rate increase up to a specified percentage for any single policy issued by the corporation, excluding increases associated with coverage changes and surcharges

Department of Financial Services: SB 1098(DiCeglie) & HB 989(LaMarca)

Presuit Notice to Initiate Litigation under an Insurance Policy

- Section 10 amends s. 624.155, F.S., to allow the DFS to provide the required civil remedy notice of violation to the authorized insurer at an address designated by the insurer, rather than requiring it to be sent to the email address designated by the insurer under s. 624.422, F.S.
- Section 20 amends s. 627.70152, F.S., to allow the DFS to provide the required notice of intent to initiate litigation against an insurer to the insurer at an address designated by the insurer, rather than requiring it to be sent to the email address designated by the insurer under s. 624.422, F.S.

The Insurance Contract

- Section 19 amends s. 627.43141, F.S., to require that the renewal notice sent to the named insured containing changes in policy terms must be in bold type of not less than 14 points and included as a single page within the written notice.

Department of Financial Services: SB 1098(DiCeglie) & HB 989(LaMarca)

Division of Consumer Services

- Section 11 amends s. 624.307, F.S., to require eligible surplus lines insurers to respond, in writing or electronically, to the Division of Consumer Services within the DFS within 14 days after receipt of a written request from the Division for documents and information concerning a consumer complaint.
- This section of the bill also requires authorized insurers and eligible surplus lines insurers to file e-mail addresses with the DFS to which requests for response to consumer complaints may be directed. The insurer must designate a contact person for escalated complaint issues and must provide the name, e-mail address, and telephone number of the contact person.

Unauthorized Insurers and Surplus Lines

- Section 17 amends s. 626.929, F.S., to provide that a general lines agent while licensed as a surplus lines agent may appoint licenses with a single surplus license agent appointment pursuant to s. 624.501, F.S. Such an appointed agent may only originate surplus lines business and accept surplus lines business from other originating Florida-licensed general lines agents appointed and licensed as to the kinds of insurance involved and may compensate such agent. Such agent may not be appointed by or transact general lines insurance on behalf of an admitted insurer.

Policy Cancellations and Nonrenewals: SB 1104 (Bradley) & HB 1149 (Botana)

The legislation amends s. 627.4133, F.S., relating to cancellation and nonrenewal of property insurance policies. Specifically, the bill:

- Prohibits cancellation or nonrenewal of a commercial property insurance policy for a period of 90 days after repairs are complete related to a hurricane claim, wind claim, or a flood loss claim covered under the same or a separate policy;
- Applies the flood loss provisions to current law applicable to personal residential properties;
- Provides that for any such nonrenewal, the insurer must give at least 90 days' notice to the insured;
- Provides that if a flood loss caused by a hurricane is uncovered, the commercial property insurer may not cancel the policy until the earlier of 1 year after the loss or the completion of flood repairs; and
- Specifies circumstances where a policy may be cancelled or nonrenewed before repairs are complete.

My Safe Florida Condominium Pilot: SB 1366 (Rodriguez) & HB 1029 (Lopez / Hunschofsky)

Creates a pilot program within DFS to provide assistance associated with

- Wind certification entities,
- Hurricane mitigation inspections, and
- Inspection & grant applications.

The bill also provides mitigation grant eligibility, grant matching & maximum grant amount, mitigation projects & use of grant funds.

Condominium Windstorm Pilot: SB 802 (Rodriguez) & HB 655 (Cassel)

- Requires OIR to establish Condominium Windstorm Pilot Program for specified purpose;
- Requires office to submit certain information to Legislature by specified date;
- Requires majority vote of total voting interests of condominium association in order to participate in program;
- Requires insurance policies issued under program to align with estimated reserves of association.

Insurance:

SB 1622(Trumbull) & HB 1611 (Stevenson)

- Prohibits insurers from canceling or nonrenewing certain insurance policies under certain circumstances;
- Revises entities for which OIR is required to conduct market conduct examinations;
- Revises requirements for public housing authority self-insurance funds;
- Revises requirements for certain policies that are not subject to certain rate increase limitations under Citizens Property Insurance Corporation;

Reciprocal Insurers

- Requires reciprocal insurer to maintain certain unearned premium reserves;
- Requires domestic reciprocal insurer to meet certain requirements to maintain its eligibility for certificate of authority;
- Revises requirements for power of attorney given by subscribers of domestic reciprocal insurer to attorney in fact;
- Authorizes levy of assessments upon subscribers of certain assessable reciprocal insurers.

Insurance Claims: SB 1024(Grall) & HB 731 (Botana)

- Requires insurers to report if they receive funds as a result of a claim, settlement, or judgment, inclusive of attorney fees and costs, due to a violation of s. 817.234, s. 456.054, part X of chapter 79 400, part II of chapter 501, s. 627.732, s. 627.736(17), s. 80 817.234, or s. 817.505.
- Requires OIR to consider recovery of funds by judgment or settlement and attorney fees and costs awarded or returned for payments recovered as a result the violations above in reviewing rates.

Property Insurer Financial Strength Ratings: SB 1724(Grall) & HB 1661 (Roach)

- Requires OFR's annual insurance reports to Governor & Legislature to include financial strength ratings of property insurers against which delinquency & similar proceedings were instituted;
- Requires office to maintain information relating to financial strength ratings of property insurers & to make such information available upon request.

Personal Lines Residential Property Insurance: SB 1070 (I. Garcia) & HB 809 (A. Garcia)

- Requires insurer to offer policy that provides coverage limit on dwelling equal to unpaid principal balance of all mortgage loans on risk;
- Prohibits personal lines residential property insurer from requiring coverage limit that includes value of land upon which dwelling sits.

Access by Insureds to Claim-related Documents: SB 1726 (Martin) & HB 1287 (Cassel)

- Requiring insurers to notify the insureds and certain parties that the insureds may obtain copies of all claim-related documents upon request;
- Requiring insurers to provide to the insureds, the insureds' agents and attorneys, copies of all claim-related documents within 15 calendar days.

Insurance: [SB 1194](#) (I. Garcia)

- Creates a program for a “Credit Personal Property Insurance”;
- Specifying certain prohibitions for credit personal property insurance;
- Providing requirements for credit personal property insurance coverage;
- Providing enforcement and civil penalties;
- Requiring a mortgage guaranty insurer to establish a mortgage guaranty quality assurance program;
- Authorizing the Financial Services Commission to reduce by rule the capital and surplus requirements under certain circumstances.

Insurance Solutions Advisory Council: SB 1186 (Berman) & HB 1205 (Harris)

- Creating the advisory council within the Office of Insurance Regulation
- The council is charged to analyze and compile available data and evaluate relevant and applicable information relating to Florida's property and automobile insurance market.
- The council membership provided.
- The council must report to the Legislature annually starting October 1, 2024.

Resolution of Disputed Property Insurance Claims: SB 178 (Polsky) & HB 1439 (Waldron)

- Requiring, rather than authorizing, parties to a property insurance claims dispute to participate in mediation;
- Providing that mediation is a condition precedent to commencing litigation.

Insurance:

SB 178 (Davis) & HB 1439 (Driskell)

- Creates Property Insurance Commission; provides powers & duties of commission;
- Provides for election of Commissioner of Insurance Regulation; prohibits commissioner from engaging in certain activities or employment for specified period after leaving office;
- Requires interest earned on insurance proceeds received by mortgagees & assignees to be paid to insureds;
- Prohibits property insurers from claiming insolvency;
- Authorizes persons who engage in property insurance activities in other states to engage in insurance activities in this state;
- Prohibits property insurers from using certain defenses as claims denials;
- Requires insurance agents to advise insurance applicants of flood risk.



THANK YOU

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