

1 A bill to be entitled
2 An act relating to property insurance for wind and
3 flood; amending s. 627.062, F.S.; requiring
4 residential property insurance rate filings to account
5 for windstorm mitigation measures undertaken by
6 policyholders; amending s. 627.0629, F.S.; requiring
7 wind uplift prevention to be included in windstorm
8 damage mitigation techniques for residential property
9 insurance rate filings; amending s. 627.351, F.S.;
10 revising flood insurance coverage requirements for
11 Citizens Property Insurance Corporation; creating s.
12 627.7155, F.S.; requiring property insurers to verify
13 coverage for the peril of flood in certain
14 circumstances; prohibiting issuance of coverage for
15 the peril of wind in certain circumstances; requiring
16 an acknowledgement; specifying a type of acceptable
17 proof of coverage; providing an appropriation;
18 requiring a wind-loss mitigation study conducted by
19 the Office of Insurance Regulation; providing
20 requirements for the study; providing reporting
21 requirements; providing effective dates.

22
23 Be It Enacted by the Legislature of the State of Florida:

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25 Section 1. Paragraph (j) of subsection (2) of section

26 | 627.062, Florida Statutes, is amended to read:

27 | 627.062 Rate standards.—

28 | (2) As to all such classes of insurance:

29 | (j) With respect to residential property insurance rate
30 | filings, the rate filing must account for mitigation measures
31 | undertaken by policyholders to reduce hurricane losses and
32 | windstorm losses.

33 |

34 | The provisions of this subsection do not apply to workers'
35 | compensation, employer's liability insurance, and motor vehicle
36 | insurance.

37 | Section 2. Subsection (1) of section 627.0629, Florida
38 | Statutes, is amended to read:

39 | 627.0629 Residential property insurance; rate filings.—

40 | (1) It is the intent of the Legislature that insurers
41 | provide savings to consumers who install or implement windstorm
42 | damage mitigation techniques, alterations, or solutions to their
43 | properties to prevent windstorm losses. A rate filing for
44 | residential property insurance must include actuarially
45 | reasonable discounts, credits, or other rate differentials, or
46 | appropriate reductions in deductibles, for properties on which
47 | fixtures or construction techniques demonstrated to reduce the
48 | amount of loss in a windstorm have been installed or
49 | implemented. The fixtures or construction techniques must
50 | include, but are not limited to, fixtures or construction

51 techniques that enhance wind uplift prevention, roof strength,
52 roof covering performance, roof-to-wall strength, wall-to-floor-
53 to-foundation strength, opening protection, and window, door,
54 and skylight strength. Credits, discounts, or other rate
55 differentials, or appropriate reductions in deductibles, for
56 fixtures and construction techniques that meet the minimum
57 requirements of the Florida Building Code must be included in
58 the rate filing. The office shall determine the discounts,
59 credits, other rate differentials, and appropriate reductions in
60 deductibles that reflect the full actuarial value of such
61 revaluation, which may be used by insurers in rate filings.

62 Section 3. Effective upon becoming a law, paragraph (aa)
63 of subsection (6) of section 627.351, Florida Statutes, is
64 amended to read:

65 627.351 Insurance risk apportionment plans.—

66 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

67 (aa) Except as otherwise provided in this paragraph, the
68 corporation shall require the securing and maintaining of flood
69 insurance as a condition of coverage of a personal lines
70 residential risk. The insured or applicant must execute a form
71 approved by the office affirming that flood insurance is not
72 provided by the corporation and that if flood insurance is not
73 secured by the applicant or insured from an insurer other than
74 the corporation and in addition to coverage by the corporation,
75 the risk will not be eligible for coverage by the corporation.

76 The corporation may deny coverage of a personal lines
77 residential risk to an applicant or insured who refuses to
78 secure and maintain flood insurance. The requirement to purchase
79 flood insurance shall be implemented as follows:

80 1. Except as provided in subparagraphs 2. and 3., all
81 personal lines residential policyholders must have flood
82 coverage in place for policies effective on or after:

83 a. January 1, 2024, for a structure or unit that has a
84 dwelling replacement cost of ~~property valued at~~ \$600,000 or
85 more.

86 b. January 1, 2025, for a structure or unit that has a
87 dwelling replacement cost of ~~property valued at~~ \$500,000 or
88 more.

89 c. January 1, 2026, for a structure or unit that has a
90 dwelling replacement cost of ~~property valued at~~ \$400,000 or
91 more.

92 d. January 1, 2027, for all other personal lines
93 residential property insured by the corporation.

94 2. All personal lines residential policyholders whose
95 property insured by the corporation is located within the
96 special flood hazard area defined by the Federal Emergency
97 Management Agency must have flood coverage in place:

98 a. At the time of initial policy issuance for all new
99 personal lines residential policies issued by the corporation on
100 or after April 1, 2023.

101 b. By the time of the policy renewal for all personal
102 lines residential policies renewing on or after July 1, 2023.

103 3. Policyholders whose policies issued by the corporation
104 do not provide coverage for the peril of wind are not required
105 to purchase flood insurance as a condition for maintaining their
106 policies with the corporation.

107
108 The flood insurance required under this paragraph must meet, at
109 a minimum, the coverage available from the National Flood
110 Insurance Program or the requirements of subparagraphs s.
111 627.715(1) (a)1., 2., and 3.

112 Section 4. Effective October 1, 2023, section 627.7155,
113 Florida Statutes, is created to read:

114 627.7155 Wind and flood coverage in residential and
115 commercial property insurance policies.—For residential and
116 commercial property insurance policies issued or renewed on or
117 after October 1, 2023:

118 (1) If a residential or commercial property insurer
119 requires that an insured or applicant have coverage for the
120 peril of flood when the insurer issues a policy covering the
121 peril of wind, the insurer must verify that the insured or
122 applicant has coverage for the peril of flood at the time the
123 policy is issued or renewed. If the insurer fails to verify that
124 the insured or applicant has coverage for the peril of flood,
125 the insurer may not issue or renew a policy containing coverage

126 for the peril of wind. Before issuance of coverage for the peril
 127 of wind under this subsection and upon verification of coverage
 128 for the peril of flood, the insurer must obtain a written
 129 acknowledgment from the insured or applicant that the insured or
 130 applicant understands that the policy covering the peril of wind
 131 requires that coverage for the peril of flood must be maintained
 132 by the insured or applicant.

133 (2) In addition to coverage for the peril of flood
 134 directly secured by the insured or applicant, a master flood
 135 policy that is issued to someone other than the insured or
 136 applicant and that includes the insured or applicant as an
 137 intended or third-party beneficiary under the master flood
 138 policy is acceptable proof of coverage for the peril of flood
 139 for the purposes of this section.

140 Section 5. For the 2023-2024 fiscal year, the nonrecurring
 141 sum of \$750,000 from the Insurance Regulatory Trust Fund is
 142 appropriated to the Office of Insurance Regulation to
 143 competitively procure a wind-loss mitigation study. The office,
 144 in consultation with the Department of Business and Professional
 145 Regulation and the Florida Building Commission, shall conduct a
 146 residential wind-loss mitigation study to evaluate the windstorm
 147 loss relativities for construction features, including, but not
 148 limited to, those that enhance roof strength; roof covering
 149 performance; roof-to-wall strength; wall-to-floor-to-foundation
 150 strength; opening protections; and window, door, and skylight

151 strength. The study must include single-family and multifamily
152 homes, mobile homes, and manufactured housing. In addition, the
153 study must include, but need not be limited to, an analysis of
154 developed hurricane loss data for hurricanes since June 1, 2018.
155 The office may use a portion of the funds appropriated to
156 contract separately with building code experts in order to
157 implement this act and adopt rules. The findings of the study
158 shall be reported to the Governor, the President of the Senate,
159 the Speaker of the House of Representatives, the Chief Financial
160 Officer, and the Commissioner of Insurance Regulation no later
161 than July 1, 2024.

162 Section 6. Except as otherwise expressly provided in this
163 act and except for this section, which shall take effect upon
164 this act becoming a law, this act shall take effect July 1,
165 2023.