

By Senator Jones

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1 A bill to be entitled
2 An act relating to property insurance; creating s.
3 11.91, F.S.; creating the Property Insurance
4 Commission; providing the membership of the
5 commission; providing for the appointment of the
6 commission chair and vice chair; providing for the
7 governance of the commission; providing powers and
8 duties of the commission; amending s. 20.121, F.S.;
9 providing for the election of the Commissioner of
10 Insurance Regulation; providing for the term of office
11 of the commissioner; conforming provisions to changes
12 made by the act; creating s. 112.3134, F.S.;
13 prohibiting the commissioner from engaging in certain
14 activities or employment for a specified period after
15 leaving office; providing sanctions for violations;
16 authorizing specified entities to collect specified
17 penalties; amending s. 494.0026, F.S.; requiring that
18 interest earned on insurance proceeds received by
19 mortgagees and assignees be paid to insureds; amending
20 s. 624.401, F.S.; prohibiting property insurers from
21 claiming insolvency under specified circumstances;
22 specifying a condition on insurance activities engaged
23 in within this state by a person who engages in
24 property insurance activities in another state;
25 amending s. 627.0629, F.S.; requiring residential
26 property insurers to release specified information to
27 insureds upon request; amending s. 627.701, F.S.;
28 prohibiting property insurers from using certain
29 defenses for denial of claims; amending s. 627.715,

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30 F.S.; requiring insurance agents to provide insurance
31 applicants written notice advising flood risk;
32 amending s. 627.7152, F.S.; revising requirements for
33 assignment agreements; creating s. 627.7156, F.S.;
34 requiring the Financial Services Commission to adopt
35 certain rules; requiring the Department of Financial
36 Services to adopt rules regarding its handling of
37 allegations of insurance fraud made by insurers or
38 their employees or contractors; providing requirements
39 for such rules; providing fines; requiring the Office
40 of Program Policy Analysis and Government
41 Accountability (OPPAGA) to conduct a study of the
42 effectiveness of the property insurance mediation
43 program; providing requirements for the study;
44 requiring OPPAGA to submit a report to the Legislature
45 by a specified date; amending chapter 2022-268, Laws
46 of Florida; specifying appropriations for the My Safe
47 Florida Home Program; delaying the expiration of the
48 program; conforming provisions to changes made by the
49 act; providing an effective date.

50
51 Be It Enacted by the Legislature of the State of Florida:

52
53 Section 1. Section 11.91, Florida Statutes, is created to
54 read:

55 11.91 Property Insurance Commission.—

56 (1) (a) There is created the Property Insurance Commission,
57 which shall consist of the following six members:

58 1. Two members appointed by the President of the Senate.

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59 2. One member appointed by the Minority Leader of the
60 Senate.

61 3. Two members appointed by the Speaker of the House of
62 Representatives.

63 4. One member appointed by the Minority Leader of the House
64 of Representatives.

65 (b) Each member shall serve at the pleasure of the officer
66 who appointed the member. A vacancy on the commission must be
67 filled in the same manner as the original appointment. From
68 November of each odd-numbered year through October of each even-
69 numbered year, the chair of the commission shall be appointed by
70 the President of the Senate, and the vice chair of the
71 commission shall be appointed by the Speaker of the House of
72 Representatives. From November of each even-numbered year
73 through October of each odd-numbered year, the chair of the
74 commission shall be appointed by the Speaker of the House of
75 Representatives, and the vice chair of the commission shall be
76 appointed by the President of the Senate. The terms of members
77 shall be for 2 years and shall run from the organization of one
78 Legislature to the organization of the next Legislature.

79 (2) The commission is governed by joint rules of the Senate
80 and the House of Representatives, which rules shall remain in
81 effect until repealed or amended by concurrent resolution.

82 (3) The commission may conduct its meetings through
83 teleconferences or other similar means.

84 (4) The commission must be staffed by legislative staff
85 members, as assigned by the President of the Senate and the
86 Speaker of the House of Representatives.

87 (5) The commission shall:

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88 (a) Review and evaluate the insurance marketplace and
89 studies of the various insurance markets.

90 (b) Review and comment on market data produced by the
91 Office of Insurance Regulation.

92 (c) Review and comment on the setting of reserve
93 requirements for insurers.

94 (d) Exercise any other powers and perform any other duties
95 prescribed by the Legislature.

96 Section 2. Paragraphs (a) and (d) of subsection (3) of
97 section 20.121, Florida Statutes, are amended to read:

98 20.121 Department of Financial Services.—There is created a
99 Department of Financial Services.

100 (3) FINANCIAL SERVICES COMMISSION.—Effective January 7,
101 2003, there is created within the Department of Financial
102 Services the Financial Services Commission, composed of the
103 Governor, the Attorney General, the Chief Financial Officer, and
104 the Commissioner of Agriculture, which shall for purposes of
105 this section be referred to as the commission. Commission
106 members shall serve as agency head of the Financial Services
107 Commission. The commission shall be a separate budget entity and
108 shall be exempt from the provisions of s. 20.052. Commission
109 action shall be by majority vote consisting of at least three
110 affirmative votes. The commission shall not be subject to
111 control, supervision, or direction by the Department of
112 Financial Services in any manner, including purchasing,
113 transactions involving real or personal property, personnel, or
114 budgetary matters.

115 (a) *Structure*.—The major structural unit of the commission
116 is the office. Each office shall be headed by a director. The

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117 following offices are established:

118 1. The Office of Insurance Regulation, which shall be
119 responsible for all activities concerning insurers and other
120 risk bearing entities, including licensing, rates, policy forms,
121 market conduct, claims, issuance of certificates of authority,
122 solvency, viatical settlements, premium financing, and
123 administrative supervision, as provided under the insurance code
124 or chapter 636. The head of the Office of Insurance Regulation
125 is the Director of the Office of Insurance Regulation, who may
126 also be known as the Commissioner of Insurance Regulation.
127 Beginning with the 2026 general election, the Commissioner of
128 Insurance Regulation must be elected. Each Commissioner of
129 Insurance Regulation shall serve a term of 4 years concurrent
130 with Cabinet officers as specified s. 5, Art. IV of the State
131 Constitution.

132 2. The Office of Financial Regulation, which shall be
133 responsible for all activities of the Financial Services
134 Commission relating to the regulation of banks, credit unions,
135 other financial institutions, finance companies, and the
136 securities industry. The head of the office is the Director of
137 the Office of Financial Regulation, who may also be known as the
138 Commissioner of Financial Regulation. The Office of Financial
139 Regulation shall include a Bureau of Financial Investigations,
140 which shall function as a criminal justice agency for purposes
141 of ss. 943.045-943.08 and shall have a separate budget. The
142 bureau may conduct investigations within or outside this state
143 as the bureau deems necessary to aid in the enforcement of this
144 section. If, during an investigation, the office has reason to
145 believe that any criminal law of this state has or may have been

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146 violated, the office shall refer any records tending to show
147 such violation to state or federal law enforcement or
148 prosecutorial agencies and shall provide investigative
149 assistance to those agencies as required.

150 (d) Appointment and qualification ~~qualifications~~ of the
151 Director of the Office of Financial Regulation ~~directors~~.—The
152 commission shall appoint or remove the each Director of the
153 Office of Financial Regulation by a majority vote consisting of
154 at least three affirmative votes, with both the Governor and the
155 Chief Financial Officer on the prevailing side. Before The
156 ~~minimum qualifications of the directors are as follows:~~

157 ~~1. Prior to appointment as director, the Director of the~~
158 ~~Office of Insurance Regulation must have had, within the~~
159 ~~previous 10 years, at least 5 years of responsible private~~
160 ~~sector experience working full time in areas within the scope of~~
161 ~~the subject matter jurisdiction of the Office of Insurance~~
162 ~~Regulation or at least 5 years of experience as a senior~~
163 ~~examiner or other senior employee of a state or federal agency~~
164 ~~having regulatory responsibility over insurers or insurance~~
165 ~~agencies.~~

166 ~~2. Prior to appointment as director, the Director of the~~
167 ~~Office of Financial Regulation must have had, within the~~
168 ~~previous 10 years, at least 5 years of responsible private~~
169 ~~sector experience working full time in areas within the subject~~
170 ~~matter jurisdiction of the Office of Financial Regulation or at~~
171 ~~least 5 years of experience as a senior examiner or other senior~~
172 ~~employee of a state or federal agency having regulatory~~
173 ~~responsibility over financial institutions, finance companies,~~
174 ~~or securities companies.~~

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175 Section 3. Section 112.3134, Florida Statutes, is created
176 to read:

177 112.3134 Commissioner of Insurance Regulation; Office of
178 Insurance Regulation.—

179 (1) For a period of 7 years after vacating the office as
180 Commissioner of Insurance Regulation, a person who has served as
181 Commissioner of Insurance Regulation may not do any of the
182 following:

183 (a) Personally represent another person or entity for
184 compensation before the Office of Insurance Regulation.

185 (b) Serve as an employee or contractor of an entity
186 regulated by the Office of Insurance Regulation.

187 (2) A violation of subsection (1) is punishable by any of
188 the following:

189 (a) Public censure and reprimand.

190 (b) A civil penalty not to exceed \$10,000.

191 (c) Forfeiture of any pecuniary benefits received for such
192 violation. The amount of the pecuniary benefits must be paid to
193 the General Revenue Fund.

194 (3) The Attorney General and Chief Financial Officer are
195 independently authorized to collect any penalty imposed under
196 this section.

197 Section 4. Subsection (2) of section 494.0026, Florida
198 Statutes, is amended to read:

199 494.0026 Disposition of insurance proceeds.—The following
200 provisions apply to mortgage loans held by a mortgagee or
201 assignee that is subject to part II or part III of this chapter.

202 (2) (a) Insurance proceeds received by a mortgagee or an
203 assignee ~~which~~ ~~that~~ relate to compensation for damage to

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204 property or contents insurance coverage in which the mortgagee
205 or assignee has a security interest must be promptly deposited
206 into a segregated account of a federally insured financial
207 institution.

208 (b) Any interest earned on insurance proceeds received by a
209 mortgagee or an assignee which relate to compensation for damage
210 to property or contents insurance coverage in which the
211 mortgagee or assignee has a security interest must be paid to
212 the insured.

213

214 This section may not be construed to prevent an insurance
215 company from paying the insured directly for additional living
216 expenses or paying the insured directly for contents insurance
217 coverage if the mortgagee or assignee does not have a security
218 interest in the contents.

219 Section 5. Section 624.401, Florida Statutes, is amended to
220 read:

221 624.401 Certificate of authority required; insurer
222 activities.-

223 (1) No person shall act as an insurer, and no insurer or
224 its agents, attorneys, subscribers, or representatives shall
225 directly or indirectly transact insurance, in this state except
226 as authorized by a subsisting certificate of authority issued to
227 the insurer by the office, except as to such transactions as are
228 expressly otherwise provided for in this code.

229 (2) No insurer shall from offices or by personnel or
230 facilities located in this state solicit insurance applications
231 or otherwise transact insurance in another state or country
232 unless it holds a subsisting certificate of authority issued to

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233 it by the office authorizing it to transact the same kind or
234 kinds of insurance in this state.

235 (3) This state hereby preempts the field of regulating
236 insurers and their agents and representatives; and no county,
237 city, municipality, district, school district, or political
238 subdivision shall require of any insurer, agent, or
239 representative regulated under this code any authorization,
240 permit, or registration of any kind for conducting transactions
241 lawful under the authority granted by the state under this code.

242 (4) (a) Any person who acts as an insurer, transacts
243 insurance, or otherwise engages in insurance activities in this
244 state without a certificate of authority in violation of this
245 section commits a felony of the third degree, punishable as
246 provided in s. 775.082, s. 775.083, or s. 775.084.

247 (b) However, any person acting as an insurer without a
248 valid certificate of authority who violates this section commits
249 insurance fraud, punishable as provided in this paragraph. If
250 the amount of any insurance premium collected with respect to
251 any violation of this section:

252 1. Is less than \$20,000, the offender commits a felony of
253 the third degree, punishable as provided in s. 775.082, s.
254 775.083, or s. 775.084, and the offender shall be sentenced to a
255 minimum term of imprisonment of 1 year.

256 2. Is \$20,000 or more, but less than \$100,000, the offender
257 commits a felony of the second degree, punishable as provided in
258 s. 775.082, s. 775.083, or s. 775.084, and the offender shall be
259 sentenced to a minimum term of imprisonment of 18 months.

260 3. Is \$100,000 or more, the offender commits a felony of
261 the first degree, punishable as provided in s. 775.082, s.

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262 775.083, or s. 775.084, and the offender shall be sentenced to a
263 minimum term of imprisonment of 2 years.

264 (5) (a) A property insurer may not claim insolvency in this
265 state if the insurer still acts as an insurer, transacts
266 insurance, or otherwise engages in insurance activities in any
267 state other than this state, regardless of whether these
268 insurance activities are property insurance activities.

269 (b) Effective January 1, 2025, any person who acts as a
270 property insurer, transacts property insurance, or otherwise
271 engages in property insurance activities in any state other than
272 this state may not act as an insurer, transact insurance, or
273 otherwise engage in insurance activities in this state unless
274 that person does not exclude property insurance from the
275 person's insurance transactions or activities.

276 Section 6. Subsection (10) is added to section 627.0629,
277 Florida Statutes, to read:

278 627.0629 Residential property insurance; rate filings.—

279 (10) An insurer must release to an insured all information
280 relating to an inspection or an underwriting report upon the
281 insured's request.

282 Section 7. Section 627.701, Florida Statutes, is amended to
283 read:

284 627.701 Liability of insureds; coinsurance; deductibles;
285 prohibited denials of claims.—

286 (1) A property insurer may issue an insurance policy or
287 contract covering either real or personal property in this state
288 which contains provisions requiring the insured to be liable as
289 a coinsurer with the insurer issuing the policy for any part of
290 the loss or damage by covered peril to the property described in

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291 the policy only if:

292 (a) The following words are printed or stamped on the face
293 of the policy, or a form containing the following words is
294 attached to the policy: "Coinsurance contract: The rate charged
295 in this policy is based upon the use of the coinsurance clause
296 attached to this policy, with the consent of the insured.";

297 (b) The coinsurance clause in the policy is clearly
298 identifiable; and

299 (c) The rate for the insurance with or without the
300 coinsurance clause is furnished the insured upon his or her
301 request.

302 (2) Unless the office determines that the deductible
303 provision is clear and unambiguous, a property insurer may not
304 issue an insurance policy or contract covering real property in
305 this state which contains a deductible provision that:

306 (a) Applies solely to hurricane losses.

307 (b) States the deductible as a percentage rather than as a
308 specific amount of money.

309 (c) Applies solely to a roof loss as provided in subsection
310 (10).

311 (3) (a) Except as otherwise provided in this subsection,
312 prior to issuing a personal lines residential property insurance
313 policy, the insurer must offer alternative deductible amounts
314 applicable to hurricane losses equal to \$500, 2 percent, 5
315 percent, and 10 percent of the policy dwelling limits, unless
316 the specific percentage deductible is less than \$500. The
317 written notice of the offer shall specify the hurricane
318 deductible to be applied in the event that the applicant or
319 policyholder fails to affirmatively choose a hurricane

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320 deductible. The insurer must provide such policyholder with
321 notice of the availability of the deductible amounts specified
322 in this subsection in a form approved by the office in
323 conjunction with each renewal of the policy. The failure to
324 provide such notice constitutes a violation of this code but
325 does not affect the coverage provided under the policy.

326 (b) This subsection does not apply with respect to a
327 deductible program lawfully in effect on June 14, 1995, or to
328 any similar deductible program, if the deductible program
329 requires a minimum deductible amount of no less than 2 percent
330 of the policy limits.

331 (c) With respect to a policy covering a risk with dwelling
332 limits of at least \$100,000, but less than \$250,000, the insurer
333 may, in lieu of offering a policy with a \$500 hurricane
334 deductible as required by paragraph (a), offer a policy that the
335 insurer guarantees it will not nonrenew for reasons of reducing
336 hurricane loss for one renewal period and that contains up to a
337 2 percent hurricane deductible as required by paragraph (a).

338 (d) For the following policies, the following alternative
339 deductible amounts are authorized:

340 1. With respect to a policy covering a risk with dwelling
341 limits of \$250,000 or more, the insurer need not offer the \$500
342 hurricane deductible as required by paragraph (a), but must,
343 except as otherwise provided in this subsection, offer the other
344 hurricane deductibles as required by paragraph (a).

345 2. With respect to a policy covering a risk with dwelling
346 limits of \$1 million or more, but less than \$3 million, the
347 insurer may, in lieu of offering the 2 percent deductible as
348 required by paragraph (a), offer a deductible amount applicable

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349 to hurricane losses equal to 3 percent of the policy dwelling
350 limits.

351 3. With respect to a policy covering a risk with dwelling
352 limits of \$3 million or more, the insurer need not offer the 2
353 percent deductible as required by paragraph (a), but must,
354 except as otherwise provided by this subsection, offer the other
355 hurricane deductibles as required by paragraph (a).

356 (4) (a) Any policy that contains a separate hurricane
357 deductible must on its face include in boldfaced type no smaller
358 than 18 points the following statement: "THIS POLICY CONTAINS A
359 SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN
360 HIGH OUT-OF-POCKET EXPENSES TO YOU." A policy containing a
361 coinsurance provision applicable to hurricane losses must on its
362 face include in boldfaced type no smaller than 18 points the
363 following statement: "THIS POLICY CONTAINS A CO-PAY PROVISION
364 THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."

365 (b) For any personal lines residential property insurance
366 policy containing a separate hurricane deductible, the insurer
367 shall compute and prominently display the actual dollar value of
368 the hurricane deductible on the declarations page of the policy
369 at issuance and, for renewal, on the renewal declarations page
370 of the policy or on the premium renewal notice.

371 (c) For any personal lines residential property insurance
372 policy containing an inflation guard rider, the insurer shall
373 compute and prominently display the actual dollar value of the
374 hurricane deductible on the declarations page of the policy at
375 issuance and, for renewal, on the renewal declarations page of
376 the policy or on the premium renewal notice. In addition, for
377 any personal lines residential property insurance policy

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378 containing an inflation guard rider, the insurer shall notify
379 the policyholder of the possibility that the hurricane
380 deductible may be higher than indicated when loss occurs due to
381 application of the inflation guard rider. Such notification
382 shall be made on the declarations page of the policy at issuance
383 and, for renewal, on the renewal declarations page of the policy
384 or on the premium renewal notice.

385 (d)1. A personal lines residential property insurance
386 policy covering a risk valued at less than \$500,000 may not have
387 a hurricane deductible in excess of 10 percent of the policy
388 dwelling limits, unless the following conditions are met:

389 a. The policyholder must personally write or type and
390 provide to the insurer the following statement and sign his or
391 her name, which must also be signed by every other named insured
392 on the policy, and dated: "I do not want the insurance on my
393 home to pay for the first (specify dollar value) of damage from
394 hurricanes. I will pay those costs. My insurance will not."

395 b. If the structure insured by the policy is subject to a
396 mortgage or lien, the policyholder must provide the insurer with
397 a written statement from the mortgageholder or lienholder
398 indicating that the mortgageholder or lienholder approves the
399 policyholder electing to have the specified deductible.

400 2. A deductible subject to the requirements of this
401 paragraph applies for the term of the policy and for each
402 renewal thereafter. Changes to the deductible percentage may be
403 implemented only as of the date of renewal.

404 3. An insurer shall keep the original copy of the signed
405 statement required by this paragraph, electronically or
406 otherwise, and provide a copy to the policyholder providing the

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407 signed statement. A signed statement meeting the requirements of
408 this paragraph creates a presumption that there was an informed,
409 knowing election of coverage.

410 4. The commission shall adopt rules providing appropriate
411 alternative methods for providing the statements required by
412 this section for policyholders who have a handicapping or
413 disabling condition that prevents them from providing a
414 handwritten statement.

415 (e)1. A personal lines residential property insurance
416 policy that contains a separate roof deductible must include, on
417 the page immediately behind the declarations page, with no other
418 policy language on the page, in boldfaced type no smaller than
419 18 point, the following statement: "YOU ARE ELECTING TO PURCHASE
420 COVERAGE ON YOUR HOME WHICH CONTAINS A SEPARATE DEDUCTIBLE FOR
421 ROOF LOSSES. BE ADVISED THAT THIS MAY RESULT IN HIGH OUT-OF-
422 POCKET EXPENSES TO YOU. PLEASE DISCUSS WITH YOUR INSURANCE
423 AGENT."

424 2. For any personal lines residential property insurance
425 policy containing a separate roof deductible, the insurer shall
426 compute and prominently display on the declarations page of the
427 policy or on the premium renewal notice the actual dollar value
428 of the roof deductible of the policy at issuance and renewal.

429 (5) (a) The hurricane deductible of any personal lines
430 residential property insurance policy issued or renewed on or
431 after May 1, 2005, shall be applied as follows:

432 1. The hurricane deductible shall apply on an annual basis
433 to all covered hurricane losses that occur during the calendar
434 year for losses that are covered under one or more policies
435 issued by the same insurer or an insurer in the same insurer

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436 group.

437 2. If a hurricane deductible applies separately to each of
438 one or more structures insured under a single policy, the
439 requirements of this paragraph apply with respect to the
440 deductible for each structure.

441 3. If there was a hurricane loss for a prior hurricane or
442 hurricanes during the calendar year, the insurer may apply a
443 deductible to a subsequent hurricane which is the greater of the
444 remaining amount of the hurricane deductible or the amount of
445 the deductible that applies to perils other than a hurricane.
446 Insurers may require policyholders to report hurricane losses
447 that are below the hurricane deductible or to maintain receipts
448 or other records of such hurricane losses in order to apply such
449 losses to subsequent hurricane claims.

450 4. If there are hurricane losses in a calendar year on more
451 than one policy issued by the same insurer or an insurer in the
452 same insurer group, the hurricane deductible shall be the
453 highest amount stated in any one of the policies. If a
454 policyholder who had a hurricane loss under the prior policy is
455 provided or offered a lower hurricane deductible under the new
456 or renewal policy, the insurer must notify the policyholder, in
457 writing, at the time the lower hurricane deductible is provided
458 or offered, that the lower hurricane deductible will not apply
459 until January 1 of the following calendar year.

460 (b) For commercial residential property insurance policies
461 issued or renewed on or after January 1, 2006, the insurer must
462 offer the policyholder the following alternative hurricane
463 deductibles:

464 1. A hurricane deductible that applies on an annual basis

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465 as provided in paragraph (a); and

466 2. A hurricane deductible that applies to each hurricane.

467 (6) (a) It is the intent of the Legislature to encourage the
468 use of higher hurricane deductibles as a means of increasing the
469 effective capacity of the hurricane insurance market in this
470 state and as a means of limiting the impact of rapidly changing
471 hurricane insurance premiums. The Legislature finds that the
472 hurricane deductibles specified in this subsection are
473 reasonable when a property owner has made adequate provision for
474 restoration of the property to its full value after a
475 catastrophic loss.

476 (b) A personal lines residential insurance policy providing
477 hurricane coverage may, at the mutual option of the insured and
478 insurer, include a secured hurricane deductible as described in
479 paragraph (c) if the applicant presents the insurer a
480 certificate of security as described in paragraph (d). An
481 insurer may not directly or indirectly require a secured
482 deductible under this subsection as a condition of issuing or
483 renewing a policy. A certificate of security is not required
484 with respect to an applicant who owns a 100 percent equity
485 interest in the property.

486 (c) A secured hurricane deductible must include the
487 substance of the following:

488 1. The first \$500 of any claim, regardless of the peril
489 causing the loss, is fully deductible.

490 2. With respect to hurricane losses only, the next \$5,000
491 in losses are fully insured, subject only to a copayment
492 requirement of 10 percent.

493 3. With respect to hurricane losses only, the remainder of

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494 the claim is subject to a deductible equal to a specified
495 percentage of the policy dwelling limits in excess of the
496 deductible allowed under former paragraph (3) (a) but no higher
497 than 10 percent of the policy dwelling limits.

498 4. The insurer agrees to renew the coverage on a guaranteed
499 basis for a period of years after initial issuance of the
500 secured deductible equal to at least 1 year for each 2
501 percentage points of deductible specified in subparagraph 3.
502 unless the policy is canceled for nonpayment of premium or the
503 insured fails to maintain the certificate of security. Such
504 renewal shall be at the same premium as the initial policy
505 except for premium changes attributable to changes in the value
506 of the property.

507 (d) The office shall draft and formally propose as a rule
508 the form for the certificate of security. The certificate of
509 security may be issued in any of the following circumstances:

510 1. A mortgage lender or other financial institution may
511 issue a certificate of security after granting the applicant a
512 line of credit, secured by equity in real property or other
513 reasonable security, which line of credit may be drawn on only
514 to pay for the deductible portion of insured construction or
515 reconstruction after a hurricane loss. In the sole discretion of
516 the mortgage lender or other financial institution, the line of
517 credit may be issued to an applicant on an unsecured basis.

518 2. A licensed insurance agent may issue a certificate of
519 security after obtaining for an applicant a line of credit,
520 secured by equity in real property or other reasonable security,
521 which line of credit may be drawn on only to pay for the
522 deductible portion of insured construction or reconstruction

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523 after a hurricane loss. The Florida Hurricane Catastrophe Fund
524 shall negotiate agreements creating a financing consortium to
525 serve as an additional source of lines of credit to secure
526 deductibles. Any licensed insurance agent may act as the agent
527 of such consortium.

528 3. Any person qualified to act as a trustee for any purpose
529 may issue a certificate of security secured by a pledge of
530 assets, with the restriction that the assets may be drawn on
531 only to pay for the deductible portion of insured construction
532 or reconstruction after a hurricane loss.

533 4. Any insurer, including any admitted insurer or any
534 surplus lines insurer, may issue a certificate of security after
535 issuing the applicant a policy of supplemental insurance that
536 will pay for 100 percent of the deductible portion of insured
537 construction or reconstruction after a hurricane loss.

538 5. Any other method approved by the office upon finding
539 that such other method provides a similar level of security as
540 the methods specified in this paragraph and that such other
541 method has no negative impact on residential property insurance
542 catastrophic capacity. The legislative intent of this
543 subparagraph is to provide the flexibility needed to achieve the
544 public policy of expanding property insurance capacity while
545 improving the affordability of property insurance.

546 (e) An issuer of a certificate of security may terminate
547 the certificate for failure to honor any of the terms of the
548 underlying financial arrangement. The issuer must provide notice
549 of termination to the insurer within 10 working days after
550 termination. Unless the policyholder obtains a replacement
551 certificate of security within an additional 20 working days

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552 after such notice, the deductible provision in the policy must
553 revert to a lower deductible otherwise offered by the insurer
554 and the policyholder is responsible for any additional premium
555 required for a policy with such deductible.

556 (7) Prior to issuing a personal lines residential property
557 insurance policy on or after April 1, 1997, or prior to the
558 first renewal of a residential property insurance policy on or
559 after April 1, 1997, the insurer must offer a deductible equal
560 to \$500 applicable to losses from perils other than hurricane.
561 The insurer must provide the policyholder with notice of the
562 availability of the deductible specified in this subsection in a
563 form approved by the office at least once every 3 years. The
564 failure to provide such notice constitutes a violation of this
565 code but does not affect the coverage provided under the policy.
566 An insurer may require a higher deductible only as part of a
567 deductible program lawfully in effect on June 1, 1996, or as
568 part of a similar deductible program.

569 (8) Notwithstanding the other provisions of this section or
570 of other law, but only as to hurricane coverage as defined in s.
571 627.4025 for commercial lines residential coverages, an insurer
572 may offer a deductible in an amount not exceeding 10 percent of
573 the insured value if, at the time of such offer and at each
574 renewal, the insurer also offers to the policyholder a
575 deductible in the amount of 3 percent of the insured value.
576 Nothing in this subsection prohibits any deductible otherwise
577 authorized by this section. All forms by which the offers
578 authorized in this subsection are made or required to be made
579 shall be on forms that are adopted or approved by the commission
580 or office.

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581 (9) With respect to hurricane coverage provided in a policy
582 of residential coverage, when the policyholder has taken
583 appropriate hurricane mitigation measures regarding the
584 residence covered under the policy, the insurer shall provide
585 the insured the option of selecting an appropriate reduction in
586 the policy's hurricane deductible or selecting the appropriate
587 discount credit or other rate differential as provided in s.
588 627.0629. The insurer must provide the policyholder with notice
589 of the options available under this subsection on a form
590 approved by the office.

591 (10) (a) Notwithstanding any other provision of law, an
592 insurer issuing a personal lines residential property insurance
593 policy may include in such policy a separate roof deductible
594 that meets all of the following requirements:

595 1. The insurer has complied with the offer requirements
596 under subsection (7) regarding a deductible applicable to losses
597 from perils other than a hurricane.

598 2. The roof deductible may not exceed the lesser of 2
599 percent of the Coverage A limit of the policy or 50 percent of
600 the cost to replace the roof.

601 3. The premium that a policyholder is charged for the
602 policy includes an actuarially sound credit or premium discount
603 for the roof deductible.

604 4. The roof deductible applies only to a claim adjusted on
605 a replacement cost basis.

606 5. The roof deductible does not apply to any of the
607 following events:

608 a. A total loss to a primary structure in accordance with
609 the valued policy law under s. 627.702 which is caused by a

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610 covered peril.

611 b. A roof loss resulting from a hurricane as defined in s.
612 627.4025(2)(c).

613 c. A roof loss resulting from a tree fall or other hazard
614 that damages the roof and punctures the roof deck.

615 d. A roof loss requiring the repair of less than 50 percent
616 of the roof.

617

618 If a roof deductible is applied, no other deductible under the
619 policy may be applied to the loss or to any other loss to the
620 property caused by the same covered peril.

621 (b) At the time of initial issuance of a personal lines
622 residential property insurance policy, an insurer may offer the
623 policyholder a separate roof deductible with the ability to opt-
624 out and reject the separate roof deductible. To reject a
625 separate roof deductible, the policyholder shall sign a form
626 approved by the office.

627 (c) At the time of renewal, an insurer may add a separate
628 roof deductible to a personal lines residential property
629 insurance policy if the insurer provides a notice of change in
630 policy terms pursuant to s. 627.43141. The insurer must also
631 offer the policyholder the ability to opt-out and reject the
632 separate roof deductible. To reject a separate roof deductible,
633 the policyholder shall sign a form approved by the office.

634 (d) The office shall expedite the review of any filing of
635 insurance forms that only contain a separate roof deductible
636 pursuant to this subsection. The commission may adopt model
637 forms or guidelines that provide options for roof deductible
638 language which may be used for filing by insurers. If an insurer

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639 makes a filing pursuant to a model form or guideline issued by
640 the office, the office must review the filing within the initial
641 30-day review period authorized by s. 627.410(2), and the roof
642 deductible portion of the filing is not subject to the 15-day
643 extension for review under that subsection.

644 (11) A property insurer that issues or renews an insurance
645 policy or contract covering real property in this state on or
646 after January 1, 2025, may not use a property's preexisting
647 condition, a date of loss that predates the date of a claim, or
648 faulty installation or workmanship as a defense for denying a
649 claim.

650 Section 8. Subsection (8) of section 627.715, Florida
651 Statutes, is amended to read:

652 627.715 Flood insurance.—An authorized insurer may issue an
653 insurance policy, contract, or endorsement providing personal
654 lines residential coverage for the peril of flood or excess
655 coverage for the peril of flood on any structure or the contents
656 of personal property contained therein, subject to this section.
657 This section does not apply to commercial lines residential or
658 commercial lines nonresidential coverage for the peril of flood.
659 An insurer may issue flood insurance policies, contracts,
660 endorsements, or excess coverage on a standard, preferred,
661 customized, flexible, or supplemental basis.

662 (8) (a) An agent must provide a written notice to be signed
663 by every ~~the~~ applicant advising the applicant of flood risk.

664 (b) ~~If before~~ the agent places flood insurance coverage
665 with an admitted or surplus lines insurer for a property
666 receiving flood insurance under the National Flood Insurance
667 Program, the agent, before placing new flood coverage for the

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668 property, must also provide to the applicant a written. ~~The~~
669 notice advising ~~must notify~~ the applicant that, if the applicant
670 discontinues coverage under the National Flood Insurance Program
671 which is provided at a subsidized rate, the full risk rate for
672 flood insurance may apply to the property if the applicant later
673 seeks to reinstate coverage under the program.

674 Section 9. Paragraph (a) of subsection (2) of section
675 627.7152, Florida Statutes, is amended to read:

676 627.7152 Assignment agreements.—

677 (2) (a) An assignment agreement must:

678 1. Be executed under a residential property insurance
679 policy or under a commercial property insurance policy as that
680 term is defined in s. 627.0625(1), issued on or after July 1,
681 2019, and before January 1, 2023.

682 2. Be in writing and executed by and between the assignor
683 and the assignee.

684 3. Contain a provision that allows the assignor to rescind
685 the assignment agreement without a penalty or fee by submitting
686 a written notice of rescission signed by the assignor to the
687 assignee within 14 days after the execution of the agreement, at
688 least 30 days after the date work on the property is scheduled
689 to commence if the assignee has not substantially performed, or
690 at least 30 days after the execution of the agreement if the
691 agreement does not contain a commencement date and the assignee
692 has not begun substantial work on the property.

693 4. Contain a provision requiring the assignee to provide a
694 copy of the executed assignment agreement to the insurer within
695 3 business days after the date on which the assignment agreement
696 is executed or the date on which work begins, whichever is

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697 earlier. Delivery of the copy of the assignment agreement to the
698 insurer may be made:

699 a. By personal service, overnight delivery, or electronic
700 transmission, with evidence of delivery in the form of a receipt
701 or other paper or electronic acknowledgment by the insurer; or

702 b. To the location designated for receipt of such
703 agreements as specified in the policy.

704 5. Contain a written, itemized, per-unit cost estimate of
705 the services to be performed by the assignee.

706 6. Relate only to work to be performed by the assignee for
707 services to protect, repair, restore, or replace a dwelling or
708 structure or to mitigate against further damage to such
709 property.

710 7. Contain the following notice in 18-point uppercase and
711 boldfaced type:

712
713 YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER YOUR
714 INSURANCE POLICY TO A THIRD PARTY, WHICH MAY RESULT IN
715 LITIGATION AGAINST YOUR INSURER. PLEASE READ AND UNDERSTAND THIS
716 DOCUMENT BEFORE SIGNING IT. YOU HAVE THE RIGHT TO CANCEL THIS
717 AGREEMENT WITHOUT PENALTY WITHIN 14 DAYS AFTER THE DATE THIS
718 AGREEMENT IS EXECUTED, AT LEAST 30 DAYS AFTER THE DATE WORK ON
719 THE PROPERTY IS SCHEDULED TO COMMENCE IF THE ASSIGNEE HAS NOT
720 SUBSTANTIALLY PERFORMED, OR AT LEAST 30 DAYS AFTER THE EXECUTION
721 OF THE AGREEMENT IF THE AGREEMENT DOES NOT CONTAIN A
722 COMMENCEMENT DATE AND THE ASSIGNEE HAS NOT BEGUN SUBSTANTIAL
723 WORK ON THE PROPERTY. HOWEVER, YOU ARE OBLIGATED FOR PAYMENT OF
724 ANY CONTRACTED WORK PERFORMED BEFORE THE AGREEMENT IS RESCINDED.
725 THIS AGREEMENT DOES NOT CHANGE YOUR OBLIGATION TO PERFORM THE

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726 DUTIES REQUIRED UNDER YOUR PROPERTY INSURANCE POLICY.

727

728 8. Contain a notice in 18-point uppercase and boldfaced
729 type disclosing that the assignee is prohibited from taking any
730 legal action without the assignor's permission, including, but
731 not limited to, making a presuit settlement demand or presuit
732 settlement offer.

733 9. Contain a provision requiring the assignee to indemnify
734 and hold harmless the assignor from all liabilities, damages,
735 losses, and costs, including, but not limited to, attorney fees.

736 Section 10. Section 627.7156, Florida Statutes, is created
737 to read:

738 627.7156 Commission rulemaking.—By January 1, 2025, the
739 Financial Services Commission shall adopt rules:

740 (1) Requiring that each time legislation creating or
741 amending law to reform property insurance takes effect, property
742 insurers offer a premium rate reduction to their insureds.

743 (2) Ensuring that insurance fraud committed by any person
744 can be easily reported, investigated, and, if necessary,
745 prosecuted.

746 (3) Redetermining flood zones statewide for use when
747 assigning flood risks.

748 Section 11. No later than October 1, 2025, the Department
749 of Financial Services shall adopt rules regarding its handling
750 of any allegation made by an insurer or an employee or
751 contractor thereof of insurance fraud in connection with any
752 violation specified in s. 626.9892(2), Florida Statutes. Such
753 rules must require that:

754 (1) The Department of Financial Services inform the

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755 Division of Investigative and Forensic Services of any such
756 allegation.

757 (2) The department promptly investigate such allegations.

758 (3) If the department determines that there was no fraud,
759 the insurer alleging such fraud be appropriately sanctioned by a
760 fine of up to \$100,000.

761 (4) All documents relating to such sanctions are public
762 records.

763 Section 12. (1) The Office of Program Policy Analysis and
764 Government Accountability (OPPAGA) shall conduct a study to
765 evaluate the effectiveness of the property insurance mediation
766 program set forth in s. 627.7015, Florida Statutes. The study's
767 scope must include, but need not be limited to:

768 (a) Improvements in the public's awareness of the program
769 and the advantages of participation in the program.

770 (b) Program resource needs.

771 (2) The study must include recommendations for any changes
772 needed to improve the efficiency of the program to maximize its
773 usefulness as an alternative to litigation.

774 (3) In conducting the study, OPPAGA shall consult with the
775 Department of Financial Services, insurers, and organizations
776 representing insurance consumers.

777 (4) OPPAGA shall submit a report on its findings to the
778 President of the Senate and the Speaker of the House of
779 Representatives by December 1, 2025.

780 Section 13. Section 4 of chapter 2022-268, Laws of Florida,
781 is amended to read:

782 Section 4. (1) For the 2024-2025 ~~2022-2023~~ fiscal year, the
783 sum of \$300 ~~\$150~~ million in nonrecurring funds is appropriated

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784 from the General Revenue Fund to the Department of Financial
785 Services for the My Safe Florida Home Program. The funds shall
786 be placed in reserve. The department shall submit budget
787 amendments requesting release of the funds held in reserve
788 pursuant to chapter 216, Florida Statutes. The budget amendments
789 shall include a detailed spending plan.

790 (2) The funds must ~~shall~~ be allocated as follows:

791 (a) Fifty ~~Twenty-five~~ million dollars for hurricane
792 mitigation inspections.

793 (b) Two hundred thirty ~~One hundred fifteen~~ million dollars
794 for mitigation grants.

795 (c) Eight ~~Four~~ million dollars for education and consumer
796 awareness.

797 (d) Two ~~One~~ million dollars for public outreach for
798 contractors and real estate brokers and sales associates.

799 (e) Ten ~~Five~~ million dollars for administrative costs.

800 (3) Any unexpended balance of funds from this appropriation
801 remaining on June 30, 2025 ~~2023~~, shall revert and is
802 appropriated to the Department of Financial Services for the
803 2025-2026 ~~2023-2024~~ fiscal year for the same purpose.

804 (4) The department may adopt emergency rules pursuant to s.
805 120.54, Florida Statutes, at any time, as are necessary to
806 implement this section and s. 215.5586, Florida Statutes, as
807 amended by this act. The Legislature finds that such emergency
808 rulemaking authority is necessary to address a critical need in
809 the state's problematic property insurance market. The
810 Legislature further finds that the uniquely short timeframe
811 needed to effectively implement this section for the 2024-2025
812 ~~2022-2023~~ fiscal year requires that the department adopt rules

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813 as quickly as practicable. Therefore, in adopting such emergency
814 rules, the department need not make the findings required by s.
815 120.54(4)(a), Florida Statutes. Emergency rules adopted under
816 this section are exempt from s. 120.54(4)(c), Florida Statutes,
817 and shall remain in effect until replaced by rules adopted under
818 the nonemergency rulemaking procedures of chapter 120, Florida
819 Statutes, which must occur no later than July 1, 2025 ~~2023~~.

820 (5) This section expires ~~shall expire~~ on October 1, 2026
821 ~~2024~~.

822 Section 14. This act shall take effect July 1, 2024.