

Bill No. SB 1486

Barcode 222940

Proposed Committee Substitute by the Committee on Banking and Insurance

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A bill to be entitled

An act relating to property insurance; amending s. 627.701, F.S.; providing that the requirement for a hurricane deductible to apply on an annual basis applies to personal lines residential property insurance policies; requiring insurers that provide commercial residential property insurance to offer alternative hurricane deductibles that apply on an annual basis or to each hurricane; providing an effective date.

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

Section 1. Subsection (5) of section 627.701, Florida Statutes, as amended by section 4 of chapter 2004-480, Laws of Florida, is amended to read:

627.701 Liability of Insureds; coinsurance; deductibles.--

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

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

2. (b) If a hurricane deductible applies separately to each of one or more structures insured under a single policy, the requirements of this paragraph ~~subsection~~ apply with respect to the deductible for each structure.

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1 ~~3.(c)~~ If there was a hurricane loss for a prior
2 hurricane or hurricanes during the calendar year, the insurer
3 may apply a deductible to a subsequent hurricane which ~~that~~ is
4 the greater of the remaining amount of the hurricane
5 deductible or the amount of the deductible that applies to
6 perils other than a hurricane. Insurers may require
7 policyholders to report hurricane losses that are below the
8 hurricane deductible or to maintain receipts or other records
9 of such hurricane losses in order to apply such losses to
10 subsequent hurricane claims.

11 ~~4.(d)~~ If there are hurricane losses in a calendar year
12 on more than one policy issued by the same insurer or an
13 insurer in the same insurer group, the hurricane deductible
14 shall be the highest amount stated in any one of the policies.
15 If a policyholder who had a hurricane loss under the prior
16 policy is provided or offered a lower hurricane deductible
17 under the new or renewal policy, the insurer must notify the
18 policyholder, in writing, at the time the lower hurricane
19 deductible is provided or offered, that the lower hurricane
20 deductible will not apply until January 1 of the following
21 calendar year.

22 (b) For commercial residential property insurance
23 policies issued or renewed on or after January 1, 2006, the
24 insurer must offer the policyholder the following alternative
25 hurricane deductibles:

26 1. A hurricane deductible that applies on an annual
27 basis as provided in paragraph (a); and

28 2. A hurricane deductible that applies to each
29 hurricane.

30 Section 2. This act shall take effect upon becoming a
31 law.