



### Relating to Commercial Insurance Rates

**HB 99** by Representative Drake & **SB 178** by Senator Oelrich

The bill allows five new types of commercial insurance to be exempt from the rate filing and approval process. Thus, insurance companies writing these types of commercial insurance will not have to file with or obtain approval of the rates for these types of commercial insurance by the OIR before the insurer can charge the rate. The new types of commercial insurance exempted are:

- Fiduciary Liability
- General Liability
- Nonresidential Property
- Nonresidential Multiperil
- Excess Property

The bill expands the current rate filing and approval exemption for commercial motor vehicle insurance. Under the bill, all commercial motor vehicle insurance is exempt from the rate filing and approval process, rather than only commercial motor vehicle insurance covering a fleet of 20 or more vehicles.

The bill deletes some of the information required on the notice an insurer must give the OIR when the rate changes for commercial insurance exempt from rate filing. The type of data required to be retained by the insurer or rating organization to support the rate charged for commercial insurance not subject to a rate filing is changed by the bill. Although the bill deletes current law allowing the OIR to obtain information about a commercial insurance rate not subject to the rate filing and approval process at the insurer's or rating organization's expense, the bill requires the insurer or rating organization to incur the cost of any examination of the rate charged by the OIR.

Additionally, the bill will allow insurers selling the types of coverages listed in the bill to make pricing changes for those coverages on a more expedited basis and avoid some of the expense incurred in a full rate filing and review process.



### Relating to Property and Casualty Insurance

**SB 408** by Senator Richter & **HB 803** by Representative Wood

- Requires the Florida Hurricane Catastrophe Fund to provide reimbursement for all incurred losses including amounts paid as fees on behalf of the policyholder, with exclusions;
- Increases the minimum surplus requirements for residential property insurers to \$15 million;
- Allows insurers offering personal lines property insurance to provide written notice of policy changes to their policyholders without having to non-renew an entire insurance policy due to a change in policy terms;
- Reduces the insurer's written notice of nonrenewal, cancellation, or termination of a personal lines or commercial residential property insurance policy to 90 days;
- Modifies current replacement cost coverage and actual cash value provisions relating to dwellings and personal property;
- Requires windstorm and hurricane claims to be brought within three years and sinkhole loss claims to be brought within two years;
- Modifies provisions related to windstorm damage mitigation discounts for residential property insurance and repeals the provision requiring the OIR to develop a method correlating mitigation discounts to the uniform home grading scale;
- Repeals the requirement that the Consumer Advocate prepare an annual report card for personal residential property insurers;
- Renames the Citizens High Risk Account the Coastal Account and repeals the requirement to reduce the boundaries of the Citizens' High Risk Account (wind-only coverages);
- Allows an insurer seeking to take policies out of Citizens to do so in 45 days;
- Clarifies the ethics requirements for specified board members of the Citizens Property Insurance Corp., and provides that Board members abstain from voting under certain circumstances;
- Allows an insurer to cancel or nonrenew a property insurance policy upon a minimum of 45 days' notice based on a finding that the insurer lacks adequate reinsurance coverage for hurricane risk and other financial factors;
- Revises the regulation of public adjusters by placing limits on public adjuster compensation, prohibiting certain statements in public adjuster advertising, and revising the contents of the public adjuster contract;
- Removes the requirement that a property insurer must offer sinkhole coverage and eliminates application of statutes governing catastrophic ground cover collapse and sinkhole loss coverage from commercial property insurance policies;
- Revises what constitutes a sinkhole loss;
- Revises procedures for insurers and policyholders relating to standards for sinkhole insurance claim investigations and revises the neutral evaluation process for sinkhole disputes; and
- Provides changes to the procedures pertaining to sinkhole reports by professional engineers or professional geologists and repeals the sinkhole database.



## Relating to Personal Injury Protection Insurance

**SB 1694** by Senator Richter, **SB 1930** by Senator Bogdanoff & **HB 967** by Representative Horner

Personal Injury Protection Insurance: Provides that circuit courts have exclusive original jurisdiction of unresolved arbitration actions involving Florida Motor Vehicle No-Fault Law; requires requests for disclosure of certain information be by certified mail; revises reference to Medicare Part B payments as schedule for insurer's discretionary use when limiting reimbursement of certain medical services, supplies, & care; specifies Medicare fee schedule or payment limitation that is to be used by insurer to limit reimbursements; requires both insured & any assignee to cooperate under terms of policy; requires assignee provider to submit to examination under oath; requires provider to produce certain knowledgeable individuals for examination; requires certain records to be provided by claimants for inspection; authorizes recording of examinations under oath; provides that certain actions by insurer constitute unfair & deceptive trade practice; subjects insurers to penalties for unfair & deceptive trade practice; creates presumption relating to failing to appear for examination; limits amount of attorney's fees; prohibits use of contingency risk multiplier; authorizes binding arbitration for dispute resolution; provides for appeal of arbitration award; provides for scope of review on appeal.



## Relating to Community Associations

**SB 1516** by Senator Ring & **HB 1195** by Representative Moraitis, Jr.

Community Associations: Requires insurance company insuring condominium association property to provide notice to unit owners if insurance will be canceled or not renewed by association; authorizes majority of voting interests of association to direct board to obtain substitute coverage; authorizes board of condominium association to install impact glass or other code-compliant windows under certain circumstances; provides that condominium association may not be deemed to be previous owner of condominium unit under certain circumstances; requires tenant to pay all of unit owner's outstanding monetary obligations relating to unit to condominium association under certain circumstances; provides that member of homeowners' association has right to speak on any matter placed on agenda of board of association for at least 3 minutes; specifies additional requirements for elections for members of board of homeowners' association; specifies additional requirements for candidates to be member of board of homeowners' association; provides that condominium homeowners' association may not be deemed to be previous owner of parcel under certain circumstances.



## Relating to Residential Property Insurance

**SB 1330** by Senator Hays & **HB 885** by Representative Wood

Residential Property Insurance: Authorizes insurer to use residential rate that differs from filed rate after specified date; specifies maximum difference between rates; limits percentage rate increase; requires inclusion of statement relating to insurer's current or future ability to cover specified PML; requires certification relating to insurer's ability to actually cover specified PML; provides that certain rates are void if insurer fails to maintain sufficient funds or coverages to cover specified PML; provides refunds & credits if insurer fails to maintain sufficient funds or coverages to cover specified PML; requires acknowledgment from applicant & certain policyholders relating to surcharges & assessments; specifies that signed acknowledgment creates evidentiary presumption; specifies circumstances under which insurer may offer or renew residential policies; prohibits insurers from procuring coverage under temporary increase in coverage limits option; requires specific notices to applicant or insured; requires Citizens Property Insurance Corporation premium estimates & signed acknowledgments; specifies ineligible types of policies; requires insurer to have resources to cover specified PML in order to offer or renew certain policies.



## Relating to Building Construction and Inspection

**SB 396** by Senator Bennett & **HB 849** by Representative Davis

This bill makes multiple changes to the Florida Building Code and Inspection process. The following are important factors for our association:

- Requires at least 2 hours of hurricane mitigation training to be included as part of a home inspector's required 14 hours of continuing education. The hurricane mitigation training must be approved by the Construction Industry Licensing Board.
- Allow individuals with the following certifications and/or licenses to meet Florida home inspector licensure requirements, if the individual submits an application to the department postmarked on or before July 1, 2012: Possesses a one and two family dwelling inspector certification issued by the International Code Council or the Southern Building Code Congress International; Has been certified as a one and two family dwelling inspector by the Florida Building Code Administrators and Inspectors Board under part XII, of this chapter; or Possesses a Division I contractor license under part I, of ch. 489
- Require products advertised as hurricane, windstorm or impact protection from wind-borne debris during a hurricane or windstorm, to actually be approved as such under Florida's product approval program.



## Relating to Citizens Property Insurance Corporation

**SB 1714** by Senator Hays & **HB 1243** by Representative Boyd

This bill makes multiple changes to Citizens Property Insurance Corporation. While our association supports many of the provisions contained within this bill, there are four important provisions that our association opposes:

1. Provision that would allow CPIC to step down its limits starting 1/01/2012. The private market will not have enough time to prepare to take on these policies. This provision should be pushed out until the earliest 1/01/2013.
2. Restricts the ability of Citizens to issue comprehensive multi-peril policies in competition with the admitted voluntary market. States that Citizens can only offer HO-4, HO-6 & HO-8 policy forms for personal lines coverage. We feel HO-3 policies should also be offered.
3. We oppose certain outsourcing of Citizens operations such as Underwriting, Customer Service and Claims. There were grave problems with this outsourcing during 2003, 2004 and 2005.
4. We oppose doing away with the Commercial Non-Residential Program, it is actuarially sound and a market of last resort, why would you do away with the only program that works as intended.