

BILL PCB IBFA-03

ORIGINAL

YEAR

1 A bill to be entitled
 2 An act relating to the repeal of outdated, obsolete, or
 3 antiquated insurance provisions; amending s. 627.311,
 4 F.S.; deleting the presuit notice for the Florida
 5 Automobile Joint Underwriting Association; amending s.
 6 627.351, F.S.; deleting the report required from Citizens
 7 Property Insurance Corporation relating to the feasibility
 8 of requiring authorized insurers to issue and service
 9 specified policies issued by the corporation; amending s.
 10 627.706, F.S.; deleting a form filing deadline for
 11 sinkhole coverage; amending s. 627.7065, F.S.; deleting a
 12 report of activities relating to the sinkhole database;
 13 repealing s. 627.7077, F.S.; deleting a feasibility and
 14 cost-benefit study of a potential Florida Sinkhole
 15 Insurance Facility and other matters relating to sinkhole
 16 insurance; amending s. 627.712, F.S.; deleting the
 17 effective date for the exclusion of windstorm and contents
 18 coverage; providing an effective date.

19
 20 Be It Enacted by the Legislature of the State of Florida:

21
 22 Section 1. Paragraph (k) of subsection (3) of section
 23 627.311, Florida Statutes, is amended to read:

24 627.311 Joint underwriters and joint reinsurers; public
 25 records and public meetings exemptions.—

26 (3) The office may, after consultation with insurers
 27 licensed to write automobile insurance in this state, approve a
 28 joint underwriting plan for purposes of equitable apportionment

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29 | or sharing among insurers of automobile liability insurance and
 30 | other motor vehicle insurance, as an alternate to the plan
 31 | required in s. 627.351(1). All insurers authorized to write
 32 | automobile insurance in this state shall subscribe to the plan
 33 | and participate therein. The plan shall be subject to continuous
 34 | review by the office which may at any time disapprove the entire
 35 | plan or any part thereof if it determines that conditions have
 36 | changed since prior approval and that in view of the purposes of
 37 | the plan changes are warranted. Any disapproval by the office
 38 | shall be subject to the provisions of chapter 120. The Florida
 39 | Automobile Joint Underwriting Association is created under the
 40 | plan. The plan and the association:

41 | (k)1. Shall have no liability, and no cause of action of
 42 | any nature shall arise against any member insurer or its agents
 43 | or employees, agents or employees of the association, members of
 44 | the board of governors of the association, the Chief Financial
 45 | Officer, or the office or its representatives for any action
 46 | taken by them in the performance of their duties or
 47 | responsibilities under this subsection. Such immunity does not
 48 | apply to actions for or arising out of breach of any contract or
 49 | agreement pertaining to insurance, or any willful tort.

50 | ~~2. Notwithstanding the requirements of s. 624.155(3)(a),~~
 51 | ~~as a condition precedent to bringing an action against the plan~~
 52 | ~~under s. 624.155, the department and the plan must have been~~
 53 | ~~given 90 days' written notice of the violation. If the~~
 54 | ~~department returns a notice for lack of specificity, the 90-day~~
 55 | ~~time period shall not begin until a proper notice is filed. This~~
 56 | ~~notice must comply with the information requirements of s.~~

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57 ~~624.155(3)(b). Effective October 1, 2007, this subparagraph~~
 58 ~~shall expire unless reenacted by the Legislature prior to that~~
 59 ~~date.~~

60 Section 2. Paragraph (cc) of subsection (6) of section
 61 627.351, Florida Statutes, is amended to read:

62 627.351 Insurance risk apportionment plans.—

63 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

64 ~~— (cc) By February 1, 2007, the corporation shall submit a~~
 65 ~~report to the President of the Senate, the Speaker of the House~~
 66 ~~of Representatives, the minority party leaders of the Senate and~~
 67 ~~the House of Representatives, and the chairs of the standing~~
 68 ~~committees of the Senate and the House of Representatives having~~
 69 ~~jurisdiction over matters relating to property and casualty~~
 70 ~~insurance. In preparing the report, the corporation shall~~
 71 ~~consult with the Office of Insurance Regulation, the Department~~
 72 ~~of Financial Services, and any other party the corporation~~
 73 ~~determines appropriate. The report must include all findings and~~
 74 ~~recommendations on the feasibility of requiring authorized~~
 75 ~~insurers that issue and service personal and commercial~~
 76 ~~residential policies and commercial nonresidential policies that~~
 77 ~~provide coverage for basic property perils except for the peril~~
 78 ~~of wind to issue and service for a fee personal and commercial~~
 79 ~~residential policies and commercial nonresidential policies~~
 80 ~~providing coverage for the peril of wind issued by the~~
 81 ~~corporation. The report must include:~~

82 ~~— 1. The expense savings to the corporation of issuing and~~
 83 ~~servicing such policies as determined by a cost-benefit~~
 84 ~~analysis.~~

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85 ~~2. The expenses and liability to authorized insurers~~
 86 ~~associated with issuing and servicing such policies.~~

87 ~~3. The effect on service to policyholders of the~~
 88 ~~corporation relating to issuing and servicing such policies.~~

89 ~~4. The effect on the producing agent of the corporation of~~
 90 ~~issuing and servicing such policies.~~

91 ~~5. Recommendations as to the amount of the fee which~~
 92 ~~should be paid to authorized insurers for issuing and servicing~~
 93 ~~such policies.~~

94 ~~6. The effect that issuing and servicing such policies~~
 95 ~~will have on the corporation's number of policies, total insured~~
 96 ~~value, and probable maximum loss.~~

97 Section 3. Subsection (3) of section 627.706, Florida
 98 Statutes, is amended to read:

99 627.706 Sinkhole insurance; catastrophic ground cover
 100 collapse; definitions.-

101 ~~(3) On or before June 1, 2007, every insurer authorized to~~
 102 ~~transact property insurance in this state shall make a proper~~
 103 ~~filing with the office for the purpose of extending the~~
 104 ~~appropriate forms of property insurance to include coverage for~~
 105 ~~eatastrophic ground cover collapse or for sinkhole losses.~~
 106 ~~Coverage for catastrophic ground cover collapse may not go into~~
 107 ~~effect until the effective date provided for in the filing~~
 108 ~~approved by the office.~~

109 Section 4. Subsection (5) of section 627.7065, Florida
 110 Statutes, is amended to read:

111 627.7065 Database of information relating to sinkholes;
 112 the Department of Financial Services and the Department of

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113 Environmental Protection.—
 114 ~~—— (5) The Department of Environmental Protection, in~~
 115 ~~consultation with the Department of Financial Services, shall~~
 116 ~~present a report of activities relating to the sinkhole~~
 117 ~~database, including recommendations regarding the database and~~
 118 ~~similar matters, to the Governor, the Speaker of the House of~~
 119 ~~Representatives, the President of the Senate, and the Chief~~
 120 ~~Financial Officer by December 31, 2005. The report may consider~~
 121 ~~the need for the Legislature to create an entity to study the~~
 122 ~~increase in sinkhole activity in the state and other similar~~
 123 ~~issues relating to sinkhole damage, including recommendations~~
 124 ~~and costs for staffing the entity. The report may include other~~
 125 ~~information, as appropriate.~~

126 Section 5. Section 627.7077, Florida Statutes, is
 127 repealed.

128 Section 6. Subsection (7) of section 627.712, Florida
 129 Statutes, is amended to read:

130 627.712 Residential windstorm coverage required;
 131 availability of exclusions for windstorm or contents.—

132 ~~—— (7) This section is effective July 1, 2007, but the office~~
 133 ~~may delay application of this section until a date no later than~~
 134 ~~October 1, 2007, upon approval by the Financial Services~~
 135 ~~Commission.~~

136 Section 7. This act shall take effect July 1, 2010.