

1                   A bill to be entitled  
 2           An act relating to repeal of the correlation of mitigation  
 3           discounts, credits, or other rate differentials to the  
 4           uniform home grading scale; repealing obsolete provision  
 5           relating to a method for correlating mitigation discounts,  
 6           credits, or other rate differentials to the uniform home  
 7           grading scale; repealing specified rulemaking authority of  
 8           the Financial Services Commission relating to the uniform  
 9           home grading scale; repealing a provision requiring  
 10          discounts, credits, or other rate differentials to  
 11          supersede other discounts, credits or rate differentials;  
 12          providing an effective date.

13  
 14   Be It Enacted by the Legislature of the State of Florida:

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 16           Section 1. Subsection (1) of section 627.0629, Florida  
 17           Statutes, is amended to read:

18           627.0629 Residential property insurance; rate filings.—  
 19           (1)~~(a)~~ It is the intent of the Legislature that insurers  
 20           must provide savings to consumers who install or implement  
 21           windstorm damage mitigation techniques, alterations, or  
 22           solutions to their properties to prevent windstorm losses. A  
 23           rate filing for residential property insurance must include  
 24           actuarially reasonable discounts, credits, or other rate  
 25           differentials, or appropriate reductions in deductibles, for  
 26           properties on which fixtures or construction techniques  
 27           demonstrated to reduce the amount of loss in a windstorm have  
 28           been installed or implemented. The fixtures or construction

PCB INBS 11-01

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2011

29 techniques shall include, but not be limited to, fixtures or  
30 construction techniques which enhance roof strength, roof  
31 covering performance, roof-to-wall strength, wall-to-floor-to-  
32 foundation strength, opening protection, and window, door, and  
33 skylight strength. Credits, discounts, or other rate  
34 differentials, or appropriate reductions in deductibles, for  
35 fixtures and construction techniques which meet the minimum  
36 requirements of the Florida Building Code must be included in  
37 the rate filing. All insurance companies must make a rate filing  
38 which includes the credits, discounts, or other rate  
39 differentials or reductions in deductibles by February 28, 2003.  
40 By July 1, 2007, the office shall reevaluate the discounts,  
41 credits, other rate differentials, and appropriate reductions in  
42 deductibles for fixtures and construction techniques that meet  
43 the minimum requirements of the Florida Building Code, based  
44 upon actual experience or any other loss relativity studies  
45 available to the office. The office shall determine the  
46 discounts, credits, other rate differentials, and appropriate  
47 reductions in deductibles that reflect the full actuarial value  
48 of such revaluation, which may be used by insurers in rate  
49 filings.

50 ~~(b) By February 1, 2011, the Office of Insurance~~  
51 ~~Regulation, in consultation with the Department of Financial~~  
52 ~~Services and the Department of Community Affairs, shall develop~~  
53 ~~and make publicly available a proposed method for insurers to~~  
54 ~~establish discounts, credits, or other rate differentials for~~  
55 ~~hurricane mitigation measures which directly correlate to the~~  
56 ~~numerical rating assigned to a structure pursuant to the uniform~~

PCB INBS 11-01

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57 ~~home grading scale adopted by the Financial Services Commission~~  
58 ~~pursuant to s. 215.55865, including any proposed changes to the~~  
59 ~~uniform home grading scale. By October 1, 2011, the commission~~  
60 ~~shall adopt rules requiring insurers to make rate filings for~~  
61 ~~residential property insurance which revise insurers' discounts,~~  
62 ~~credits, or other rate differentials for hurricane mitigation~~  
63 ~~measures so that such rate differentials correlate directly to~~  
64 ~~the uniform home grading scale. The rules may include such~~  
65 ~~changes to the uniform home grading scale as the commission~~  
66 ~~determines are necessary, and may specify the minimum required~~  
67 ~~discounts, credits, or other rate differentials. Such rate~~  
68 ~~differentials must be consistent with generally accepted~~  
69 ~~actuarial principles and wind-loss mitigation studies. The rules~~  
70 ~~shall allow a period of at least 2 years after the effective~~  
71 ~~date of the revised mitigation discounts, credits, or other rate~~  
72 ~~differentials for a property owner to obtain an inspection or~~  
73 ~~otherwise qualify for the revised credit, during which time the~~  
74 ~~insurer shall continue to apply the mitigation credit that was~~  
75 ~~applied immediately prior to the effective date of the revised~~  
76 ~~credit. Discounts, credits, and other rate differentials~~  
77 ~~established for rate filings under this paragraph shall~~  
78 ~~supersede, after adoption, the discounts, credits, and other~~  
79 ~~rate differentials included in rate filings under paragraph (a).~~  
80 Section 2. This act shall take effect July 1, 2011.