

1 A bill to be entitled
 2 An act relating to policy cancellations and
 3 nonrenewals by property insurers; amending s.
 4 626.9201, F.S.; prohibiting eligible surplus lines
 5 insurers from canceling and nonrenewing within certain
 6 timeframes policies covering dwellings and residential
 7 properties damaged by hurricanes and wind losses;
 8 amending s. 627.4133, F.S.; providing that
 9 prohibitions on cancellation apply to flood damages
 10 caused by hurricanes under certain circumstances;
 11 providing exceptions to prohibitions against insurers'
 12 policy cancellations and nonrenewals within certain
 13 timeframes; revising conditions under which a
 14 structure is deemed to be repaired; revising the
 15 definition of the term "insurer" to include eligible
 16 surplus lines insurers; providing an effective date.

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

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 20 Section 1. Paragraph (c) of subsection (2) of section
 21 626.9201, Florida Statutes, is added to read:

22 626.9201 Notice of cancellation or nonrenewal.—

23 (2) An insurer issuing a policy providing coverage for
 24 property, casualty, surety, or marine insurance must give the
 25 named insured written notice of cancellation or termination

26 other than nonrenewal at least 45 days before the effective date
 27 of the cancellation or termination, including in the written
 28 notice the reasons for the cancellation or termination, except
 29 that:

30 (a) If cancellation is for nonpayment of premium, at least
 31 10 days' written notice of cancellation accompanied by the
 32 reason for cancellation must be given. As used in this
 33 paragraph, the term "nonpayment of premium" means the failure of
 34 the named insured to discharge when due any of his or her
 35 obligations in connection with the payment of premiums on a
 36 policy or an installment of such a premium, whether the premium
 37 or installment is payable directly to the insurer or its agent
 38 or indirectly under any plan for financing premiums or extension
 39 of credit or the failure of the named insured to maintain
 40 membership in an organization if such membership is a condition
 41 precedent to insurance coverage. The term also includes the
 42 failure of a financial institution to honor the check of an
 43 applicant for insurance which was delivered to a licensed agent
 44 for payment of a premium, even if the agent previously delivered
 45 or transferred the premium to the insurer. If a correctly
 46 dishonored check represents payment of the initial premium, the
 47 contract and all contractual obligations are void ab initio
 48 unless the nonpayment is cured within the earlier of 5 days
 49 after actual notice by certified mail is received by the
 50 applicant or 15 days after notice is sent to the applicant by

51 certified mail or registered mail, and, if the contract is void,
 52 any premium received by the insurer from a third party shall be
 53 refunded to that party in full; and

54 (b) If cancellation or termination occurs during the first
 55 90 days during which the insurance is in force and if the
 56 insurance is canceled or terminated for reasons other than
 57 nonpayment, at least 20 days' written notice of cancellation or
 58 termination accompanied by the reason for cancellation or
 59 termination must be given, except if there has been a material
 60 misstatement or misrepresentation or failure to comply with the
 61 underwriting requirements established by the insurer.

62 (c)1. Notwithstanding subparagraph 2., an insurer may not
 63 cancel or nonrenew a personal residential or commercial
 64 residential property insurance policy covering a dwelling or
 65 residential property located in this state which has been
 66 damaged by a covered peril until the earlier of the completion
 67 of repairs or the expiration of one subsequent renewal of the
 68 policy that was in force at the time of the loss. If flood is
 69 not a covered peril under the personal residential or commercial
 70 residential property insurance policy or under a separate flood
 71 insurance policy and the property has been damaged as a result
 72 of flood related to a hurricane, an insurer may not cancel or
 73 nonrenew the personal residential or commercial residential
 74 property insurance policy until the earlier of the completion of
 75 repairs or the expiration of one subsequent renewal of the

76 policy that was in force at the time of the loss.

77 2. An insurer or agent may cancel or nonrenew such a
 78 policy prior to the repair of the dwelling or residential
 79 property:

80 a. Upon 10 days' notice:

81 (I) For nonpayment of premium; or

82 (II) If the named insured no longer has an insurable
 83 interest in the property; or

84 b. Upon 45 days' notice:

85 (I) For a material misstatement or fraud related to the
 86 claim;

87 (II) If the insurer or its agent has made a reasonable
 88 written inquiry to the insured as to the status of the repair
 89 and the insured has failed within 30 calendar days to provide
 90 information that is responsive to the inquiry to either the
 91 address or e-mail account designated by the insurer or its
 92 agent; or

93 (III) If the insurer has paid policy limits under a
 94 personal residential property insurance policy for a loss to the
 95 insured dwelling that was damaged, or policy limits under a
 96 commercial residential property insurance policy for a loss to
 97 each structure that was damaged.

98 3. If the insurer elects to nonrenew a policy after the
 99 expiration of the time in subparagraph 1., the insurer must
 100 provide notice in accordance with subsection (1).

101 4. This paragraph does not prevent the insurer from
 102 canceling or nonrenewing the policy after the repair is
 103 completed for the same reasons the insurer would otherwise have
 104 canceled or nonrenewed the policy but for subparagraph 1.

105 5. For purposes of this paragraph:

106 a. A structure is deemed to be repaired when substantially
 107 completed and restored to the extent that it is insurable by:

108 (I) Another authorized insurer writing policies in this
 109 state if the structure is currently insured by an authorized
 110 insurer; or

111 (II) Another authorized or eligible surplus lines insurer
 112 writing policies in this state if the structure is currently
 113 insured by an eligible surplus lines insurer.

114 b. The term "insurer" means an authorized insurer or an
 115 eligible surplus lines insurer.

116 c. The term "damage" includes flood damage related to a
 117 hurricane if flood is a covered peril under the personal
 118 residential or commercial residential property insurance policy
 119 or under a separate flood insurance policy.

120 6. The commission may adopt rules, and the commissioner
 121 may issue orders, necessary to implement this paragraph.

122 Section 2. Paragraph (e) of subsection (2) of section
 123 627.4133, Florida Statutes, is amended to read:

124 627.4133 Notice of cancellation, nonrenewal, or renewal
 125 premium.—

126 (2) With respect to any personal lines or commercial
 127 residential property insurance policy, including, but not
 128 limited to, any homeowner, mobile home owner, farmowner,
 129 condominium association, condominium unit owner, apartment
 130 building, or other policy covering a residential structure or
 131 its contents:

132 (e)1. Notwithstanding subparagraph 2., an insurer may not
 133 cancel or nonrenew a personal residential or commercial
 134 residential property insurance policy covering a dwelling or
 135 residential property located in this state which has been
 136 damaged by a covered peril until the earlier of the completion
 137 of repairs or the expiration of one subsequent renewal of the
 138 policy that was in force at the time of the loss. If flood is
 139 not a covered peril under the personal residential or commercial
 140 residential property insurance policy or under a separate flood
 141 insurance policy and the property has been damaged as a result
 142 of flood related to a hurricane, an insurer may not cancel or
 143 nonrenew the personal residential or commercial residential
 144 property insurance policy until the earlier of the completion of
 145 repairs or the expiration of one subsequent renewal of the
 146 policy that was in force at the time of the loss. An authorized
 147 ~~insurer may not cancel or nonrenew a personal residential or~~
 148 ~~commercial residential property insurance policy covering a~~
 149 ~~dwelling or residential property located in this state:~~
 150 ~~— a. For a period of 90 days after the dwelling or~~

151 ~~residential property has been repaired, if such property has~~
 152 ~~been damaged as a result of a hurricane or wind loss that is the~~
 153 ~~subject of the declaration of emergency pursuant to s. 252.36~~
 154 ~~and the filing of an order by the Commissioner of Insurance~~
 155 ~~Regulation.~~

156 ~~b. Until the earlier of when the dwelling or residential~~
 157 ~~property has been repaired or 1 year after the insurer issues~~
 158 ~~the final claim payment, if such property was damaged by any~~
 159 ~~covered peril and sub-subparagraph a. does not apply.~~

160 2. ~~However,~~ An insurer or agent may cancel or nonrenew
 161 such a policy prior to the repair of the dwelling or residential
 162 property:

163 a. Upon 10 days' notice:

164 (I) For nonpayment of premium; or

165 (II) If the named insured no longer has an insurable
 166 interest in the property; or

167 b. Upon 45 days' notice:

168 (I) For a material misstatement or fraud related to the
 169 claim;

170 (II) If the insurer or its agent has made a reasonable
 171 written inquiry to the insured as to the status of the repair
 172 and the insured has failed within 30 calendar days to provide
 173 information that is responsive to the inquiry to either the
 174 address or e-mail account designated by the insurer or its
 175 agent; ~~If the insurer determines that the insured has~~

176 ~~unreasonably caused a delay in the repair of the dwelling; or~~
 177 (III) If the insurer has paid policy limits under a
 178 personal residential property insurance policy for a loss to the
 179 insured dwelling that was damaged, or policy limits under a
 180 commercial residential property insurance policy for a loss to
 181 each insured structure that was damaged.

182 3. If the insurer elects to nonrenew a policy after the
 183 expiration of the time in subparagraph 1., the insurer must
 184 provide notice in accordance with subsection (1).

185 4. ~~Nothing in~~ This paragraph does not shall prevent the
 186 insurer from canceling or nonrenewing the policy after the
 187 repair is completed ~~90 days after the repairs are complete~~ for
 188 the same reasons the insurer would otherwise have canceled or
 189 nonrenewed the policy but for ~~the limitations of~~ subparagraph 1.

190 ~~The Financial Services Commission may adopt rules, and the~~
 191 ~~Commissioner of Insurance Regulation may issue orders, necessary~~
 192 ~~to implement this paragraph.~~

193 5. 4. This paragraph shall also apply to personal
 194 residential and commercial residential policies covering
 195 property that was damaged as the result of Hurricane Ian or
 196 Hurricane Nicole.

197 6. 5. For purposes of this paragraph:

198 a. A structure is deemed to be repaired when substantially
 199 completed and restored to the extent that it is insurable by:

200 (I) Another authorized insurer writing policies in this

201 state if the structure is currently insured by an authorized
 202 insurer; or

203 (II) Another authorized or eligible surplus lines insurer
 204 writing policies in this state if the structure is currently
 205 insured by an eligible surplus lines insurer.

206 b. The term "insurer" means an authorized insurer or an
 207 eligible surplus lines insurer.

208 c. Except for sub-subparagraph 5., the term "damage"
 209 includes flood damage related to a hurricane if flood is a
 210 covered peril under the personal residential or commercial
 211 residential property insurance policy or under a separate flood
 212 insurance policy.

213 7. The commission may adopt rules, and the commissioner may
 214 issue orders, necessary to implement this paragraph.

215 Section 3. This act shall take effect July 1, 2024.