

# 2023 Legislative Session Wrap-up

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## **Citizens Specific Statutory Changes (various bills)**

- Allows Citizens' Executive Director to appoint a designee to be a member of the Commission on Hurricane Loss Projection Methodology, as long as the designee is a full-time employee with actuarial science experience. **(CS/CS/CS/SB 418)**
- Provides that Citizens may adopt policy forms that provide for the resolution of claims disputes regarding coverage for, or the scope and value of, a claim, in a proceeding in front of the Division of Administrative Hearings (DOAH), with certain requirements. **(CS/CS/CS/HB 799)**
- Provides that on or after 11/1/2023, policies that seek to obtain coverage from Citizens following an insolvency will be subject to the same glide-path as non-primary residents (0-50%) to ensure that policyholders do not receive premium decreases when coming to Citizens. **(CS/CS/CS/HB 799)**
- Provides that, that condo-unit owners do not have to obtain flood insurance to be eligible for coverage with Citizens. **(CS/CS/CS/HB 799)**

## Citizens Specific Statutory Changes (various bills)

- Provides Citizens an exception to the 60-day underwriting timeframe change included in CS/CS/HB 1185 when policies come to Citizens following an insolvency. This exception will allow consumers and agents time to provide the necessary documentation required and to provide underwriting time to review the required documents. **(CS/CS/HB 1185)**
- Preserves and makes permanent Citizens' public records exemption for Cybersecurity data and information. One of the specific exemptions has been stricken since legislation was passed in 2022 in a broader statute that provides protection for Citizens, in a similar manner. **(HB 7035)**
- State that Citizens may not determine that a risk is ineligible for coverage with the corporation solely because such risk has unrepaired damage caused by a covered loss that is the subject of a claim that has been filed with the Florida Insurance Guaranty Association due to an insolvency. This paragraph applies to a risk until the earlier of 24 months after the date the Florida Insurance Guaranty Association began servicing such claim or the Florida Insurance Guaranty Association closes the claim. **(CS/SB 7052)**

## **CS/CS/CS/SB 418 – Insurance**

- Provides that a residential property insurer's rate filing may estimate projected hurricane losses by using a weighted or straight average of two or more models approved by the Florida Commission on Hurricane Loss Projection Methodology.
- Provides that an insurer may file a personal lines residential property insurance rating plan that provides premium discounts, credits, and other rate differentials based on windstorm construction standards developed by an independent, nonprofit scientific research organization.
- Limits the requirement that an insurer provide a policyholder who has an automatic bank withdrawal agreement with the insurer with 10 days advance written notice of any increase in policy premiums. Instead, notice will only be required for premium increases that result in an increase in the automatic withdrawal of more than \$10 from the previous withdrawal amount.
- Revises the mandated deductibles that must be offered for hurricane loss when issuing a personal lines residential property insurance policy. For policies with a dwelling limit of:
  - \$250,000 or more, but less than \$1 million, the insurer need not offer the \$500 hurricane deductible;
  - \$1 million or more, but less than \$3 million, the insurer may, in lieu of offering the 2 percent deductible, offer a deductible amount applicable to hurricane losses equal to 3 percent of the policy dwelling limits; and
  - \$3 million or more, the insurer need not offer the 2 percent deductible.
- Revises the requirement that the waiver by a policyholder of residential windstorm coverage or contents coverage be in the policyholder's own handwriting by also allowing the waiver to be typed.

## **CS/CS/CS/HB 799 - Property Insurance**

- Provides that property insurance rate filings must provide mitigation measures including techniques that enhance wind-uplift prevention and appropriates \$750,000 to the Office of Insurance Regulation (OIR) to competitively procure a wind-loss mitigation study included, but not limited to, wind-uplift prevention and other specific mitigation enhancements.
- Provides that if a carrier requires that an applicant or insured have coverage for the peril of flood when issuing a policy for the peril of wind, unless the insurer may not deny a claim for the peril of wind solely because the insured does not have coverage for the peril of flood, unless flood coverage was verified by the insurer at the time of application or renewal. If flood coverage is verified at the time of issuance or renewal, and at the time of loss the flood coverage is no longer in-force, this requirement does not apply.

## CS/CS/HB 1185 - Consumer Protection

- Insurance agency and adjusting firm names: Department of Financial Services may disapprove adjusting firm names on the same grounds under which it can disapprove of insurance agency names.
- Public adjusters: significantly alters the requirements for contracts between public adjusters and insureds or claimants; provides for additional disclosures to accompany such contracts; provides for recordkeeping requirements for public adjusters.
- Insurer advertisements: establishes it is an unfair method of competition, or an unfair or deceptive act or practice, if an insurer fails to disclose a third party that it receives royalties, referral fees, or other money for sponsorship, marketing, or use of third-party branding for a health insurance contract.
- Insurance coverage for hurricanes: reduces the statutory duration that a hurricane deductible applies; defines hurricane deductible as the deductible applicable to loss caused by a hurricane.
- Insurer underwriting timeframes: reduces the time that an insurer has to cancel a policy for reasons other than material misstatement, nonpayment of premium, or failure to comply with underwriting requirements from 90 days to 60 days

## **CS/SB 7052 - Insurer Accountability**

- Requires insurers to follow appropriate claims handling practices.
- Requires residential property insurers to create and use claims-handling manuals that follow the Insurance Code and best practice standards.
- Requires rate filings made by property insurer and motor vehicle insurers include, and OIR consider when reviewing rates, the combined effect of recent legislative reforms.
- Appropriates \$500,000 to OIR to obtain an actuarial study to develop appropriate methodology and data to implement this requirement.
- Requires OIR to update a study regarding property insurance mitigation discounts at least every 5 years.
- Increases maximum administrative fines that may be levied on insurers and insurance agents for violating the Insurance Code by 250 percent generally, and 500 percent for violations related to a declared state of emergency, including a hurricane.
- Requires insurers and agents to respond more promptly to the Department of Financial Services' (DFS) Division of Consumer Services and Agency Services regarding consumer requests/complaints.
- Increases staffing for OIR and DFS.
- Provides conditions whereby the OIR must initiate market conduct examinations of insurers following a hurricane.

**CS/CS/CS/HB 799 - Property Insurance**

<b>Section</b>	<b>Title</b>	<b>Lines</b>	<b>Requirements</b>	<b>Owner(s)</b>	<b>Notes</b>
Section 1	Rate Standards	34-45	Adds the words "and windstorm losses" to the requirement that residential property insurance rate filings must account for mitigation measures taken by policyholders.		
Section 2	Residential property insurance; rate filings	46-70	Adds the words "wind-uplift prevention" to the legislative intent language regarding windstorm damage protection and consumer savings (mitigation credits).		
Section 3	Citizens	131-151	Requires Citizens to charge applicants who come to Citizens, on or after 11/1/2023, from an insurer determined by the office to be unsound or an insurer placed in receivership under Chapter 631 to be placed on the accelerated glide-path required for non-primary residences.		Effective Upon Becoming Law
Section 3	Citizens	173-178	Corrects language from SB 2A which incorrectly referenced "property valued at" with respect to the statewide flood coverage requirements based on coverage value. The language now references "a structure that has a dwelling replacement cost of"		Effective Upon Becoming Law
Section 3	Citizens	190-197	Exempts condo unit owners policies from the flood eligibility requirement.		Effective Upon Becoming Law
Section 3	Citizens	203-223	Codifies that Citizens can adopt policy forms that provide for alternative dispute resolution proceedings in front of the Division of Administrative Hearings (DOAH) and specifies certain requirements.		Effective Upon Becoming Law
Section 4	Wind and flood coverage in residential and commercial property insurance policies.	224-239	Creates 627.7155. For policies issued or renewed on or after 10/1/2023, if a residential or commercial property insurer requires an insured or applicant have flood coverage, when issuing a policy for the peril of wind, if the insurer does not verify that the insured or applicant has flood coverage at its issuance or renewal, the insurer cannot deny a claim for wind solely because the insured does not have flood coverage at the time of the loss. If the insurer does verify coverage and at the time of loss there is no flood coverage in effect, an insurer is not prohibited from denying the wind loss.		Effective 10/1/2023
Section 4	Wind and flood coverage in residential and commercial property insurance policies.	240-246	Provides that a master flood policy that is issued to someone other than the insured or applicant that includes the insured or applicant as an intended or third-party beneficiary under the master flood policy is acceptable proof of coverage for the peril of flood for the purposes of .		Effective 10/1/2023
Section 5	Wind-loss mitigation study	247-270	Provides the Office of Insurance Regulation (OIR) \$750,000 in non-recurring funding from the Insurance Regulatory Trust Fund to competitively procure a wind-loss mitigation study.		Effective 7/1/2023
Section 6	Effective dates	271-274	Specifies effective dates of the bill - unless otherwise specified.		



CS/CS/CS/SB 418 - Insurance					
Section	Title	Lines	Requirements	Owner(s)	Notes
Section 1	Liveries; safety regulation; penalties	46-98	Not applicable		
Section 2	Group self-insurance funds	99-106	Not applicable		
Section 3	Rate standards	107-118	Allows an insurer to use a modeling indication that is the weighted or straight average of two or more hurricane models found to be accurate or reliable the the commission under 627.0628.		
Section 4	Florida Commission on Hurricane Loss Projection Methodology	123-170	Allows Citizens executive director to appoint a designee to serve on the commission as long as the designee is a full-time employee of the corporation with actuarial science experience.		
Section 5	Residential property insurance; rate filings	169-181	Allows a residential property insurer to file a personal lines rating plan that provides justified premium discounts, credits or rate differentials for windstrom mitigation developed by an independent, nonprofit scientific research organization with certain specifications.		
Section 6	Automatic bank withdrawal agreements; notification required	182-193	Amends current law to require that an insurer provide at least 10 days notice of an increase in policy premiums which result in the next withdrawal being increased by more than \$10.00.		
Section 7	Delivery of policy	194-227	Expands the types of documents and policies that can be delivered electronically.		
Section 8	Liability of insureds; coinsurance; deductibles	228-264	Allows for certain alternative deductibles to be offered on policies covering a risk with dwelling limits over \$1 million.		
Section 9	Residential windstorm coverage required; availability of exclusions for windstrom or contents	265-298	Allows for a typed (instead a handwritten) statement from an insured when excluding coverage for damages from windstorm.		
Section 10	Notice of limited coverage;	299-317	Not applicable		
Section 11	Qualifications for license;	320-377	Not applicable		
Section 12	Effective date	378	7/1/2023		

CS/CS/HB 1185 - Consumer Protection					
Section	Title	Lines	Requirements	Owner(s)	Notes
Section 1	Mortgage Brokers; Mortgage Lenders	77-132	Not applicable		
Section 2	Mortgage Brokers; Mortgage Lenders	133-141	Not applicable		
Section 3	On-line crowd-funding campaigns	142-180	Not applicable		
Section 4	Energy generation systems	181-366	Not applicable		
Section 5	Prohibited Acts	367-373	Not applicable		
Section 6	Workers compensation	374-381	Not applicable		
Section 7	Insurance agency and adjusting firm names	382-413	Adds insurance adjusting firms to current laws governing insurance agency names under DFS.		
Section 8	Public adjusters	416-430	Adds language to the definition of a public adjuster to include "regardless of how that person describes or presents his or her services"		
Section 8	Public adjusters	463-520	Changes the requirements and necessary disclosures for public adjusting contracts entered into on or after July 1, 2023, including extending the time a consumer can cancel a contract with a public adjuster following a declaration of a state of emergency by the Governor.		
Section 8	Public adjusters	600-607	Provides for additional limitations on public adjusting fees to 1% if an insurer agrees to pay the insured greater than or equal to the policy limits for that part of the policy if the payment or written commitment to pay is provided within 14 days after the date of loss or within 10 days after the date of the execution of the public adjusting contract, whichever is later.		
Section 8	Public adjusters	608-612	Prohibits a public adjusters from receiving payment on the amount of an insurance claim for any coverage part of the policy where the claim payment or written agreement by the insurer to pay occurs before the date on which the public adjusting contract was executed.		
Section 8	Public adjusters	642-649	Allows insureds to cancel a public adjusting contract if an estimate is not provided within 60 days after executing contract, with certain exceptions.		
Section 9	Office and records	801-815	Adds additional requirements for independent and public adjusters regarding posting of a license in the principal place of business of the license holder and requires that the licensee have such license in his or her actual possession at all times when conducting business away from the principal place of business.		
Section 9	Office and records	816-847	Provides for which documents must be maintained for a minimum of 5 years and made available for inspection by DFS during certain hours, with exceptions.		
Section 10	Public adjuster contracts; disclosure statements	848-959	Adds certain disclosure statements that must be included in public adjuster contracts.		
Section 11	Proof of loss; fraud statement	960-975	Requires that the fraud statement be in 18 point bold type before the space reserved in the contract for the signature of the insured.		
Section 12	Unfair methods of competition and unfair or deceptive acts	976-1019	Not applicable - new language relates to health insurance under 624.603.		
Section 13	Residential coverage and hurricane coverage defined	1020-1042	Amends the definition of "Hurricane" eliminating reference to the time a hurricane watch is issued and eliminates the reference to the time period during which hurricane conditions exist anywhere in Florida. Also defines the term "Hurricane deductible".		

Section 14	Notice of cancellation, nonrenewal, or renewal premium	1047-1196	Reduces the time an insurer can cancel a policy from 90 days to 60 days after a policy has been in effect except where there has been a material misstatement or a nonpayment of premium. Provides an exception for Citizens (reinstating the 90 days) when prior to the date of application, the applicant was most recently insured by an insurer that has been placed in receivership under Chapter 631.		
Section 15	Suitability in annuity transactions	1197-1914	Not applicable		
Section 16	Qualifications for a license	1916-1975	Not applicable - service agreements.		
Section 17	Definitions under 634.401	1976-1989	Not applicable		
Section 18	Financial requirements under 634.406	1990-2029	Not applicable		
Section 19	Effective date	2030-2031	Except as otherwise provided, 7/1/2023.		

**CS/SB/7052 - Insurer Accountability**

<b>Section</b>	<b>Title</b>	<b>Lines</b>	<b>Requirements</b>	<b>Owner(s)</b>	<b>Notes</b>
Section 1	Referral of criminal violations	122-131	Provides that during an investigation or examination, if OIR has reason to believe that any criminal law of the state has or may have been violated, they refer it to DIFS, state or federal law enforcement, or prosecutorial agencies, as applicable, and provide investigative assistance.		
Section 2	Complaints	132-150	Reduces the time an insurer has to respond to the division of consumer services from 20 days to 14 days and increases the amount of fines allowed for violation of the requirements of the paragraph.		
Section 3	Annual reports; quarterly reports	151-195	Requires OIR to create both annual and quarterly reports detailing all actions of the of the office to enforce insurer compliance with the code and all rules and orders of the office or department, outlining what the report must include. The reports are required to be submitted to the FSC, House and Senate as of a certain date each year.		
Section 4	Examination of Insurers	196-265	Provides that the office must examine, at a minimum, High-risk insurers at least once every 3 years and Average and low-risk insurers at least once every 5 years. Directs the office to create a risk-based selection methodology for scheduling examinations of insurers and outlines what the methodology must include.		
Section 5	Market conduct examonations	266-358	Requires a market conduct examination at any time more than 90 days after the end of a hurricane based on certain criteria and outlines what must be considered in developing the methodology for selecting insurers that must be examined.		
Section 5	Market conduct examonations	359-475	Provides that if the offices concludes that an insurer providing liability coverage exhibits a pattern or practice of violations of the Florida Insurance Code during any investigation or examination of the insurer, the office must review the insurer's claims and provides that a liability insurer may be subject to enhanced enforcement penalties if certain patterns and activities, as outlined, are found.		
Section 6	Administrative fine in lieu of suspension or revocation	476-530	Provides OIR with additional fining authority under the section.		
Section 7	Notice of temporary discontinuance of writing new residential property insurance policies	531-564	Provides what information and notice an authorized insurer must provide to OIR prior to temporarily discontinuing writing new residential policies in this state, and provides for exceptions.		
Section 8	Hazardous insurer standards	565-741	Creates Hazerdous insurer standards and provides the office with evaluation and enforcement authority.		
Section 9	Notice to comply with written requirements of the office; noncompliance	742-752	Deletes obsolete language		
Section 10	Rulemaking	755-757	Creates rulemaking authority so that the commission may adopt rules to administer ss. 624.80-624.87.		
Section 11	Own-risk and solvency assessment; corporate governance annual disclosure	758-896	Not applicable		
Section 12	Disqualification of applicants and licensees	897-907	Adds language to the 7-year disqualifying period to include any misdemeanor directly related to any violation of the Florida Insurance Code.		
Section 13	Unfair methods of competition and unfair or deceptive acts or practices prohibited; penalties	908-950	Provides for increases in amounts of fines under the section and provides for additional fines to individuals with violations under the section related to a covered loss or covered claim caused by an emergency for which the Governor declared a state of emergency pursuant to s. 252.36.		

Section 14	Unfair claim settlement practices	1009-1020	Adds the following as an unfair claims settlement practice: Altering or amending an insurance adjusters report without: (I) Providing a detailed explanation as to why any change that has the effect of reducing the estimate of the loss was made; and (II) Including on the report or as an addendum to the report a detailed list of all changes made to the report and the identity of the person who ordered each change; or (III) Retaining all versions of the report, and including within each such version, for each change made within such version of the report, the identity of each person who made or order such change.		
Section 15	Investigation by DIFS; compliance; immunity; confidential information; reports to division;	960-975	Revises and requires new reporting by the Division of Investigative and Forensic Services.		
Section 16	Residential property insurance; rate filings	976-1019	Requires that effective October 1, 2023 each insurer must provide information on their website describing the hurricane mitigation discounts to policyholders and requires that it must be visible on the primary page of the website. Requires that on or before 1/1/2025, and every 5 years after that office reevaluate and update the mitigation features and credits.		
Section 17	Citizens	1203-1214	Provides that the corporation may not determine that a risk is ineligible for coverage solely because the risk has unrepaired damage caused by a covered loss that is subject to a claim with FIGA. This applies to a risk until the earlier of 24 months after the date the FIGA began servicing the claim or FIGA closes the claim.		
Section 18	Filing, approval of forms	1215-1229	Does not allow the office to exempt from the requirements of 627.410, any insurer whom the office enters a final order determining that such insurer violated any provision of the insurance code for a specified period of time.		
Section 19	Claims-handling manuals; submission; attestation	1230-1261	Requires that each residential property insurer create and use a claims-handling manual that must include certain guidelines and procedures for claims handling under the insurance code, and at a minimum, comports to usual and customary industry claims-handling practices.		
Section 19	Claims-handling manuals; submission; attestation	1262-1276	Provides that at anytime, the office may request that an insurer submit a physical or electronic copy of the current claims-handling manual. Upon receiving such request, the insurer must submit to the office within 5 business days: a true and correct copy of the manual and an attestation that the insurer has provided a true and correct copy and the timeframe it was or is in effect.		
Section 19	Claims-handling manuals; submission; attestation	1277-1291	Requires an annual attestation regarding the claims-handling manual on a form prescribed by the office.		
Section 20	Notice of cancellation, nonrenewal or renewal premium	1299-1360	Revises required timeframes that an insurer may not cancel or nonrenew a personal residential property insurance policy following a covered loss.		
Section 21	Deductibles	1392-1393	Revises when a roof deductible can be applied.		
Section 22	Notice of property insurance claims	1394-1411	Tolls the time limitations under 627.70132 during any term of deployment to a combat zone or combat support posting which materially affects the ability of a named insured who is a servicemember as defined in s. 250.01.		
Section 23	SB 2A	1412-1419	Provides that the provisions of SB 2A is effective for insurance contracts issued or renewed after the effective date of the law.		
Section 24	Rate filings	1420-1449	Provides that rate filings must take into account the expected savings from the various reforms over the last several years		
Section 27	Effective date		1-Jul-23		