

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Regulatory Affairs
 2 Committee

3 Representative Ahern offered the following:

4
 5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Paragraph (f) of subsection (2) of section
 8 163.3178, Florida Statutes, is amended to read:

9 163.3178 Coastal management.—

10 (2) Each coastal management element required by s.
 11 163.3177(6)(g) shall be based on studies, surveys, and data; be
 12 consistent with coastal resource plans prepared and adopted
 13 pursuant to general or special law; and contain:

14 (f) A redevelopment component that ~~which~~ outlines the
 15 principles that must ~~which shall~~ be used to eliminate
 16 inappropriate and unsafe development in the coastal areas when
 17 opportunities arise. The component must:

Amendment No. 1

18 1. Include development and redevelopment principles,
19 strategies, and engineering solutions that reduce the flood risk
20 in coastal areas which results from high-tide events, storm
21 surge, flash floods, stormwater runoff, and the related impacts
22 of sea-level rise.

23 2. Encourage the use of best practices development and
24 redevelopment principles, strategies, and engineering solutions
25 that will result in the removal of coastal real property from
26 flood zone destinations established by the Federal Emergency
27 Management Agency.

28 3. Identity site development techniques and best practices
29 that may reduce losses due to flooding and claims made under
30 flood insurance policies issued in this state.

31 4. Be consistent with, or more stringent than, the flood-
32 resistant construction requirements in the Florida Building Code
33 and applicable flood plain management regulations set forth in
34 44 C.F.R. part 60.

35 5. Require that any construction activities seaward of the
36 coastal construction control lines established pursuant to s.
37 161.053 be consistent with chapter 161.

38 6. Encourage local governments to participate in the
39 National Flood Insurance Program Community Rating System
40 administered by the Federal Emergency Management Agency to
41 achieve flood insurance premium discounts for their residents.

42 Section 2. Section 472.0366, Florida Statutes, is created
43 to read:

Amendment No. 1

44 472.0366 Elevation certificates; requirements for
45 surveyors and mappers.-

46 (1) As used in this section, the term:

47 (a) "Division" means the Division of Emergency Management
48 established within the Executive Office of the Governor under s.
49 14.2016.

50 (b) "Elevation certificate" means the certificate used to
51 demonstrate the elevation of property which has been developed
52 by the Federal Emergency Management Agency pursuant to federal
53 floodplain management regulation and which is completed by a
54 surveyor and mapper.

55 (2) An elevation certificate must be completed by a
56 surveyor and mapper in accordance with the checklist developed
57 by the division. Within 30 days after the completion of an
58 elevation certificate, a surveyor and mapper must submit a copy
59 of the certificate to the division. The copy must be unaltered,
60 except that the surveyor and mapper may redact the name of the
61 property owner.

62 Section 3. Section 627.715, Florida Statutes, is amended
63 to read:

64 627.715 Flood insurance.—An authorized insurer may issue
65 an insurance policy, contract, or endorsement providing personal
66 lines residential coverage for the peril of flood on any
67 structure or the contents of personal property contained
68 therein, subject to this section. This section does not apply to
69 commercial lines residential or commercial lines nonresidential

193855 - h0895-strike.docx

Published On: 4/13/2015 10:14:59 PM

Amendment No. 1

70 coverage for the peril of flood. This section also does not
71 apply to coverage for the peril of flood that is excess coverage
72 over any other insurance covering the peril of flood. An insurer
73 may issue flood insurance policies, contracts, or endorsements
74 on a standard, preferred, customized, or supplemental basis.

75 (1)(a)1. Standard flood insurance must cover only losses
76 from the peril of flood, as defined in paragraph (b), equivalent
77 to that provided under a standard flood insurance policy under
78 the National Flood Insurance Program. Standard flood insurance
79 issued under this section must provide the same coverage,
80 including deductibles and adjustment of losses, as that provided
81 under a standard flood insurance policy under the National Flood
82 Insurance Program.

83 2. Preferred flood insurance must include the same
84 coverage as standard flood insurance but:

85 a. Include, within the definition of "flood," losses from
86 water intrusion originating from outside the structure that are
87 not otherwise covered under the definition of "flood" provided
88 in paragraph (b).

89 b. Include coverage for additional living expenses.

90 c. Require that any loss under personal property or
91 contents coverage that is repaired or replaced be adjusted only
92 on the basis of replacement costs up to the policy limits.

93 3. Customized flood insurance must include coverage that
94 is broader than the coverage provided under standard flood
95 insurance.

Amendment No. 1

96 4. Flexible flood insurance must cover losses from the
97 peril of flood, as defined in paragraph (b), and may also
98 include coverage for losses from water intrusion originating
99 from outside the structure which is not otherwise covered by the
100 definition of flood. Flexible flood insurance must include one
101 or more of the following provisions:

102 a. An agreement between the insurer and the insured that
103 the flood coverage is in a specified amount, such as coverage
104 that is limited to the total amount of each outstanding mortgage
105 applicable to the covered property.

106 b. A requirement for a deductible in an amount authorized
107 under s. 627.701, including a deductible in an amount authorized
108 for hurricanes.

109 c. A requirement that flood loss to a dwelling be adjusted
110 in accordance with s. 627.7011(3) or adjusted on the basis of
111 the actual cash value of the property.

112 d. A restriction limiting flood coverage to the principal
113 building, as defined in the policy.

114 e. A provision including or excluding coverage for
115 additional living expenses.

116 f. A provision excluding coverage for personal property or
117 contents as to the peril of flood.

118 5.4. Supplemental flood insurance may provide coverage
119 designed to supplement a flood policy obtained from the National
120 Flood Insurance Program or from an insurer issuing standard or
121 preferred flood insurance pursuant to this section. Supplemental

Amendment No. 1

122 flood insurance may provide, but need not be limited to,
123 coverage for jewelry, art, deductibles, and additional living
124 expenses. ~~Supplemental flood insurance does not include coverage~~
125 ~~for the peril of flood that is excess coverage over any other~~
126 ~~insurance covering the peril of flood.~~

127 (b) "Flood" means a general and temporary condition of
128 partial or complete inundation of two or more acres of normally
129 dry land area or of two or more properties, at least one of
130 which is the policyholder's property, from:

- 131 1. Overflow of inland or tidal waters;
- 132 2. Unusual and rapid accumulation or runoff of surface
133 waters from any source;
- 134 3. Mudflow; or
- 135 4. Collapse or subsidence of land along the shore of a
136 lake or similar body of water as a result of erosion or
137 undermining caused by waves or currents of water exceeding
138 anticipated cyclical levels that result in a flood as defined in
139 this paragraph.

140 (2) ~~Any limitations on Flood coverage deductibles and or~~
141 ~~policy limits pursuant to this section, including, but not~~
142 ~~limited to, deductibles,~~ must be prominently noted on the policy
143 declarations page or face page.

144 (3) (a) An insurer may establish and use flood coverage
145 rates in accordance with the rate standards provided in s.
146 627.062.

147 (b) For flood coverage rates filed with the office before

Amendment No. 1

148 October 1, 2019, the insurer may also establish and use such
149 rates in accordance with the rates, rating schedules, or rating
150 manuals filed by the insurer with the office which allow the
151 insurer a reasonable rate of return on flood coverage written in
152 this state. Flood coverage rates established pursuant to this
153 paragraph are not subject to s. 627.062(2)(a) and (f). An
154 insurer shall notify the office of any change to such rates
155 within 30 days after the effective date of the change. The
156 notice must include the name of the insurer and the average
157 statewide percentage change in rates. Actuarial data with regard
158 to such rates for flood coverage must be maintained by the
159 insurer for 2 years after the effective date of such rate change
160 and is subject to examination by the office. The office may
161 require the insurer to incur the costs associated with an
162 examination. Upon examination, the office, in accordance with
163 generally accepted and reasonable actuarial techniques, shall
164 consider the rate factors in s. 627.062(2)(b), (c), and (d), and
165 the standards in s. 627.062(2)(e), to determine if the rate is
166 excessive, inadequate, or unfairly discriminatory. If the office
167 determines that a rate is excessive or unfairly discriminatory,
168 the office shall require the insurer to provide appropriate
169 credit to affected insureds or a refund to those policyholders
170 that no longer receive flood coverage from the insurer.

171 (4) A surplus lines agent may export a contract or
172 endorsement providing flood coverage to an eligible surplus
173 lines insurer without making a diligent effort to seek such

Amendment No. 1

174 coverage from three or more authorized insurers under s.

175 626.916(1)(a). This subsection expires July 1, 2017.

176 (5) In addition to any other applicable requirements, an
177 insurer providing flood coverage in this state must:

178 (a) Notify the office at least 30 days before writing
179 flood insurance in this state; and

180 (b) File a plan of operation and financial projections or
181 revisions to such plan, as applicable, with the office.

182 (6) Citizens Property Insurance Corporation may not
183 provide insurance for the peril of flood.

184 (7) The Florida Hurricane Catastrophe Fund may not provide
185 reimbursement for losses proximately caused by the peril of
186 flood, including losses that occur during a covered event as
187 defined in s. 215.555(2)(b).

188 (8) An agent must, upon receiving ~~obtaining~~ an application
189 for flood coverage from an authorized or surplus lines insurer
190 for a property receiving flood insurance under the National
191 Flood Insurance Program, ~~must~~ obtain an acknowledgment signed by
192 the applicant before placing the coverage with the authorized or
193 surplus lines insurer. The acknowledgment must notify the
194 applicant that, if the applicant discontinues coverage under the
195 National Flood Insurance Program which is provided at a
196 subsidized rate, the full risk rate for flood insurance may
197 apply to the property if the applicant ~~such insurance is later~~
198 seeks to reinstate coverage ~~obtained~~ under the ~~National Flood~~
199 ~~Insurance~~ program.

193855 - h0895-strike.docx

Published On: 4/13/2015 10:14:59 PM

Amendment No. 1

200 (9) With respect to the regulation of flood coverage
201 written in this state by authorized insurers, this section
202 supersedes any other provision in the Florida Insurance Code in
203 the event of a conflict.

204 (10) If federal law or rule requires a certification by a
205 state insurance regulatory official as a condition of qualifying
206 for private flood insurance or disaster assistance, the
207 Commissioner of Insurance Regulation may provide the
208 certification, and such certification is not subject to review
209 under chapter 120.

210 (11) (a) An authorized insurer offering flood insurance may
211 request the office to certify that a policy, contract, or
212 endorsement provides coverage for the peril of flood which
213 equals or exceeds the flood coverage offered by the National
214 Flood Insurance Program. To be eligible for certification, such
215 policy, contract, or endorsement must state, and the office must
216 confirm, that it meets the private flood insurance requirements
217 specified in 42 U.S.C. s. 4012a(b) and may not contain any
218 provision that is not in compliance with 42 U.S.C. s. 4012a(b).

219 (b) The authorized insurer or its agent may reference or
220 include a certification under paragraph (a) in advertising or
221 communications with an agent, a lending institution, an insured,
222 or a potential insured only for a policy, contract, or
223 endorsement that is certified under this subsection. The
224 authorized insurer may include a statement that notifies an
225 insured of the certification on the declarations page or other

Amendment No. 1

226 policy documentation related to flood coverage certified under
227 this subsection.

228 (c) An insurer or agent who knowingly misrepresents that a
229 flood policy, contract, or endorsement is certified under this
230 subsection commits an unfair or deceptive act under s. 626.9541.

231 Section 4. This act shall take effect July 1, 2015.

232

233 -----

234 **T I T L E A M E N D M E N T**

235 Remove everything before the enacting clause and insert:

236 A bill to be entitled

237 An act relating to the peril of flood; amending s. 163.3178,
238 F.S.; specifying requirements for the coastal management element
239 required for a local government comprehensive plan; creating s.
240 472.0366, F.S.; defining terms; requiring a surveyor and mapper
241 to complete an elevation certificate in accordance with a
242 checklist developed by the Division of Emergency Management and
243 to submit a copy of the elevation certificate to the division
244 within a certain time after its completion; authorizing the
245 redaction of certain personal information from the copy;
246 amending s. 627.715, F.S.; authorizing flexible flood insurance;
247 specifying coverage requirements; requiring such insurance to be
248 acceptable to the mortgage lender if intended to satisfy a
249 mortgage requirement; deleting a provision that prohibited
250 supplemental flood insurance from including excess coverage over
251 any other insurance covering the peril of flood; revising the

Amendment No. 1

252 information that must be prominently noted on a policy
253 declaration page; requiring the Office of Insurance Regulation
254 to require a credit or the return of certain premiums to
255 affected insurers if the office determines that a rate is
256 excessive or unfairly discriminatory; revising the notice
257 required to be acknowledged by an applicant for flood coverage
258 from certain insurers if the applicant's property is receiving
259 flood insurance under the National Flood Insurance Program;
260 allowing an authorized insurer to request a certification from
261 the Office of Insurance Regulation which indicates that a
262 policy, contract, or endorsement issued by the insurer provides
263 coverage for the peril of flood which equals or exceeds the
264 flood coverage offered by the National Flood Insurance Program;
265 specifying requirements for such certification; authorizing such
266 insurer or its agent to reference or include the certification
267 in specified advertising, communications, and documentation;
268 providing that misrepresenting the certification of a flood
269 policy, contract, or endorsement is an unfair or deceptive act;
270 providing an effective date.