

Amendment No.

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| WITHDRAWN             | 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> |       |

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1 Committee/Subcommittee hearing PCB: Insurance & Banking  
2 Subcommittee

3 Representative Santiago offered the following:

**Amendment (with title amendment)**

6 Between lines 340 and 341, insert:

7 627.70115 Residential coverage; actual cash value for  
8 losses to roof covering.-

9 (1) For residential coverage, notwithstanding s. 627.7011,  
10 insurers other than the Citizens Property Insurance Corporation  
11 may issue a policy or endorsement, or renew a policy, providing  
12 that any loss relating to the property's roof covering that is  
13 repaired or replaced will be adjusted on the basis of actual  
14 cash value if the roof covering:

15 (a) Is constructed out of material other than tile, slate,  
16 clay, concrete, or metal.

17 (b) Is more than 20 but less than 25 years old.

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18 (c) Has not been replaced within the previous 25 years.

19 (d) Has less than 3 years of remaining useful life as  
20 certified by a qualified inspector.

21 (2) For residential coverage, notwithstanding s. 627.7011,  
22 insurers other than the Citizens Property Insurance Corporation  
23 may issue a policy or endorsement, or renew a policy, providing  
24 that any loss relating to the property's roof covering that is  
25 repaired or replaced will be adjusted on the basis of actual  
26 cash value if the roof covering:

27 (a) Is constructed out of tile, slate, clay, concrete or  
28 metal.

29 (b) Is more than 45 but less than 50 years old.

30 (c) Has not been replaced within the previous 50 years.

31 (d) Has less than 3 years of remaining useful life as  
32 certified by a qualified inspector.

33 (3) For residential coverage, notwithstanding s. 627.7011,  
34 insurers other than the Citizens Property Insurance Corporation  
35 may issue a policy or endorsement or renew a policy providing  
36 that any loss relating to a mobile or manufactured home's roof  
37 covering that is repaired or replaced will be adjusted on the  
38 basis of actual cash value if the roof covering:

39 (a) Is more than 20 but less than 25 years old.

40 (b) Has not been replaced within the previous 25 years.

41 (c) Has less than 3 years of remaining useful life as  
42 certified by a qualified inspector.

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43 (4) An insurer may adjust losses relating to roof covering  
44 on the basis of actual cash value as specified in subsections  
45 (1), (2) or (3) only if the following conditions are met:

46 (a) The insurer nonrenews a policy that require losses  
47 relating to roof covering that is repaired or replaced to be  
48 adjusted at replacement cost and offers a new policy that  
49 requires these losses to be adjusted on the basis of actual cash  
50 value. The insurer cannot renew a property insurance policy  
51 pursuant to s. 627.43141 to change the adjustment for losses  
52 related to roof covering from a replacement cost basis to an  
53 actual cash value basis.

54 (b) The policy including payment for losses related to  
55 roof covering at actual cash value must, on its face, include in  
56 boldfaced type no smaller than 18 points the following  
57 statement:

58  
59 This policy pays actual cash value for any loss relating to  
60 the roof covering. Payment of actual cash value for losses  
61 relating to roof covering will not fully pay for the repair or  
62 replacement of your roof if there is major roof damage. There  
63 will be a significant difference between the insurance proceeds  
64 paid to you by your insurer for the roof damage and the cost you  
65 will incur to repair or replace your roof. Therefore, you may  
66 pay significant out of pocket costs for roof repair or  
67 replacement. Additionally, the insurer may require you, at your  
68 expense, to fully repair or replace your roof in order for the

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69 insurer to continue to provide property insurance on this  
70 property.

71  
72 (c) The agent of record on the policy must obtain an  
73 acknowledgment signed by the policyholder that the policyholder  
74 has read and understands the disclosure required in paragraph  
75 (b). This acknowledgment must be obtained at policy issuance and  
76 at each renewal.

77 (d) An insurer issuing a policy requiring the insurer to  
78 adjust losses relating to roof covering on an actual cash basis  
79 must provide the policyholder an actuarially reasonable premium  
80 credit or discount that reflects the expected cost savings  
81 associated with this policy.

82 (e) If the structure insured by a property insurance  
83 policy that requires insurers to adjust losses to roof covering  
84 on the basis of actual cash value is subject to a mortgage or  
85 lien, the policyholder must provide the insurer with a written  
86 statement from the mortgageholder or lienholder indicating that  
87 the mortgageholder or lienholder approves the policyholder  
88 electing a property insurance policy that adjusts losses to the  
89 roof covering on an actual cash basis.

90 (5) For purposes of this section, a person is a qualified  
91 inspector if the person is:

92 (a) A general, residential, building, or roofing  
93 contractor licensed under chapter 489;

94 (b) A building inspector licensed under chapter 468;

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- 95        (c) An architect licensed under chapter 481; or
- 96        (d) A building code enforcement official licensed under
- 97 chapter 468.

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**T I T L E   A M E N D M E N T**

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Remove line 23 and insert:

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Financial Services Commission; creating s. 627.70115, F.S.;

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providing that residential coverage for roof coverings for

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certain homes and mobile or manufactured homes may be adjusted

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on the basis of actual cash value; providing requirements;

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providing an effective

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