

Florida: Major Insurance Bill Signed into Law [here](#)

Floridians Must be Aware of Major Impacts of SB 408 including:

- ***Changes to Citizens Property Insurance;***
- ***The Imposition of New/Restricted Time Limitations for Hurricane & Sinkhole Claims;***
- ***Granting Carriers Permission to Withhold Partial Payment of Insurance Proceeds;***
and
- ***Rate Change Procedures, Obligations of Public Adjusters, Changes in Notices of Cancellation or Terms of Coverage and much more ...***

Governor Scott, insurance companies and agents are excited about what they consider positive changes for Florida's insurance market. Governor Scott and proponents of the bill contended that "burdensome regulations" on insurance companies increased costs and detracted new companies from offering products in Florida. Some of the more significant changes are explained below:

1. Premiums can go up by up to 15 percent a year as a result of adjustments in reinsurance and other financing costs (including a profit margin on those costs), with less scrutiny;
2. Insureds ***only have two (2) years*** from when they knew or reasonably should have known about sinkhole losses to make ***sinkhole claims***;
3. ***All hurricane claims*** (whether the initial, supplemental or reopened claim) ***must be filed within three (3) years*** after the hurricane first makes landfall or the windstorm causes covered damage (down from five years);
4. Insurance carriers can ***withhold full payment for home damage claims*** until the work is performed and expenses incurred - the carrier is only required to pay the actual depreciated cash value of the loss minus the deductible. The insured will not be paid for the replacement costs until the costs are incurred, somewhat like a construction loan;
5. The ***Statute of Limitations*** to bring a breach of contract action against a carrier runs from the actual ***date of loss*** rather than the date of alleged breach;
6. Insureds will have to pay up to half of the cost of testing for sinkholes if the insurer denies the claim and its engineer determines there is no sinkhole;
7. Sinkhole coverage will likely be limited to coverage for the main building on a property - not any other structures or improvements (parking lots or structures, seawalls, tennis courts, etc.); and
8. Carriers can refuse to renew policies covering both a home and vehicle for any reason with at least 90 days advance notice.