

2023

LEGISLATIVE SUMMARY

MICHAEL YAWORSKY
INSURANCE COMMISSIONER





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OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

July 1, 2023

Dear Floridians,

I am pleased to present the *2023 Legislative Summary* prepared by the Florida Office of Insurance Regulation (OIR). This report provides an overview of insurance legislation passed by the Florida Legislature during the 2023 Regular Session and the 2022 Special Session A and includes a summary of OIR's budget for Fiscal Year 2023-2024.

The 2023 Regular Session and the 2022 Special Session A both brought significant reforms to the Florida Insurance Code and to OIR's regulatory authority. These reforms include the passage of the Insurer Accountability Bill, the Prescription Drug Reform Act, House Bill 837 and Senate Bill 2A.

I encourage you to review this report and visit our website for more information about OIR's role in promoting a stable and competitive insurance market.

Sincerely,

Michael Yaworsky

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**Summary of Insurance, Administrative, and Budget-Related Legislation
Enacted by the Florida Legislature during the 2023 Regular Session**

BUDGET

General Appropriations Act (SB 2500 by Appropriations Committee)

Action by Governor: Approved by the Governor (Chapter No. 2023-239)

Effective Date: July 1, 2023

The Legislature approved the FY 2023-24 General Appropriations Act on May 2, 2023, during Regular Session. The Governor signed the budget into law on June 15, 2023. Funds appropriated to OIR from the Insurance Regulatory Trust Fund are shown in Table 1.

Table 1. Appropriations Overview Fiscal Year 2023-24: Office of Insurance Regulation			
Positions	FY 2022-23	FY 2023-24	Over/(Under)
Full-time equivalent (FTE) positions	282	310	28 FTE
Funding (By Budget Category)	FY 2022-23	FY 2023-24	Over/(Under)
Salaries and Benefits	\$25,389,571	\$28,168,285	\$2,778,714
Other Personal Services	\$942,220	\$842,220	(\$100,000)
Expenses	\$2,367,835	\$2,761,482	\$393,647
Operation Capital Outlay	\$1,000	\$1,000	\$0
Contracted Services	\$1,780,726	\$1,780,726	\$0
Financial Examination Contracts*	\$5,151,763	\$5,901,673	(\$90)
Florida Public Hurricane Model (Enhancements)	\$1,093,689	\$1,273,439	\$179,750
Lease or Lease-Purchase of Equipment	\$47,603	\$47,603	\$0
Risk Management Insurance	\$75,516	\$75,516	\$0
DMS Human Resources Contract	\$4,377	\$104,268	\$9,891
TOTAL	\$37,694,300	\$41,956,212	\$4,261,912
<p><i>*Budget authority for financial examinations of Property and Casualty insurance companies and Life and Health insurance companies. Insurance companies reimburse the Insurance Regulatory Trust Fund for examination costs. The Trust Fund acts as a pass-through.</i></p>			

Appropriations Proviso for the Office, Fiscal Year 2023-24

Line 2598 – Existing Proviso (Public Hurricane Loss Model) \$1,031,689

Funds in Specific Appropriation 2598 shall be transferred to Florida International University and utilized to promote and enhance collaborative research among state universities. The Florida Public Hurricane Loss Model located at Florida International University may consult with the private sector and the Florida Catastrophic Storm Risk Management Center located at the Florida State University to enhance the marketability, viability, and applications of the Florida Public Hurricane Loss Model. The Office of Insurance Regulation (Office) shall have the ability to accurately calculate hurricane risk and project catastrophic losses, and nothing shall interfere with or supersede the Office's authority to enter into agreements with Florida International University.

GENERAL INSURANCE

Civil Remedies ([CS/CS/HB 837](#) by Fabricio)

Action by Governor: Approved by Governor (Chapter No. 2023-15)

Statute(s) Affected: 57.104, 86.121, 95.11, 475.01, 475.611, 517.191, 624.123, 624.155, 624.1552, 624.488, 626.9373, 627.062, 627.401, 627.428, 627.441, 627.727, 627.736, 627.756, 628.6016, 613.7, 631.926, 632.638, 768.0427, 768.0701, 768.0706, 768.81

Effective Date: Upon becoming a law

CS/CS/HB 837 makes numerous changes to Florida's civil justice system. The bill modifies Florida's "bad faith" framework to allow an insurer to avoid third-party bad faith liability if the insurer tenders the policy limits or the amount demanded by the claimant within 90 days after receiving actual notice of the claim; clarifies that mere negligence alone is not enough to demonstrate bad faith; requires an insured and a claimant to act in good faith with respect to furnishing information, making demands, setting deadlines, and attempting to settle the claim; and allows an insurer, when there are multiple claimants in a single action, to limit the insurer's bad faith liability by paying the total amount of the policy limits at the outset. The bill also provides that a contingency fee multiplier for an attorney fee award is appropriate only in a rare and exceptional circumstance, and repeals Florida's one-way attorney fee statutes, with certain exceptions. The bill clarifies that the offer of judgment statute applies in any civil action involving an insurance contract. The bill also provides that it may not be construed to impair any right under an insurance contract in effect on or before the bill's effective date, and that it applies to causes of action filed after the bill's effective date, except as provided within.

For a copy of the final House staff analysis, please [click here](#).

Insurer Accountability ([CS/SB 7052](#) by Senate Banking and Insurance Committee)

Action by Governor: Approved by Governor (Chapter No. 2023-172)

Statute(s) Affected: 624.115, 624.307, 624.315, 624.316, 624.3161, 624.4211, 624.4301, 624.805, 624.81, 624.865, 626.207, 626.9521, 626.9541, 626.989, 627.0629, 627.351, 627.41, 627.4108, 627.4133, 627.701, 627.70132, 627.8015

Effective Date: July 1, 2023

CS/SB 7052 contains various provisions intended to increase consumer protection and insurer accountability in this state. Regarding insurance coverage, the bill makes changes such as expanding current law prohibiting authorized insurers from cancelling a residential property insurance policy until 90 days after repairs are complete and requiring that Citizens Property Insurance Corporation cover property with open claims that are being handled by the Florida Insurance Guaranty Association. Regarding insurance rates, the bill requires insurers consider recent legislative changes in their rate filings with OIR. Regarding claims handling, the bill requires residential property insurers to create and use claims-handling manuals that comply with the Insurance Code and comport to industry standards, as well as strengthening the Unfair Trade Practices Act. The bill also expands the regulatory authority of OIR by specifying factors OIR may consider when evaluating the practices and solvency of an insurer and increases maximum fines and penalties that may be levied by the OIR on insurers.

The bill appropriates \$500,000 from the Insurance Regulatory Trust Fund to the OIR to implement section 24 of the bill relating to rate review. The bill authorizes 18 full-time employees with associated salary rate of 1,116,500 and appropriates \$1,879,129 in recurring funds and \$185,086 in non-recurring funds from the Insurance Regulatory Trust Fund to the OIR to implement the bill.

For a copy of the final Senate staff analysis, please [click here](#).

LIFE AND HEALTH INSURANCE

Insurance ([CS/CS/SB 312](#) by Collins)

Action by Governor: Approved by Governor (Chapter No. 2023-216)

Statute(s) Affected: 626.7851, 626.9541

Effective Date: July 1, 2023

CS/SB 312 reduces the number of hours of prelicensure coursework a life insurance agent applicant must complete in life insurance, annuities, and variable contracts – from 40 hours to 30 hours. The bill also authorizes an insurer or an agent of the insurer to offer or provide value-added products or services at no or reduced cost when such products or services are not specified in the insurance policy.

For a copy of the final Senate staff analysis, please [click here](#).

Paid Family Leave ([CS/CS/HB 721](#) by Chaney)

Action by Governor: Approved by Governor (Chapter No. 2023-149)

Statute(s) Affected: 624.406, 624.6086, 627.445

Effective Date: Upon becoming law

The bill allows life insurers to offer paid family leave insurance policies to employers. The bill provides circumstances under which paid family leave insurance may be issued and purchased. The bill also requires that paid family leave insurance forms & riders are subject to review by the Office of Insurance Regulation.

For a copy of the final House staff analysis, please [click here](#).

Group Health Plans ([CS/CS/HB 897](#) by Fernandez-Barquin)

Action by Governor: Approved by Governor (Chapter No. 2023-212)

Statute(s) Affected: 624.438, 624.441, 627.654

Effective Date: Upon becoming law

The bill modifies the eligibility requirements to obtain a certificate of authority as a multiple-employer welfare arrangement (MEWA).

For a copy of the final House staff analysis, please [click here](#).

Prescription Drugs ([CS/CS/SB 1550](#) by Brodeur)

Action by Governor: Approved by Governor (Chapter No. 2023-29)

Statute(s) Affected: 499.005, 499.012, 499.026, 624.307, 624.49, 624.491, 626.88, 626.8805, 626.8814, 626.8825, 626.8827, 626.8828, 626.89, 627, 42393, 627.64741, 627.6572, 641.31, 641.314

Effective Date: July 1, 2023

CS/CS/SB 1550 enhances the transparency of a manufacturer's prescription drug price increases above certain thresholds and the relationships between pharmacy benefit managers, pharmacy benefits plans and programs, and pharmacy providers for delivering pharmacy services to covered persons. CS/CS/SB 1550 requires pharmacy benefit managers to obtain a certificate of authority for an administrator under the Florida Insurance Code and makes them subject to existing and enhanced requirements as set forth in the bill under the Florida Insurance Code. The bill provides a \$1 million appropriation to the Office of Insurance Regulation.

For a copy of the final House staff analysis, please [click here](#).

Continuing Care Providers ([CS/CS/HB 1573](#) by Persons-Mulicka)

Action by Governor: Approved by Governor (Chapter No. 2023-295)

Statute(s) Affected: 651.011, 651.012, 651.0246, 651.026, 651.0261, 651.033, 651.034, 651.035, 651.055, 651.081, 651.083, 651.651.085, 651.091, 651.105

Effective Date: July 1, 2023

The bill revises provisions applicable to continuing care retirement communities (CCRC's) including those involving expansion applications, audited financial statements, deposit handling procedures, cancellation fees, minimum liquid reserves, residents' councils, designated resident representatives, disclosures to prospective residents, and sheltered nursing beds. It also gives the Office of Insurance Regulation (OIR) authority to exempt a CCRC's from certain requirements under specified conditions and sets deadlines for OIR to commence facility examinations.

For a copy of the final House staff analysis, please [click here](#).

PROPERTY AND CASUALTY INSURANCE

Condominium and Cooperative Associations ([CS/CS/SB 154](#))

Action by Governor: Approved by Governor (Chapter No. 2023-203)

Statute(s) Affected: 468.4334; 553.899; 558.002; 627.351; 718.103; 718.111; 718.112; 718.113; 718.116; 718.1255; 718.301; 718.501; 718.503; 718.504; 719.103; 719.104; 719.106; 719.1255; 719.301; 719.501; 719.503; 719.504; 720.3085

Effective Date: Upon becoming law

The bill makes numerous revisions to the Florida Building Code and to milestone inspection requirements. Additionally, the bill revises the requirement that all personal lines residential policies issued by the Citizens Property Insurance Corporation must include flood coverage to exempt unit owner policies from the flood insurance requirement.

For a copy of the final Senate staff analysis, please [click here](#).

Insurance ([CS/CS/CS/SB 418](#) by Perry)

Action by Governor: Approved by Governor (Chapter No. 2023-217)

Statute(s) Affected: 327.54, 624.4621, 627.062, 627.0628, 627.0629, 627.0665, 627.421, 627.701, 627.712, 627.7276, 634.041

Effective Date: July 1, 2023

CS/CS/CS/SB 418 authorizes residential property insurance rate filings to 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. The bill also authorizes a designee of the Director of the Division of Emergency Management to be a member of the Florida Commission on Hurricane Loss Projection Methodology. Additionally, the bill clarifies the requirements to purchase insurance coverage for liveries. It also authorizes insurers to file with the Office of Insurance Regulation personal lines residential property insurance rating plans providing rate differentials based on certain windstorm mitigation construction standards.

For a copy of the final Senate staff analysis, please [click here](#).

Department of Financial Services ([CS/CS/HB 487](#) by Salzman)

Action by Governor: Approved by Governor (Chapter No. 2023-144)

Statute(s) Affected: 7.02, 7.73, 7.74, 20.121, 112.215, 215.55952, 274.01, 440.13, 440.385, 497.005, 624.1265, 624.501, 626.015, 626.171, 626.173, 626.207, 626.221, 626.2815, 626.321, 626.611, 626.621, 626.7315, 626.7492, 626.752, 626.785, 626.793, 626.837, 626.8411, 626.8437, 626.844, 626.8473, 626.854, 626.874, 626.9892, 626.9957, 627.351, 627.4215, 627.7015, 627.7074, 627.745, 631.141, 631.152, 631.252, 631.398, 631.56, 631.716, 631.816, 631.912, 633.1423, 634.181, 634.191, 634.32, 634.321, 634.419, 634.422, 634.423, 648.25, 648.26, 648.27, 648.285, 648.3, 648.31, 648.34, 648.355, 648.382, 648.386, 648.387, 648.3875, 648.39, 648.39, 648.41, 648.42, 648.44, 648.441, 648.46, 648.5, 717.135, 843.021, 903.09

Effective Date: Upon becoming law

CS/CS/HB 487 makes numerous changes under the purview of the Department of Financial Services (DFS) including insurance-related changes such as requiring insurers to bear certain costs and make certain elections prior to mediation of claims; revising various requirements applicable to the DFS property insurance claims mediation program; improving processing of insolvent insurer estates; creating term limits, ethical requirements, and other improvements to specified Boards; and prohibiting certain practices in the issuance of collateral protection insurance.

For a copy of the final House staff analysis, please [click here](#).

Collateral Protection ([HB 793](#) by Fernandez-Barquin)

Action by Governor: Approved by Governor (Chapter No. 2023-210)

Statute(s) Affected: 627.9901, 627.9902, 627.9903, 627.9904, 627.9905, 627.9906, 627.9907, 627.9908, 627.9909, 627.9911, 627.9912, 627.9913

Effective Date: July 1, 2023

HB 793 creates a new part (Part XXII) of Chapter 627, F.S., for the purposes of regulating Collateral Protection Insurance on real property; establishing a legal framework for the writing of Collateral Protection Insurance on real property in Florida; maintaining separation between lenders or servicers, and insurers or insurance agents; and minimizing the possibilities of unfair practices in the sale, placement, or solicitation, and negotiation of Collateral Protection Insurance. The bill provides the Office of Insurance Regulation with authority to develop rules related to the regulation of Part XXII.

For a copy of the final House staff analysis, please [click here](#).

Property Insurance ([CS/CS/CS/HB 799](#) by Griffiths Jr.)

Action by Governor: Approved by Governor (Chapter No. 2023-175)

Statute(s) Affected: 627.062, 627.0629, 627.351, 627.7155

Effective Date: July 1, 2023

CS/CS/HB 799 requires OIR to conduct a wind-loss mitigation study. The study is required to evaluate roof strength, roof covering performance, roof-to-wall strength, wall-to-floor-to-foundation strength, opening protections, window, door, and skylight strength, and methods and devices to prevent water intrusion through the tracks of sliding glass doors. The results of the study are to be used to determine how to include wind uplift prevention to the list of windstorm mitigation measures undertaken by policyholders to reduce hurricane losses that are evaluated for purposes of mitigation discounts. This bill also revises rate change limitations for specified policies written by Citizens Property Insurance Corporation and revises applicability of flood coverage requirements for personal lines residential policyholders.

For a copy of the final House staff analysis, please [click here](#).

My Safe Florida Home Program ([CS/HB 881](#) by LaMarca)

Action by Governor: Approved by Governor (Chapter No. 2023-176)

Statute(s) Affected: 215.5586, 215.5588

Effective Date: July 1, 2023

CS/HB 881 makes changes to the statutory framework for the My Safe Florida Home Program, including changes to inspection and grant eligibility requirements, program management, and technical, conforming, and statutory structure. The bill requires that eligible properties be homesteaded. The bill removes the designation of a specific portion of the grant funds for low-income recipients and increases the overall grant award for low-income recipients from \$5,000, to \$10,000. The bill expands eligibility to the My Safe Florida Home Program to be statewide instead of limited to homes in the wind-borne debris region.

For a copy of the final House staff analysis, please [click here](#).

Motor Vehicle Glass ([CS/SB 1002](#) by Stewart)

Action by Governor: Approved by Governor (Chapter No. 2023-136)

Statute(s) Affected: 559.903, 559.92, 627.7289, 627.7291

Effective Date: Upon becoming law

CS/SB 1002 revises definitions under the Florida Motor Vehicle Repair Act to ensure that businesses that calibrate or recalibrate advanced driver assistance systems associated with windshields are regulated under the Act. The bill prohibits motor vehicle repair shops, their employees, and their representatives, from offering an inducement to a customer in exchange for making an insurance claim for motor vehicle glass replacement or repair. Finally, the bill prohibits a policyholder, or any other person, from entering an assignment agreement of post loss benefits for motor vehicle glass replacement or repair, including for calibration or recalibration of advanced driver assistance systems.

For a copy of the final Senate staff analysis, please [click here](#).

Consumer Protection ([CS/CS/HB 1185](#) by Giallombardo)

Action by Governor: Approved by Governor (Chapter No. 2023-130)

Statute(s) Affected: 494.001; 494.0067; 501.2042; 520.23; 560.11; 560.309; 626.602; 626.854; 626.875; 626.8796; 626.8797; 626.9541; 627.4025; 627.4133; 627.4554; 634.041; 634.401; 634.406

Effective Date: July 1, 2023

The bill makes changes related to consumer protection. The bill 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. The bill 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. It also defines hurricane deductible as the deductible applicable to loss caused by a hurricane, and 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.

For a copy of the final House staff analysis, please [click here](#).

SPECIAL SESSION – PROPERTY INSURANCE

Property Insurance ([SB 2A](#) by Boyd)

Action by Governor: Approved by Governor (Chapter No. 2022-271)

Statute(s) Affected: 215.5552; 624.1551; 624.3161; 624.418; 624.424; 626.9373; 626.9541; 627.351; 627.3511; 627.3518; 627.41; 627.428; 627.7011; 627.70131; 627.70132; 627.70152; 627.70154; 627.7074; 627.7142; 627.7152; 627.7154; 631.252; 768.79

Effective Date: Upon becoming law

SB 2A is a comprehensive bill intended to ensure policyholders in this state have access to quality, affordable private market property insurance. The bill includes pro-consumer measures by amending prompt pay laws, requiring insurers to communicate, investigate and pay claims more promptly. Global challenges in the reinsurance market are addressed through the creation of the Florida Optional Reinsurance Assistance (FORA) program. Excessive litigation is addressed by providing that the one-way attorney fee provisions of s. 627.428, s. 626.9373, and s. 627.70152 are not applicable in a suit arising under a residential or commercial property insurance policy, and the bill reinstates the application of the civil offer of judgment statute to civil actions arising under a residential or commercial property insurance policy. Additionally, SB 2A prohibits the assignment, in whole or in part, of any post-loss insurance benefit under any residential property insurance policy or under any commercial property insurance policy issued on or after January 1, 2023. The bill strengthens the regulatory authority of the Office of Insurance Regulation (OIR) over property insurers. SB 2A authorizes OIR to subject any authorized insurer to a market conduct examination after a hurricane under certain conditions relating to property insurance claims and ensures that insurers do not abuse the appraisal process under property insurance policies. For the 2022-2023 fiscal year, SB 2A appropriates \$1,757,982 in recurring funds from the Insurance Regulatory Trust Fund to OIR with an associated salary rate of \$844,464 to implement the bill.

For a copy of the final Senate staff analysis, please [click here](#).