

FLORIDA ASSOCIATION OF INSURANCE AGENTS

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August 1, 2022

Ms. Mary Lou Allison
President, Board of Directors
Jupiter Plantation Homeowners Association
Post Office Box 3642
Tequesta, Florida 33469

(Sent via U.S. Mail and email)

Re: Jupiter Plantation Homeowners Association, Inc., /Citizens Commercial
Residential Multiperil Property Policy Number 05066569

Dear Ms. Allison:

Several weeks ago, Don Brady, with R.V. Johnson Insurance Agency (the insurance agent for the Jupiter Plantation Homeowners Association) forwarded me a letter to him dated June 24, 2022, from Attorney Christine M. Hoke regarding the above-referenced insurance policy. As General Counsel for the Florida Association of Insurance Agents (FAIA), of which R.V. Johnson is a member, Mr. Brady asked me to review the letter and provide my opinion of Ms. Hoke's interpretation of the property insurance reform legislation (SB 2D) that passed the Florida Legislature during the 2022 Special Session and that was signed by the Governor. My opinion is below.

In Ms. Hokes' letter, she cites to the amendments to Section 627.7011, F.S., and in particular the language in the new subsections (5)(b) and (5)(c) of that statute prohibiting an **insurer** from non-renewing a homeowner's policy insuring a residential structure with a roof less than 15 years old solely because of the age of the roof. You should note that **R.V. Johnson Insurance Agency is not an insurer** and does not have the authority as an agent for the insurer, Citizens Property Insurance Company, to allow or refuse to renew a homeowners policy for a single family home or a commercial residential property policy for a multi-unit homeowners association.

Additionally, in order to provide an opinion as to how this language may or may not apply to the Citizens policy referenced above, the new and existing language of Section 627.7011, FS. should be reviewed as a whole. I have set forth the pertinent language below, and I have underlined and bolded certain language for emphasis.

627.7011 **Homeowners' policies**; offer of replacement cost coverage and law and ordinance coverage.—

(5)(b) An insurer may not refuse to issue or refuse to renew a **homeowner's policy** insuring a residential structure with a roof that is less than 15 years old solely because of the age of the roof.



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(c) For a roof that is at least 15 years old, an insurer must allow a homeowner to have a roof inspection performed by an authorized inspector at the homeowner's expense before requiring the replacement of the roof of a residential structure as a condition of issuing or renewing a homeowner's insurance policy. The insurer may not refuse to issue or refuse to renew a **homeowner's insurance policy** solely because of roof age if an inspection of the roof of the residential structure performed by an authorized inspector indicates that the roof has 5 years or more of useful life remaining.

(e) **This subsection applies to homeowners' insurance policies** issued or renewed on or after July 1, 2022.

(6) This section does not:

(a) Apply to policies not considered to be "homeowners' policies," as that term is commonly understood in the insurance industry.

The above referenced policy that R.V. Johnson Insurance Agency has placed with Citizens to insure the Jupiter Plantation Homeowners Association (JPHOA) is not a "homeowners' policy" as that term is commonly understood in the insurance industry. Instead, it is a policy written on a **commercial residential form** (Form CP 00 10 06 07) approved by the Florida Office of Insurance Regulation (OIR), and that form is a completely different form than a **homeowners' form** (Form OC H03 06 22 or OC HO6 06 22) which is also approved by OIR. In fact, the named insured on the above referenced policy is JPHOA, and not an individual homeowner.

Both the existing language and the new language in Section 627.7011, F.S., make it clear that the statutory requirements of Section 627.7011, F.S. apply to homeowners' policies, **not commercial residential** policies. Moreover, FAIA has reached out to Citizens' legislative and legal staff on this issue, and they have indicated that they agree with FAIA that the statute (Section 627.7011, F.S.) does not apply to commercial residential policies.

As the General Counsel and lobbyist for FAIA, I followed the development and passage of the Special Session property insurance reform legislation closely. During that process, I observed that several stakeholders and interested parties had concerns regarding the application of the 15-year roof language to only homeowners' policies without also including commercial residential policies, but ultimately, the Florida Legislature made the policy decision to limit the applicability of the language to homeowners' policies.

Thank you for the opportunity to provide my opinion and comments, and please feel free to reach out to me if you have any questions.

Sincerely,



Laura B. Pearce
VP & General Counsel