

ACLI Administrative Material Service

FLORIDA Emergency Order 400386-24 Policyholder Protections For Hurricane Milton

Dated October 16, 2024

Summary: This emergency order establishes grace periods for any policy, provision, notice, correspondence, or law that imposes a time limit upon an insured impacted by Hurricane Milton until December 10, 2024. The emergency order also prohibits the cancellation or nonrenewal of a policy in an impacted area, except at the written request of the policyholder, until December 10, 2024.

Related Compliance Service(s): None

Related Law Survey(s): None

Related Terms: cancellations, disaster, grace period, policyholder relief, premium payments

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OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

IN THE MATTER OF:

Hurricane Milton

Suspension of Certain Rules and Statutes
Based on State of Emergency – Natural Disaster

Extension of Grace Periods; Limitations on
Cancellations and Nonrenewals; Deemers
and Limitations on “use and file” Filings and
Miscellaneous Provisions

CASE NO.: 400386-24

EMERGENCY ORDER

TO: All Insurers, HMOs, Premium Finance Companies, Surplus Lines Insurers, and other entities regulated by the Office of Insurance Regulation.

WHEREAS, the Office of Insurance Regulation (the “Office”) has the duty, pursuant to section 624.307, Florida Statutes, to enforce the provisions of the Florida Insurance Code (chapters 624-632, 634, 635, 636, 641, 642, 648, and 651, hereinafter, the “Code”).

WHEREAS, pursuant to section 624.307(2), Florida Statutes, the Office has the powers and authority expressly conferred upon it by, or reasonably implied from, the provisions of the Code as well as those powers further authorized by sections 252.46 and 252.63, Florida Statutes.

WHEREAS, on October 5, 2024, Florida Governor Ron DeSantis issued Executive Order Number 24-214, which immediately declared a state of emergency in Brevard, Broward, Charlotte,

Citrus, Collier, DeSoto, Flagler, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee, Marion, Martin, Miami-Dade, Monroe, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter and Volusia counties. Executive Order Number 24-214 is attached as Exhibit A.

WHEREAS, on October 6, 2024, Florida Governor Ron DeSantis issued Executive Order Number 24-215, which added additional counties and immediately declared a state of emergency in, Alachua, Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Flagler, Gilchrist, Glades, Hamilton, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lafayette, Lake, Lee, Levy, Madison, Manatee, Marion, Martin, Miami-Dade, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, Suwanee, Taylor, Union, and Volusia counties. Executive Order Number 24-215 is attached as Exhibit B.

WHEREAS, upon consideration of the effects of Hurricane Milton, an Emergency Order is warranted to protect the health, safety, and welfare of persons in the following counties: Brevard, Charlotte, Citrus, Clay, Collier, DeSoto, Duval, Flagler, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee, Marion, Martin, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, and Volusia (hereinafter the “Affected Counties”).

WHEREAS, section 252.63(1), Florida Statutes, provides that “When the Governor declares a state of emergency pursuant to section 252.36, Florida Statutes, the Commissioner may issue one or more general orders applicable to all insurance companies, entities, and persons, as defined in section 624.04, Florida Statutes, that are subject to the Code and that serve any portion of the state where the Governor declared a state of emergency.”

WHEREAS, section 624.04, Florida Statutes defines “person” to include “an individual, insurer, company, association, organization, Lloyds, society, reciprocal insurer or interinsurance exchange, partnership, syndicate, business trust, corporation, agent, general agent, broker, service representative, adjuster, and every legal entity.”

WHEREAS, pursuant to section 627.7019, Florida Statutes, the Financial Services Commission adopted Rule 69O-142.015, Florida Administrative Code (“F.A.C.”), which implemented “standardized requirements that may be applied to insurers as a consequence of a hurricane or other natural disaster.” Rule 69O-142.015, F.A.C., is attached as Exhibit C.

WHEREAS, Rule 69O-142.015, F.A.C., allows the Office to apply its standardized requirements such as claims reporting requirements; grace periods for payment of premiums and performance of other duties by insureds; and temporary postponement of cancellations and nonrenewals following a hurricane or natural disaster.

WHEREAS, section 627.4133(2)(e)1.a., Florida Statutes, provides that:

With respect to any personal lines or commercial residential property insurance policy, including, but not limited to, any homeowner, mobile homeowner, farm-owner, condominium association, condominium unit owner, apartment building, or other policy covering a residential structure or its content . . . an authorized insurer may not cancel or nonrenew a personal residential or commercial residential property insurance policy covering a dwelling or residential property located in this state for a period of 90 days after the dwelling or residential property has been repaired, if such property has been damaged as a result of a hurricane or wind loss that is the subject of the declaration of emergency pursuant to s. 252.36, and the filing of an order by the Commissioner of Insurance Regulation.

WHEREAS, section 626.9201(2)(c)1., Florida Statutes, provides that:

Upon a declaration of an emergency pursuant to s. 252.36 and the filing of an order by the Commissioner of Insurance Regulation, an insurer may not cancel or nonrenew a personal residential or commercial residential property insurance policy covering a dwelling or residential property located in this state which has been damaged as a result of a hurricane or wind loss that is the subject of the declaration of emergency for 90 days

after the dwelling or residential property has been repaired. A dwelling or residential property is deemed to be repaired when substantially completed and restored to the extent that the dwelling or residential property is insurable by another insurer that is writing policies in this state.

NOW THEREFORE, I, Michael Yaworsky, Commissioner of the Office of Insurance Regulation, find that due to the state of emergency created by Hurricane Milton, and pursuant to Executive Orders 24-214 and 24-215 issued by Governor Ron DeSantis, it is appropriate to issue this Emergency Order to protect the public health, safety and welfare of Florida policyholders in the Affected Counties.

**Section A. EXTENSION OF GRACE PERIODS AND TEMPORARY
POSTPONEMENT OF CANCELLATIONS OR NONRENEWALS OF
PROPERTY AND CASUALTY CONTRACTS**

As a consequence of Hurricane Milton, the Office applies the provision of Rule 690-142.015(2), F.A.C., to all property and casualty contracts of insurance subject to regulation under the Code, including policies issued by surplus lines insurers. Pursuant to the forgoing rule, the Office extends or modifies time limits as follows:

1. Rule 690-142.015(2)(c): As to any policy provision, notice, correspondence, or law that imposes a time limit upon an insured to perform any act, including transmitting information or funds with respect to a contract of insurance covering a property or risk in one of the Affected Counties, which act was to have been performed on or after October 8, 2024, the time limit shall be extended to December 10, 2024.

i. This extension of time shall not relieve a policyholder who has a claim resulting from Hurricane Milton from compliance with their obligations to provide information and cooperate in the claim adjustment process relative to their property damage claim.

ii. This extension of time shall also not apply to new policies effective on or after October 8, 2024.

iii. If a policyholder of Citizens Property Insurance Corporation (Citizens) has been rendered ineligible for continued coverage with Citizens because of one or more offers of continued coverage from private market insurers through the depopulation process, and the policyholder has not selected an offer by the original selection deadline, then the insurer offering the lowest premium shall be scheduled to assume the policy in order to ensure that the policyholder experiences no lapse in coverage. A policyholder who has received one or more offers of continued coverage from private market insurers through the depopulation process, but who is not rendered ineligible for continued coverage with Citizens, will be able to continue their coverage with Citizens. Should any policyholder, either those eligible or ineligible for continued coverage with Citizens, fail to receive actual notice of an offer from a private market insurer through the depopulation process, that policyholder may continue their coverage with Citizens. This subparagraph shall not conflict with any requirements of section 626.9201(2)(c)1. or 627.4133(2)(e)1.a. Florida Statutes.

iv. Citizens will exercise due diligence in servicing its policyholders at each step of the depopulation process and submit, on a monthly basis, a report to the Office detailing the depopulation process in Affected Counties where consumers may have difficulties.

No interest, penalties, or other charges shall accrue or be assessed, as the result of the extensions required herein. However, interest that is owed pursuant to premium financing plans with premium finance companies or insurers or their affiliates may be assessed.

2. Rule 690-142.015(2)(d): Between October 8, 2024, and December 10, 2024, no insurer or other entity regulated under the Code shall cancel or non-renew or issue a notice of

cancellation or nonrenewal of a policy or contract of insurance covering a property or risk in one of the Affected Counties, except at the written request or written concurrence of the policyholder.

3. Rule 69O-142.015(2)(e): All notices of cancellation issued or mailed within ten (10) calendar days preceding October 8, 2024, and affecting a policyholder in one of the Affected Counties, shall be withdrawn and reissued to insureds on or after December 10, 2024.

4. Rule 69O-142.015(2)(f): A cancellation or nonrenewal may occur prior to December 10, 2024, at the written request or written concurrence of the policyholder.

5. Rule 69O-142.015(2)(g): Except as provided in Rule 69O-142.015(2)(d) and (e), above, with respect to a notice of cancellation or nonrenewal that, but for this rule, would have taken effect between October 8, 2024, and December 10, 2024, such notice is not made invalid by this rule; however,

i. The insurer shall extend the coverage to and including December 10, 2024, or a later date specified by the insurer; and

ii. The premium for the extended term of coverage shall be the appropriate pro rata portion of the premium for the entire term of the policy.

6. Rule 69O-142.015(2)(m): This rule shall not apply to new policies effective on or after October 8, 2024.

7. Rule 69O-142.015(2)(n): If the contract of insurance was financed by a premium finance company for risks located in one of the Affected Counties, the following provisions apply:

i. Premium finance companies may issue advisory 10-day notices of intent to cancel and cancellation notices in accordance with the terms of the premium finance agreement

signed by the insured. In addition, each such advisory notice shall prominently contain the following statement:

“If you have been displaced through the loss of your home or damage to your home which has caused you to reside elsewhere on a temporary basis, or if you have temporarily become unemployed due to the destruction caused by Hurricane Milton, please contact this office at once.

Victims of Hurricane Milton will receive an automatic extension of time to and including December 10, 2024, to bring their accounts up to date and no late charges will be applied to any late payments received which were due on their accounts between October 8, 2024, and December 10, 2024.

Therefore, if you are a victim of Hurricane Milton, please contact us at once at the number provided at the bottom of this notice so that we may advise you of the status of your account.

If you decide that you no longer need or desire to keep the coverage provided by the insurance policy financed by your contract with us, please contact us at once so that we may instruct you on how to effect cancellation with your insurer.”

ii. If a premium finance loan is in default at the end of the grace period, a premium finance company shall give proper notice by:

a. Issuing a 10-day notice of intent to cancel to the insured by the means provided under section 627.848(1)(a)1., Florida Statutes, and applicable regulations; and

b. If the insured does not bring their loan current within the time provided in the notice of intent, a premium finance company may mail the insurer a request for cancellation as provided in section 627.848(1)(a)2., Florida Statutes.

iii. Upon receipt of a request for cancellation from a premium finance company on or after October 8, 2024, the insurer will process the cancellation in accordance with paragraph (2)(h) of Rule 69O-142.015.

iv. Any insurer who is unable to cancel because it has received a claim under a policy for which it receives a notice of cancellation from a premium finance company will offset

the balance owed the premium finance company, as disclosed in the notice of cancellation, from the first claim payments made under the policy.

v. No late charges shall be assessed for any insured who qualifies for protection under this rule.

Section B. APPLICATION OF SECTION 627.4133(2)(e)1.a., FLORIDA STATUTES

In addition to the requirements of Rule 69O-142.015, F.A.C., activated by Section A of this Emergency Order, an authorized insurer, pursuant to section 627.4133(2)(e)1.a., Florida Statutes, may not cancel or non-renew a personal residential or commercial residential property insurance policy covering a dwelling or residential property that is damaged as a result of Hurricane Milton, for a period of 90 days after the dwelling or residential property has been repaired except as provided in section 627.4133(2)(e)2., Florida Statutes.

Section C. APPLICATION OF SECTION 626.9201(2)(c), FLORIDA STATUTES

In addition to the requirements of Rule 69O-142.015, F.A.C., activated by Section A of this Emergency Order, a surplus lines insurer, pursuant to section 626.9201(2)(c), Florida Statutes, may not cancel or non-renew a personal residential or commercial residential property insurance policy covering a dwelling or residential property that is damaged as a result of Hurricane Milton, for a period of 90 days after the dwelling or residential property has been repaired, except as provided in section 626.9201(2)(c)2., Florida Statutes.

**Section D. EXTENSION OF GRACE PERIODS AND TEMPORARY
POSTPONEMENT OF CANCELLATIONS OR NONRENEWALS
FOR LIFE AND HEALTH CONTRACTS**

As a consequence of Hurricane Milton, the Office applies the provision of Rule 69O-142.015(3), F.A.C., to all life and health contracts of insurance subject to regulation under the Code except for major medical health insurance policies subject to regulation by the Patient

Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and regulations adopted pursuant to those acts, to the extent this requirement would result in a violation of federal law. Pursuant to the forgoing rule, the Office extends or modifies time limits as follows:

1. Rule 69O-142.015(3)(c): As to any policy provision, notice, correspondence, or law that imposes a time limit upon any insureds residing in the Affected Counties to perform any act or transmit information or funds with respect to a contract of insurance, which act was to have been performed on or after October 8, 2024, the time limit shall be extended to December 10, 2024.

i. This extension of time shall not relieve a policyholder who has a claim resulting from Hurricane Milton from compliance with their obligations to provide information and cooperate in the claim adjustment process relative to their claim.

ii. This extension of time shall also not apply to new policies effective on or after October 8, 2024.

No interest, penalties, or other charges shall accrue or be assessed, as the result of the extensions required herein. However, interest that is owed pursuant to premium financing plans with premium finance companies or insurers or their affiliates may be assessed.

2. Rule 69O-142.015(3)(d): Between October 8, 2024, and December 10, 2024, no insurer or other entity regulated under the Code shall cancel or non-renew a policy or contract of insurance or issue a notice of cancellation or nonrenewal on a contract of insurance covering a person residing in any Affected Counties, except at the written request or written concurrence of the policyholder.

3. **Rule 69O-142.015(3)(e):** All notices of cancellation issued or mailed within ten (10) calendar days preceding October 8, 2024, and affecting policyholders residing in one of the Affected Counties, shall be withdrawn, and reissued to insureds on or after December 10, 2024.

4. **Rule 69O-142.015(3)(f):** A cancellation or nonrenewal may occur prior to December 10, 2024, at the written request or written concurrence of the policyholder.

5. **Rule 69O-142.015(3)(g):** Except as provided in paragraphs (3)(d) and (e) of Rule 69O-142.015, with respect to a notice of cancellation or nonrenewal that, but for this rule, would have taken effect between October 8, 2024, and December 10, 2024, such notice is not made invalid by this rule; however,

i. The insurer shall extend the coverage to and including December 10, 2024, or a later date specified by the insurer; and

ii. The premium for the extended term of coverage shall be the appropriate pro rata portion of the premium for the entire term of the policy.

6. **Rule 69O-142.015(3)(m):** This rule shall not apply to new policies effective on or after October 8, 2024.

7. **Rule 69O-142.015(3)(n):** If the contract of insurance was financed by a premium finance company for persons residing in one of the Affected Counties, the following provisions apply:

i. Premium finance companies may issue advisory 10-day notices of intent to cancel and cancellation notices in accordance with the terms of the premium finance agreement signed by the insured. In addition, each such advisory notice shall prominently contain the following statement:

“If you have been displaced through the loss of your home or damage to your home which has caused you to reside elsewhere on a temporary basis, or if

you have temporarily become unemployed due to the destruction caused by Hurricane Milton, please contact this office at once.

Victims of Hurricane Milton will receive an automatic extension of time to and including December 10, 2024, to bring their accounts up to date and no late charges will be applied to any late payments received which were due on their accounts between October 8, 2024, and December 10, 2024.

Therefore, if you are a victim of Hurricane Milton, please contact us at once at the number provided at the bottom of this notice so that we may advise you of the status of your account.

If you decide that you no longer need or desire to keep the coverage provided by the insurance policy financed by your contract with us, please contact us at once so that we may instruct you on how to effect cancellation with your insurer.”

ii. If a premium finance loan is in default at the end of the grace period, a premium finance company shall give proper notice by:

a. Issuing a 10-day notice of intent to cancel to the insured by the means provided under section 627.848(1)(a)1., Florida Statutes, and applicable regulations, and

b. If the insured does not bring their loan current within the time provided in the notice of intent, a premium finance company may mail the insurer a request for cancellation as provided in section 627.848(1)(a)2., Florida Statutes.

iii. Upon receipt of a request for cancellation from a premium finance company after December 10, 2024, the insurer will process the cancellation in accordance with paragraph (3)(h) of Rule 69O-142.015.

iv. Any insurer who is unable to cancel because it has received a claim under a policy for which it receives a notice of cancellation from a premium finance company will offset the balance owed the premium finance company, as disclosed in the notice of cancellation, from the first claim payments made under the policy.

v. No late charges shall be assessed for any insured who qualifies for protection under this rule.

Section E. DEEMERS; PRIOR APPROVAL OF RATE CHANGES; SUSPENSION OF USE AND FILE RATE FILINGS

1. The time period in which any application, filing, or document, required to be filed with the Office of Insurance Regulation pursuant to the Code, which by statute would be deemed approved if not approved or denied within a specific time period, shall be tolled for a period commencing on October 8, 2024, and ending on December 10, 2024. Further, any time period within the Code in which the Office is required to take action is also tolled for a period commencing on October 8, 2024, and ending on December 10, 2024.

2. The Office will continue to accept “file and use” filings. Pending rate filings previously submitted under the “use and file” provision with an effective date between October 8, 2024, and December 10, 2024, are now considered “file and use” filings. Such filings are not required to be withdrawn and resubmitted. Pursuant to paragraph 1, above, the time to review such filings by the Office is tolled. But in the interest of the public welfare, “use and file” filings are suspended.

3. Notwithstanding the “use and file” provisions contained in sections 627.062 and 627.0651, Florida Statutes, all rate changes filed with the Office having an effective date for new business or renewal business on or after October 8, 2024, shall be subject to the approval of the Office prior to implementation until December 10, 2024.

4. Any “use and file” rate change implementing new rates without an official filing to the Office shall be withdrawn from use and the previous rate shall be reinstated immediately.

Section F. MISCELLANEOUS PROVISIONS

1. Given the strength and size of Hurricane Milton, its expected catastrophic effect on Florida, and its potential impact on hundreds of thousands of policyholders, the Office expects all authorized insurers, surplus lines insurers, and regulated entities to implement processes and procedures to facilitate the efficient payment of claims. This includes critically analyzing current procedures and streamlining claim payment processes as well as using the latest technological advances to provide prompt and efficient claims service to policyholders.

2. Section 627.4035(3)(b), Florida Statutes, permits insurers to pay claims by debit card or any other form of electronic transfer upon written authorization of the recipient or the recipient's representative. Due to the severe and catastrophic impacts expected from Hurricane Milton, many insureds will be unable to receive or send mail. For the duration of this State of Emergency, the requirement of written authorization is waived provided the insurer verifies the identity of the insured or the insured's recipient and does not charge a fee for the transaction. If the funds are misdirected, the insurer remains liable for the payment of the claim.

3. Informational form or rate filings are not subject to the provisions of the Emergency Order. Insurers should continue to file Rate Certifications in accordance with existing statutory provisions. The Emergency Order does not affect an insurer's ability to utilize a Consent to Rate form pursuant to Section 627.171, Florida Statutes. Filings that introduce new programs in Florida are still permitted as long as there is no rate impact.

4. This Emergency Order does not preclude necessary coverage increases based on requests from the insured, updated appraisals required by law, inflation guard endorsements, or other policy provisions applied to an insurance policy upon renewal as such premium changes are not the result of a rate increase.

5. The Commissioner of the Office of Insurance Regulation may, by written Order, amend the scope of this order, based upon a determination that it is necessary.

6. The provisions of this Emergency Order shall be liberally construed to effectuate the intent, and purposes expressed therein and to afford maximum consumer protection.

7. This Emergency Order is effective immediately upon issuance and continues for 120 days unless terminated sooner by the Commissioner.

DONE and ORDERED this 16th day of October 2024.



Michael Yaworsky, Commissioner
Office of Insurance Regulation

EXHIBITS:

1. Executive Order Number 24-214, (October 5, 2024)
2. Executive Order Number 24-215, (October 6, 2024)
3. Rule 69O-142.015, Florida Administrative Code.

NOTICE OF RIGHTS

Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to section 120.68, Florida Statutes, and Rule 9.110, Fla.R.App.P. Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel, acting as the agency clerk, at 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-4206, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this Order.

COPIES FURNISHED:

ALL INSURERS including SURPLUS LINES INSURERS and OTHER REGULATED ENTITIES