

FORMS – APPROVED

AUGUST 24, 2023

CRIME AND FIDELITY

LI-CR-2023-024

FLORIDA REVISED CRIME AND FIDELITY ENDORSEMENT APPROVED

KEY MESSAGE

This circular announces the approval of a filing which revises Florida-specific endorsements in response to 2023 Fla. Laws ch. 2023-130 (former H.B. 1185).

Filing ID: [CL-2023-OCAN1](#)

Effective Date: 3/1/2024

BACKGROUND

In circular [LI-CR-2023-023](#), we announced that we filed revisions to Florida-specific endorsements in order to more closely track Florida Law.

INSURANCE DEPARTMENT ACTION

The Florida Office of Insurance Regulation (FL OIR) has approved this filing as filed.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies effective on or after March 1, 2024.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number [CL-2023-OCAN1](#) and State File Numbers [23-027245](#) and [23-027249](#), not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- New edition dates of existing form numbers are being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2023-005](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Portfolioholders with an edition date of 3-24 (or the earliest possible subsequent date), along with any new and/or revised forms.

REFERENCE(S)

- [LI-CR-2023-023](#) (08/07/2023) Florida Revised Crime And Fidelity Endorsement Filed
- [LI-CR-2023-015](#) (06/09/2023) Florida Former H.B. 1185 Enacted And Under Review
- [LI-CL-2023-005](#) (02/21/2023) Commercial Lines Revised Lead Time Requirements Listing

ATTACHMENT(S)

Final copy of [CR 02 06 03 24](#), [IL 02 55 03 24](#)

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CONTACT INFORMATION

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
COMMERCIAL FIDELITY AND FORGERY POLICY
GOVERNMENT CRIME POLICY
GOVERNMENT FIDELITY AND FORGERY POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

- A.** Under the Commercial Crime Policy and Government Crime Policy, Exclusion **j. Nuclear, Biological Or Chemical Hazard** is replaced by the following:

j. Nuclear Hazard

Loss or damage resulting from the effects of nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

- B.** Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, Paragraph **(b)** of **(1) Policy Cancellation** under the **Cancellation Or Termination** Condition is replaced by the following:

(b) Cancellation Of Policies In Effect

(i) 60 Days Or Less

If this Policy has been in effect for 60 days or less, we may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- i.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- ii.** 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 - aa.** A material misstatement or misrepresentation; or
 - bb.** A failure to comply with underwriting requirements established by the insurer.

(ii) For More Than 60 Days

If this Policy has been in effect for more than 60 days, we may cancel this Policy only for one or more of the following reasons:

- i.** Nonpayment of premium;
- ii.** The Policy was obtained by a material misstatement;
- iii.** There has been a failure to comply with underwriting requirements established by the insurer within 60 days of the effective date of coverage;
- iv.** There has been a substantial change in the risk covered by the Policy;
- v.** The cancellation is for all Insureds under such policies for a given class of Insureds; or
- vi.** The cancellation of some or all of our policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.

If we cancel this Policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- aa.** 10 days before the effective date of cancellation if cancellation is for the reason stated in **(b)(ii)i.** above; or

- bb.** 45 days before the effective date of cancellation if cancellation is for the reasons stated in **(b)(ii)ii.** through **vi.** above.
- C.** Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, Paragraph **(e)** of **(1) Policy Cancellation** under the **Cancellation Or Termination** Condition is replaced by the following:
- (e)** If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect. The cancellation will be effective even if we have not made or offered a refund.
- D.** Under the Kidnap/Ransom And Extortion Policy, Paragraph **(2)** of the **Cancellation Of Policy** Condition is replaced by the following:

(2) Cancellation Of Policies In Effect

(a) 60 Days Or Less

If this Policy has been in effect for 60 days or less, we may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (i)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (ii)** 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
- i.** A material misstatement or misrepresentation; or
- ii.** A failure to comply with underwriting requirements established by the insurer.

(b) For More Than 60 Days

If this Policy has been in effect for more than 60 days, we may cancel this Policy only for one or more of the following reasons:

- (i)** Nonpayment of premium;
- (ii)** The Policy was obtained by a material misstatement;
- (iii)** There has been a failure to comply with underwriting requirements established by the insurer within 60 days of the effective date of coverage;
- (iv)** There has been a substantial change in the risk covered by the Policy;
- (v)** The cancellation is for all Insureds under such policies for a given class of Insureds; or
- (vi)** The cancellation of some or all of our policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.

If we cancel this Policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- i.** 10 days before the effective date of cancellation if cancellation is for the reason stated in **(b)(i)** above; or
- ii.** 45 days before the effective date of cancellation if cancellation is for the reasons stated in **(b)(ii)** through **(vi)** above.

- E.** Under the Kidnap/Ransom And Extortion Policy, Paragraph **(5)** of the **Cancellation Of Policy** Condition is replaced by the following:

- (5)** If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect. The cancellation will be effective even if we have not made or offered a refund.

F. The following is added and supersedes any other provision to the contrary:

Nonrenewal

1. If we decide not to renew this Policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the reason for nonrenewal, at least 45 days prior to the expiration of this Policy or if nonrenewal is for the reason stated in Paragraph F.3.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. We may refuse to renew the Policy if nonrenewal of some or all of our policies is necessary to protect the best interests of the public or policyholders and such nonrenewal is approved by the Florida Office of Insurance Regulation.

G. Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, the **Legal Action Against Us** Condition is replaced by the following:

Legal Action Against Us

You may not bring any legal action against us involving loss:

1. Unless you have complied with all the terms of this Policy;
2. Until 90 days after you have filed proof of loss with us; and
3. Unless brought within five years from the date the loss was "discovered".

H. Under the Kidnap/Ransom And Extortion Policy, the **Legal Action Against Us** Condition is replaced by the following:

Legal Action Against Us

You may not bring any legal action against us involving loss:

1. Unless you have complied with all the terms of this Policy;
2. Until 90 days after you have filed proof of loss with us; and
3. Unless brought within five years from the date you reported the loss to us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation For Policies In Effect 60 Days Or Less

- a.** If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
 - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2)** 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 - (a)** A material misstatement or misrepresentation; or
 - (b)** A failure to comply with underwriting requirements established by the insurer.
- b.** We may not cancel:
 - (1)** On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

- (2)** Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

B. Paragraph **5.** of the **Cancellation** Common Policy Condition is replaced by the following:

- 5.** If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 60 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.

C. The following is added to the **Cancellation Common Policy Condition**:

7. Cancellation For Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) The policy was obtained by a material misstatement;
- (3) In the event of failure to comply, within 60 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;
- (4) There has been a substantial change in the risk covered by the policy;
- (5) The cancellation is for all insureds under such policies for a given class of insureds;
- (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (7) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- (8) The cancellation of some or all of our policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.

b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium;

(2) 45 days before the effective date of cancellation if:

(a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above, and this policy does not cover a residential structure or its contents; or

(b) Cancellation is based on the reason stated in Paragraph **7.a.(8)** above;

(3) 120 days before the effective date of cancellation if:

(a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above; and

(b) This policy covers a residential structure or its contents.

c. If this policy has been in effect for more than 60 days and covers a residential structure or its contents, we may not cancel this policy based on credit information available in public records.

D. The following is added:

Nonrenewal

1. If we decide not to renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:

a. 45 days prior to the expiration of the policy if this policy does not cover a residential structure or its contents, or if nonrenewal is for the reason stated in Paragraph **D.5.**; or

b. 120 days prior to the expiration of the policy if this policy covers a residential structure or its contents.

2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. We may not refuse to renew this policy:

a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;

b. On the basis of filing of claims for sinkhole loss. However, we may refuse to renew this policy if:

(1) The total of such property insurance claim payments for this policy equals or exceeds the policy limits in effect on the date of loss for property damage to the covered building; or

(2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or

c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

4. Notwithstanding the provisions of Paragraph **D.3.**, we may refuse to renew this policy if this policy includes Sinkhole Loss coverage. If we nonrenew this policy for purposes of removing Sinkhole Loss coverage, pursuant to section 627.706, Florida Statutes, we will offer you a policy that includes catastrophic ground cover collapse coverage.

5. Notwithstanding the provisions of Paragraph **D.3.**, we may refuse to renew this policy if nonrenewal of some or all of our policies is necessary to protect the best interests of the public or policyholders and such nonrenewal is approved by the Florida Office of Insurance Regulation.

E. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss – Residential Property

1. The following provisions apply to a policy covering a residential structure or its contents:

a. Except as provided in Paragraph **E.1.b.**:

(1) If a state of emergency is declared, and the residential structure or its contents have been damaged as a result of a hurricane or wind loss that is the subject of the declaration of emergency by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, we may not cancel or nonrenew the policy until at least 90 days after the residential structure or its contents have been repaired. If we elect to not renew the policy, we will provide at least 120 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.

(2) If the residential structure or its contents have been damaged as a result of a covered peril, other than hurricane or wind loss subject to Paragraph **1.a.(1)** above, we may not cancel or nonrenew the policy until either the dwelling or residential property has been repaired or one year after we issue the final claim payment, whichever comes first.

b. We may cancel or nonrenew the policy prior to restoration of the structure or its contents for any of the following reasons:

(1) Nonpayment of premium;

(2) Material misstatement or fraud related to the claim;

(3) We determine that you have unreasonably caused a delay in the repair of the structure; or

(4) We have paid the policy limits.

If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel or nonrenew for a reason listed in Paragraph **b.(2)**, **b.(3)** or **b.(4)**, we will give you 45 days' notice.

2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.

3. With respect to Paragraph **E.2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane warning is issued for any part of Florida by the NHC and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.