

Finally, the bill mandates that insurers accept as valid a uniform mitigation verification form signed by an approved MSFH inspector or certified by the DFS so that homeowners can access insurance discounts or credits for which they are eligible.

This bill substantially amends the following sections of the Florida Statutes: 215.5586 and 627.711.

II. Present Situation:

The Florida My Safe Florida Home Program

In 2006, the Legislature created the Florida Comprehensive Hurricane Damage Mitigation Program and appropriated \$250 million to provide financial incentives to encourage residential property owners in Florida to retrofit their properties, making them less vulnerable to hurricane damage and helping decrease the cost of residential property and casualty insurance.¹ The program is now called “My Safe Florida Home (“MSFH program”)”² and is administered by the Department of Financial Services (DFS). The intent of the program is to:

- Provide free home inspections for a least 400,000 site-built, single-family, residential properties; and
- Provide grants to as least 35,000 applicants before June 30, 2009.³

To accomplish these goals, the MSFH program processes applications for free home inspections and awards grants to interested homeowners who have received an inspection. The program also helps train and develops a mitigation workforce (inspectors and contractors) and provides education and consumer awareness programs.

Inspections

The MSFH program provides free home-retrofit inspections of site-built, single family, residential properties which are offered throughout the state. These inspections determine what mitigation measures are needed, what insurance premium discounts may be available and what improvements to existing properties are needed to reduce the property’s vulnerability to hurricane damage. The DFS must contract with wind certification entities to provide the hurricane mitigation inspections.

After a home is inspected, inspectors generate a report that summarizes the results and identifies recommended improvements a homeowner may take to mitigate hurricane damage. The report also provides a range of cost estimates regarding recommended mitigation improvements; insurer-specific information regarding premium discounts correlated to the current mitigation features and recommended improvements; and a hurricane-resistance rating scale specifying the home’s current and projected wind resistance.⁴

¹Chapter 2006-12, L.O.F. (CS/CS/SB 1980; s. 215.5586, F.S.) The unused funds appropriated to the program revert back to the state on June 30, 2009.

² The Program began operation on August 15, 2006.

³ These goals were established in legislation enacted in 2007. (Chapter 2007-126, L.O.F.)

⁴ Chapter 2007-1, L.O.F., directed the Financial Services Commission to adopt a uniform home grading scale to grade the ability of a home to withstand the wind load from a sustained severe tropical storm or hurricane. The FSC adopted the home

To qualify for selection by DFS as a wind certification entity that provides hurricane mitigation inspections, the entity must use hurricane mitigation inspectors who have prior experience in residential construction or inspection and have received training in mitigation procedures. These inspectors must have undergone drug testing, criminal background checks and be certified to conduct inspections. As required by rules adopted by DFS, the inspectors must also complete a 6-hour course and pass a 1-hour exam.

As of February 28, 2008, the MSFH program has processed over 202,938 inspection applications; completed over 167,051 free home inspections in 67 counties; and trained, background checked, and drug tested, as of January 31, 2008, approximately 2,116 hurricane mitigation inspectors.

The MSFH program estimates it will complete 187,000 inspections in Fiscal Year 2007-2008 at a cost of \$28 million and it anticipates completing another 179,000 inspections in Fiscal Year 2008-2009 at a cost of \$25 million. Over the life of the program, this will result in 400,000 inspections being completed at a cost of \$61.3 million, with an average cost of \$145 per inspection.

Mitigation Grants

Financial mitigation grants are used to encourage single-family, site-built, owner-occupied, residential property owners to retrofit their properties to make them less vulnerable to hurricane damage. To be eligible for a matching grant of up to \$5,000 for persons who have obtained a completed inspection after May 1, 2007, a residential property must:

- Have a homestead exemption under chapter 196, F.S.;
- Be a dwelling with an insured value of \$300,000 or less; homeowners who are low-income persons, as defined in s. 420.0004(10), F.S., are exempt from this requirement;
- Have undergone a hurricane mitigation inspection;
- Be located in the wind-borne debris region as defined in s. 1609.2, International Building Code (2006);⁵ and
- Be a home for which the building permit application for initial construction was made before March 1, 2002.

Grant applications must contain a signed statement made under penalty of perjury that the applicant has submitted only a single application. Documents which demonstrate compliance with the above criteria must be attached. The MSFH program allows homeowners to select licensed contactors from a list of participating contractors. Mitigation must be based on securing required permits and inspections and must be performed by properly licensed contractors. Hurricane mitigation inspectors qualifying for the MSFH program may also participate as mitigation contractors. Matching fund grants must also be available to local governments and nonprofit entities for mitigation projects.

grading scale and worked in collaboration with the Office of Insurance Regulation, Department of Financial Services and Department of Community Affairs. It was effective on November 1, 2007. (Rule 69O-167.015, Fla. Administrative Code).

⁵ The “wind-borne debris” region is where the Florida Building Code requires new homes to have opening protections (shutters, etc.) and is where sustained winds of 120 mph or greater are likely to occur.

When recommended by a hurricane mitigation inspection, grants may only be used for opening protections; exterior doors, including garage doors and brace gable ends. The DFS may require that improvements be made to all openings, including exterior doors and garage doors, as a condition of approving a grant application if DFS determines that improvements to less than all openings would not improve the structure's ability to withstand hurricane damage. Grants may also be used on previously inspected existing structures or a rebuild home, however, the homeowner must be a low-income homeowner, must have a homestead exemption for that home prior to the hurricane, and must intend to rebuild the home as that homeowner's homestead. Further, low-income homeowners, as defined in s. 420.0004(10), F.S., are eligible for a grant of up to \$5,000 and are not required to provide a matching amount to receive the grant.

The DFS must establish objective, reasonable criteria for prioritizing grant applications and may have hurricane mitigation inspectors collect and verify grant application information to determine grant eligibility. The DFS is also authorized to undertake public outreach and advertising to inform consumers of the benefits of hurricane inspections. Further, the DFS is allowed to contract with third parties for such things as grant management, inspection services, educational outreach and auditing services.

As of February 28, 2008, the MSFH program has received 28,038 completed grant applications and awarded 26,233 grants for hurricane mitigation. In addition, it has signed up 3,321 contractors to perform mitigation under the program. Over the life of the program, MSFH program anticipates it will award a total of 35,000 grants. The total amount of grants awarded is estimated to be \$146 million. It is projected that the total 35,000 grants will be approved by May of 2008, after which no further grant money will be available except for funds approved for grant recipients who do not complete their mitigation construction within the required one-year time limit.

III. Effect of Proposed Changes:

Section 1. Amends s. 215.5586, F.S., relating to hurricane mitigation inspections under the MSFH program. The bill provides that to qualify for selection by the DFS as a wind certification entity to provide hurricane mitigation inspections, an entity must use hurricane mitigation inspectors who are:

- Certified as building inspectors under s. 468.607, F.S.⁶;
- Licensed as a general or residential contractor under s. 489.111, F.S.⁷;
- Licensed as a professional engineer under s. 471.015, F.S.⁸ and who have passed the appropriate equivalency test of the Building Code Training Program required by s. 553.841, F.S.,
- Licensed as a professional architect under s. 481.213, F.S.⁹ or,

⁶ The Florida Building Code Administrators and Inspectors Board certifies building inspectors after such individuals have completed requisite classroom work and met other eligibility requirements under Part XII of ch. 468, F.S.

⁷ General and residential contractors are required to have extensive experience and meet specified education and other requirements prior to licensure by the Department of Business and Professional Regulation.

⁸ The Florida Engineers Management Corp. issues licenses to individuals who the Board of Professional Engineers certifies as qualified to practice engineering and who have passed fundamentals examination and the principles and practice examination. The Board certifies for licensure individuals who satisfy examination and education requirements or hold valid engineering licenses issued by other states, subject to specified criteria.