

# Fla. Coverage Bill Could Add Pressure To Struggling Condos

By **Eli Flesch**

Law360 (March 6, 2025, 4:43 PM EST) -- A Florida bill that would require condominium associations to comply with building safety laws or risk their last-resort insurance option is well-intentioned, but could result in a slew of negative consequences for condo owners, insurance experts say.



Florida enacted a series of building safety laws and regulations following the deadly collapse of a condo building in Surfside, Florida, in 2021. Those laws mandate milestone inspections of condominiums for structural defects at least every 10 years. (iStock.com/ablokhin)

The bill, H.B. 913, is designed to ensure that Florida condos are adhering to requirements for periodic building safety and structural integrity inspections. Introduced by Rep. Vicki L. Lopez, R-Miami, the legislation would prevent Citizens Property Insurance Corp. from issuing or renewing policies for associations or unit owners unless the association complies with the inspection requirements, according to the bill.

That would lead to a ripple effect of problems, said David B. Haber, founder and managing partner of the Miami-based Haber Law. If a condominium is uninsurable, he said, that could put condo board members in breach of their fiduciary duties to maintain coverage, which could then put the board members at risk of being sued, he said.

"Are people going to sit on a board if they can't get insurance? Or are they going to resign immediately,

and you won't have a board?" he asked. "I could tell you I wouldn't sit on a board if there was no insurance. There's too much personal risk of liability."

Without Citizens coverage, Haber said, condo associations would be forced into a private market that might only offer extremely high cost coverage options, if any at all. And it's likely that such condos could be in poor condition if they're booted off Citizens under the bill, meaning there would be even less appetite to insure those properties.

Losing coverage would also make obtaining a mortgage impossible, Haber said. Moreover, the value of a property could decline on account of insurability issues.

"Once you are removed from the insurer of last resort in Florida, you're subject to the unregulated whimsy of nonstandard carriers," said Stephen A. Marino Jr., a policyholder attorney and Miami-based managing partner of Ver Ploeg & Marino PA.

Admitted carriers are subject to regulations in Florida, but nonadmitted carriers underwrite risks that traditional carriers might not, and are not subject to the same kind of oversight as admitted insurers. A carrier that decides to insure a property kicked off Citizens would likely be comfortable charging a very high premium, Marino said.

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Matthew B. Weaver, a Miami-based policyholder attorney with Reed Smith LLP, told Law360 that the bill could add more pressure to condo associations that have been dealing with a difficult insurance market even before the Surfside towers disaster.

A bill like H.B. 913, he said, would take away a key safety valve in Citizens.

"The laws that have been passed since Surfside are important in terms of safety and making sure that associations are doing what's needed to maintain their properties, and keep up to current building codes," said Weaver, who represents condo associations in Florida. "But you would hope at least, there was a different way to promote that goal rather than making a bad situation in the insurance market potentially worse."

Madelyn Rodriguez, a policyholder attorney with the Florida-based firm Clausen Choquette PLLC, said the bill added another leverage point on condos to comply with inspection requirement laws. The risk of failing to meet those requirements would be much more immediate if condos are faced with losing their insurance, she said.

Rodriguez also said there was some leeway in the building inspection laws as to when the reports were required, and local agencies were largely delegated the power to enforce those laws. While that enforcement burden might not change under the bill, she said, it would still put more of a burden on condo associations to comply with the laws.

"If Citizens is breathing down your neck and saying you're not going to get coverage, it might light a fire under the condo association a little more strongly than a local agency might," Rodriguez said.

Citizens provides coverage to over 18,000 condominiums, most of which are located in southeast Florida, according to the corporation. While condos are popular in Florida among retirees with fixed incomes, growing ownership costs have made repairs difficult to make, experts say. But delaying those fixes can just add to costly insurance issues.

Lopez's office didn't immediately respond to a request for comment on the bill.

As coverage in Florida has become increasingly unavailable or expensive in recent years, more property owners have turned to Citizens for their coverage.

Efforts to try to depopulate the program — which would be backstopped by policyholders in the event of a major loss — include a method to send Citizens policies to private insurers. If those insurers offer a premium no more than 20% of a Citizens policy, a policyholder can no longer keep their last-resort coverage.

-- Editing by Leah Bennett.

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